Company number: 06925128

FxPro UK Limited
Annual Report and Financial Statements
Year ended 31 December 2020

FxPro UK Limited

Annual Report and Financial Statements
31 December 2020

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FxPro UK Limited

Board of Directors and other officers

Board of Directors

Charalambos Psimolophitis
Avril Millar
Marios Demetriades
Justin Noel Roland Megawarne

Registered office

13-14 Basinghall Street
EC2V 5BQ
London
UK

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT
UK

FxPro UK Limited

Strategic report

The directors present their strategic report on FxPro UK Limited (the "Company") for the year ended 31 December 2020.

Principal activities

The Company is an online financial services provider regulated by the Financial Conduct Authority ('FCA') and acts as the principal and market maker to its customers in Contracts for Difference ("CFDs") and financial spread betting on currency pairs, futures on indices, commodities and energy, as well as spot indices, shares and metals. The revenue of the Company derives from commission income received from the affiliated entity FxPro Financial Services Limited and it is recognised by reference to the total trading volume from all the Company's clients.

Review of developments, position and performance of the Company's business

The revenue of the Company, for the year ended 31 December 2020 was £1,723,281 (2019: £1,548,629). The net profit of the Company for the year was £466,597 (2019: net loss £221,724). On 31 December 2020, the total assets of the Company were £6,267,450 (2019: £5,106,657) and its net assets increased to £4,568,467 (2019: net assets £4,101,870) as a result of the profit generated during the year. Cash and cash equivalents also increased to £4,275,428 in 2020 (2019: £3,696,539).

The Company's Key Performance Indicators ("KPIs"), with which management monitors the business and its performance are the volume traded and profitability. Notional volume traded for 2020 reached US$64 billion, compared to US$55 billion in the previous year. As a result of the above, revenue increased by 11% in 2020. On the other hand, total expenses decreased by 21%. In addition, Covid-19 did not negatively affect the Company's operations and results for the year 2020. Specifically, the outbreak resulted in significant market fluctuation and increased trading volume.

Principal risks and uncertainties

The Company's activities, as outlined above, expose it to a variety of financial, operational and systems, compliance, litigation and reputation risks. Each principal risk and how this is assessed and managed is outlined below with the exception of the financial risks and uncertainties which are outlined in Note 5 of the financial statements. Financial risk management and disclosures are also disclosed in Note 5 of the financial statements. The Company's capital requirements are calculated in accordance with the FCA regulations. The capital of the Company is monitored regularly in light of any potential changes within the business.

Operational and systems risk is the risk that derives from possible deficiencies relating to the Company's information technology and systems' control, as well as the risks of human error and natural disasters. The Company's systems are evaluated, maintained and upgraded continuously. Separation of power and authority regarding vital functions of the Company exists and the Board reviews any decisions made by management and monitors their activities.

Principal risks and uncertainties (continued)

The Company's operations are also closely dependent on information technology and any damage or failure of the systems would place the Company at significant risk. The Company has recovery programmes and backup systems in place in order to be able to carry on its core operations. The Company also mitigates any risk from failure of third party providers such as data suppliers, market information, telephone and internet access by ensuring it has multiple providers for each service. The Company also pro-actively improves and renews systems in order to ensure no failures or damages occur.

Compliance risk is the risk of financial loss, including fines and other penalties, which may arise from non-compliance with laws and regulations. The Company is authorised and regulated by the FCA. Any changes in the regulatory framework and directives relating to the Company's services and operations could expose the Company to considerable risk. This risk is limited to a significant extent due to the supervision applied by the Compliance function, the use of external compliance and regulatory advisors, as well as by the monitoring controls applied by the Company.

Litigation risk is the risk of financial loss, interruption of the Company's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is mitigated through the contracts used by the Company to execute its operations. The Company obtains continuous legal advice on the preparation of its legal documents.

Reputation risk is the risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether justified or unjustified) that may result in a reduction of its clientele, reduction in revenue and legal claims against the Company. The risk is mitigated by effectively managing information technology, compliance and regulatory risks.

A comprehensive business contingency and disaster recovery plan has been prepared with recovery procedures and actions to be followed in the case of damage to any vital part of the Company's structure.

Brexit

The UK left the European Union ('EU') on 31 January 2020 and the transitional period was concluded on 31 December 2020. This uncertainty will likely impact all UK businesses and those that do business with or invest in the UK. The management of the Company does not believe that the UK's exit from the European Union ("EU") will affect its ability to operate going forward. Following the departure of the UK from the EU, the Company will no longer provide service to clients in the EEA. Management closely monitors the impact that Brexit has on its operations and acts accordingly to mitigate any impact on client acquisition and revenue generation.

Section 172 statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the Company.

The Directors of the Company acknowledge their duty to promote the success of the company for the benefit of shareholders as a whole, having regard to a number of broader matters including the likely consequences of decisions for the long term, the need to act fairly between members of the company, and the company's wider relationships including the regulator, the financial institutions it cooperates with. This is to ensure that any engagement with the Company's stakeholders is considered effective and will contribute in a sustainable way to the Company's long-term strategy. The means of communication to the stakeholders include but are not limited to regular meetings, communication and disclosures through the official website of the Company. The Board is always alert in identifying and resolving any issues that might arise with customers, employees or any other stakeholder and receives regular updates from management to ensure that these issues will not negatively impact the Company.

COVID-19

Late in 2019 news first emerged from China about the COVID-19 (Coronavirus). In the first few months of 2020 the virus had spread globally, and its negative impact had gained momentum. The spread of COVID-19 resulted in significant volatility across all asset classes in 2020, resulting in increased trading activity from new and existing clients. The future impact of the virus on the Company is not expected to be significant given the online nature of the Company's business and the Company's experience to date, where revenues have increased. The Company implemented a number of measures to respond to the operational challenges caused by the virus and continues to monitor the situation and governmental advice closely.

On behalf of the Board

Charalambos Psimolophitis (Apr 6, 2021 13:52 GMT+3)

Charalambos Psimolophitis
Director

London, 6 April 2021

FxPro UK Limited

Directors' Report

The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2020.

General Information

FxPro UK Limited (the "Company") is incorporated and domiciled in the UK as a private company with limited liability under the UK Company Law. Its registered office is at 13-14 Basinghall Street, EC2V 5BQ, London. The Company is directly controlled by FxPro Group Limited, registered in Guernsey, which owns 100% of the Company's shares and is controlled by a number of individuals, none of whom has a controlling interest. The Company operates under the license no. 509956 granted by the UK Financial Services Authority ("FSA" now Financial Conduct Authority or "FCA").

Branches

The Company did not operate through any branches during the year ended 31 December 2020.

Future developments of the Company

The Board of Directors does not expect any significant changes or developments in the operations and financial position of the Company in the foreseeable future other than Brexit and Covid-19 which are discussed elsewhere (Note 1 and Strategic Report).

Results and dividends

The Company's results for the year ended 31 December 2020 are shown on page 11. During 2020, the Company did not declare any dividends to its sole shareholder.

Capital management

The Company is required by the FCA to prepare an Internal Capital Adequacy Assessment Programme ("ICAAP").

As at the statement of financial position date the Company's regulatory capital resources were £4,568,467 (2019: £4,101,870) which comprise solely of issued share capital and retained earnings. The Company held adequate capital resources and did not breach any regulatory capital requirements during the year.

Remuneration policy

The Company employed 6 employees at the end of 2020 (2019: 6 employees).

The principles of the Company's remuneration policy adhere to the FCA's Remuneration Code which was introduced with effect from 1 January 2011. The Company's policy is to ensure that executive rewards are linked to performance, to provide an incentive to achieve the key business aims and deliver an appropriate link between reward and performance whilst ensuring base salary levels are not set at an artificially low level. The Company operates a discretionary bonus policy correlated, amongst others, to the annual profitability of the Company.

Directors' Report (continued)

Share capital

The Company has 1,400,000 ordinary shares in issue as at 31 December 2020. No change in the authorised or issued share capital of the Company took place during the year ended 31 December 2020.

Board of Directors

The members of the Board of Directors who were in office during the year 2020 and at the date of this report are shown on page 1.

In accordance with the Company's Articles of Association, none of the Directors retire at the next Annual General Meeting.

Events after the statement of financial position date

There were no post statement of financial position events that require adjustments or disclosure in these financial statements other than those noted in Note 22.

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company Law requires the directors to prepare financial statements for each financial year. Under that Law the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under Company Law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

FxPro UK Limited

Directors' Report (continued)

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The Independent Auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

Charalambos Psimolophitis (Apr 6, 2021 13:52 GMT+3)

Charalambos Psimolophitis
Director

London, 6 April 2021

Independent auditors' report to the members of FxPro UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, FxPro UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and the Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Financial Conduct Authority's Handbook and corporation tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recording of journals. Audit procedures performed included:

- Enquiries of management in relation to known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and, where relevant, testing journal entries;
- Review of correspondence with regulators in so far as it was related to the financial statements; and
- Incorporated unpredictability into the nature, timing and/or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Craig McSherry

Craig McSherry (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6 April 2021

FxPro UK Limited

Statement of Comprehensive Income for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Revenue	7	**1,723,281**	1,548,629
Other income	20(v)	**146,470**	124,293
Total income		**1,869,751**	1,672,922
Administrative expenses	8	**(1,182,404)**	(1,275,095)
Selling and marketing expenses	8	**(210,194)**	(493,162)
Other gains/(losses) - net	9	**27,585**	(105,144)
Operating profit/(loss)		**504,738**	(200,479)
Finance costs on lease liabilities	13	**(16,971)**	(21,245)
Profit/(loss) before income tax		**487,767**	(221,724)
Income tax expense	11	**(21,170)**	-
Profit/(loss) after tax and total comprehensive income/(loss) for the year		**466,597**	(221,724)

The notes on pages 15 to 46 are an integral part of these financial statements.

FxPro UK Limited

Statement of Financial Position
at 31 December 2020

	Note	2020 £	2019 £
Assets			
Non-current assets			
Plant and equipment	12	**2,300**	10,417
Right-of-use asset	13	**676,690**	902,953
Total non-current assets		**678,990**	913,370
Current assets			
Prepayments	15	**119,494**	139,809
Financial assets at amortised cost	14	**1,155,469**	356,939
Financial assets at fair value through profit or loss	14	**38,069**	-
Cash and cash equivalents	17	**4,275,428**	3,696,539
Total current assets		**5,588,460**	4,193,287
Total assets		**6,267,450**	5,106,657
Equity and liabilities			
Capital and reserves			
Share capital	18	**1,400,000**	1,400,000
Retained earnings		**3,168,467**	2,701,870
Total equity		**4,568,467**	4,101,870
Non-current liabilities			
Lease liabilities	13	**478,258**	626,344
Total non-current liabilities		**478,258**	626,344
Current liabilities			
Trade and other payables	19	**1,076,696**	151,003
Current income tax liabilities		**5,170**	1,894
Lease liabilities	13	**138,859**	225,546
Total current liabilities		**1,220,725**	378,443
Total liabilities		**1,698,983**	1,004,787
Total equity and liabilities		**6,267,450**	5,106,657

The financial statements of FxPro UK Limited (Company Number: 06925128) on pages 11 to 46 were approved by the Board of Directors on 6 April 2021 and signed on its behalf by:

Charalambos Psimolophitis (Apr 6, 2021 13:52 GMT+3)

Charalambos Psimolophitis
Director

The notes on pages 15 to 46 are an integral part of these financial statements.

FxPro UK Limited

Statement of Changes in Equity for the year ended 31 December 2020

	Share capital £	Retained Earnings £	Total £
Balance at 1 January 2019	1,400,000	2,923,594	4,323,594
Comprehensive loss			
Loss and total comprehensive loss for the year	-	(221,724)	(221,724)
Balance at 31 December 2019/ 1 January 2020	**1,400,000**	**2,701,870**	**4,101,870**
Comprehensive income			
Profit and total comprehensive income for the year	-	466,597	466,597
Balance at 31 December 2020	**1,400,000**	**3,168,467**	**4,568,467**

The notes on pages 15 to 46 are an integral part of these financial statements.

FxPro UK Limited

Statement of Cash Flows
for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Cash flows from operating activities			
Profit/(loss) before income tax		**487,767**	(221,724)
Adjustments for:			
Depreciation of plant and equipment	12	**8,117**	33,770
Depreciation of right-of-use asset	13	**214,691**	174,099
Finance cost on lease liabilities	13	**16,971**	21,245
		727,546	7,390
Changes in working capital:			
Prepayments		**20,316**	36,453
Financial assets at amortised cost		**(798,530)**	(311,111)
Financial assets at fair value through profit or loss		**(38,069)**	-
Trade and other payables		**925,693**	(303,814)
Cash generated from/(used in) operations		**836,956**	(571,082)
Income tax paid		**(17,893)**	(91,896)
Net cash generated from/(used in) operating activities		**819,063**	(662,978)
Cash flows from financing activities			
Principal elements of lease payments	13	**(223,203)**	(225,162)
Interest portion of lease payments	13	**(16,971)**	(21,245)
Net cash used in financing activities		**(240,174)**	(246,407)
Net increase/(decrease) in cash and cash equivalents		**578,889**	(909,385)
Cash and cash equivalents at beginning of year		**3,696,539**	4,605,924
Cash and cash equivalents at end of year	17	**4,275,428**	3,696,539

The notes on pages 15 to 46 are an integral part of these financial statements.

FxPro UK Limited

Notes to the financial statements

1 General information

Country of incorporation

FxPro UK Limited (the "Company") is incorporated and domiciled in the UK as a private company limited by shares with limited liability under the UK Company Law. Its registered office is at 13-14 Basinghall Street, EC2V 5BQ, London, UK.

Principal activities

The Company is an online financial services provider and acts as the principal and market maker to its customers in Contracts for Difference ("CFDs") and financial spread betting on currency pairs, futures on indices, commodities and energy, as well as spot indices, shares and metals. The revenue of the Company derives from commission income received from FxPro Financial Services Limited and it is recognised by reference to the total trading volume.

The Company operates under the license no. 509956 granted by the UK Financial Services Authority (now "Financial Conduct Authority"). The Company's license is to hold and control client money and to act as principal on clients' trades as a matched principal broker.

Brexit

In June 2016, the people of the United Kingdom ('UK') voted for an exit from the European Union ('EU'). Since then there has been a period of negotiation and resulting uncertainty as the detailed political and legal issues have been working out and the real impact of leaving unfolds. The political situation in the UK has also been changing in response to the outcome of the referendum and continuing negotiations with the EU. Eventually, the UK has left the European Union ('EU') on 31 January 2020. There was a transitional period, until 31 December 2020, during which the UK was no longer a member of the EU but was still subject to EU rules and remained a member of the Customs Union. During the transition period, the UK and EU negotiated the rules to be applied to the future trading and other relationships.

This uncertainty will likely impact all UK businesses and those that do business with or invest in the UK. Following the departure of the UK from the EU, the Company will no longer provide service to clients in the EEA. Management closely monitors the impact that Brexit has on its operations and acts accordingly to mitigate any impact on client acquisition and revenue generation.

Operating environment of the Company

The UK economy has been adversely affected by the outbreak of the new coronavirus (COVID-19). On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a global pandemic recognising its rapid spread across the globe. The impact of COVID-19 pandemic has resulted in government support programmes and regulatory interventions to support businesses and people. The COVID-19 pandemic has changed the way that companies operate their businesses, with one of the most substantial impacts being the transition to remote working.

These measures have, among other things, severely restricted economic activity both in the UK and globally and they have negatively impacted, and could continue to negatively impact, businesses, market participants as well as the UK and global economies as they persist for an unknown period of time.

1 General information (continued)

Operating environment of the Company (continued)

As a result of the various measures imposed by the government, the Company's employees were working from home and all the Company's interactions were undertaken virtually. Management has taken and continues to take necessary measures to ensure minimum disruption to and sustainability of the Company's operations and support the Company's employees and customers. However, the unprecedented economic conditions have not significantly affected the Company's ability to generate revenue as the significant market fluctuations resulted in new customers and increased trading activity.

The future effects of the COVID-19 pandemic and of the above measures on the UK economy, and consequently on the future financial performance, cash flows and financial position of the Company, are difficult to predict and management's current expectations and estimates could differ from actual results. The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current economic environment.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below in Note 3. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a going-concern basis under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value, and by revaluation of derivative financial instruments at fair value through profit or loss and financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's activities as described below.

Revenue earned by the Company is recognised on the following bases:

(i) Trading revenue

Trading revenue arises from the provision of online financial services in the ordinary course of the Company's activities- clients' trading in CFDs and financial spread betting- whereby the Company acts as the counterparty to the trades undertaken by its clients, and from the transactions undertaken to hedge the risks associated with client trading.

Trading revenue includes gains and losses on trading in these financial instruments as well as swap interest income and commission charged on CFDs and financial spread betting. Open client positions and hedging positions are measured at fair market value. Gains and losses arising on this valuation as well as gains and losses realised on closed positions are recognised in revenue.

The Company acts as a matched principal broker to its clients' trades. All trades between the Company and its clients are hedged by entering into off-set trades between the Company and FxPro Financial Services Limited (entity under common control).

(ii) Commission income

The Company receives commission income, on a monthly basis, from FxPro Financial Services Limited based on the total trading volume of all its clients' trading activity. Revenue based on commission income is recognised at a point in time when the Company satisfies its performance obligations.

(iii) Income from inactive accounts

Income from inactive accounts consists of charges to clients for inactive accounts as per the terms described in the client agreement.

3 Summary of significant accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Pound Sterling (£), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within "other gains/(losses) – net".

Current income tax

The tax expense for the year comprises current tax only. The current income tax is based on the taxable profit for the year and is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the UK which is the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

3 Summary of significant accounting policies (continued)

Plant and equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributed to the acquisition of plant and equipment. Depreciation on plant and equipment is calculated using the straight-line method.

The annual depreciation rates are as follows:

	2020 %	2019 %
Office equipment	**20**	20
Furniture & Fittings	**20**	20
Computer hardware	**33**	33
Motor Vehicles	**33**	33

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and are recognised in "other gains/(losses)-net" in the statement of comprehensive income.

Expenditure for repairs and maintenance of plant and equipment is charged to the statement of comprehensive income of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Leases

The Company is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company, with limited exceptions as set out below.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

3 Summary of significant accounting policies (continued)

Leases (continued)

The Company is the lessee (continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date less any lease incentives received.

Any remeasurement of the lease liability arising if the cash flows change based on the original terms and conditions of the lease results in a corresponding adjustment to the right-of-use asset. The adjustment can be positive or negative.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In determining the lease term, management of the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

Right-of-use assets are reviewed for impairment in accordance with the Company's accounting policy for impairment of non-financial assets.

As an exception to the above, payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Right-of-use assets and associated lease liabilities are presented as separate lines on the face of the statement of financial position.

3 Summary of significant accounting policies (continued)

Leases (continued)

The Company is the lessor

Operating lease

Where the Company is a lessor in a lease which does not transfer substantially all the risks and rewards incidental to ownership to the lessee (i.e. operating lease), rental income is recognised as 'other income' on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets – Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (FVTPL)), and
- those to be measured at amortised cost (AC).

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI, at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

Financial assets - Recognition and de-recognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument.

3 Summary of significant accounting policies (continued)

Financial assets - Recognition and de-recognition (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Debt instruments

The subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classified its debt instruments as follows:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses)-net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement. The Company's financial assets measured at amortised cost comprise: cash and cash equivalents, receivables from related parties, trade receivables, amounts receivable from clients, margin accounts with brokers and other receivables.

Equity instruments

The Company subsequently measures all equity investments at FVTPL. Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)-net" in the statement of comprehensive income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

3 Summary of significant accounting policies (continued)

Financial assets – impairment – credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments measured at AC. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. Subsequent recoveries of amounts for which loss allowance was previously recognized are credited against the same line item.

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial assets that are subject to impairment under IFRS 9, the Company applies the general approach – three stage model for impairment. The Company applies the three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 5, Credit risk section for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in Note 5, Credit risk section.

Financial assets – Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets – Write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

3 Summary of significant accounting policies (continued)

Classification as cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as trade receivables

Trade receivables are recognised initially at fair value.

The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 5 Credit risk section. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Dividend income

Dividends are received from financial assets measured at FVTPL . Dividends are recognised within fair value changes in the statement of comprehensive income.

Financial liabilities – measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for financial liabilities at FVTPL: this classification is applied to derivatives.

3 Summary of significant accounting policies (continued)

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments

Derivative financial instruments which include CFDs on foreign currency pairs, gold, stocks, indices and commodities, are initially recognised in the statement of financial position at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

Share capital

Ordinary shares are classified as equity.

3 Summary of significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Fiduciary activities

In order to render investment services to clients, the Company holds money on behalf of clients in a fiduciary activity and in accordance with the Client Asset ("CASS") Rules of the Financial Conduct Authority. The cash is kept in segregated bank accounts in the Company's name on behalf of its clients and these accounts are held by the Company in a fiduciary capacity and are not included as part of the Company's assets and liabilities in financial statements.

4 New accounting procurements

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

5 Financial risk management

The ultimate responsibility for financial risk management resides with the Board of Directors. The Board sets the tone for a risk aware culture and formulates its strategy and risk appetite. Additionally, the Board ensures that the risk structure is appropriate for the Company's profile and size. The internal governance structure plays a significant role in the success of the risk management effort as it can promote accountability and transparency. It also defines the reporting lines and information flow within the Company. The primary objective of the Board of Directors is to oversee the overall management of all risks including market risk, credit risk and liquidity risk. It also has the responsibility to review and recommend the risk management policies and ensure infrastructure, resources and systems are in place for proper risk management.

5 Financial risk management (continued)

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest and cash flow interest rate risk and price risk), credit risk and liquidity risk.

- **Market risk**

Foreign exchange risk

Foreign exchange risk, which arises primarily with respect to the Euro and US dollar, derives from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

As at 31 December 2020, if the Euro had weakened/strengthened by 12% (2019: 11%) against to the Pound Sterling with all other variables held constant, post-tax profit for the year would have been £207,815 higher/ lower (2019: £123,402 (loss, higher/lower)) mainly as a result of foreign exchange gains/losses on translation of Euro denominated balances.

As at 31 December 2020, if the US dollar had weakened/strengthened by 2% (2019: 5%) against to the Pound Sterling with all other variables held constant, post-tax profit for the year would have been £16,997 higher/ lower (2019: £54,490 (loss, higher/lower)) mainly as a result of foreign exchange gains/losses on translation of US dollar denominated balances.

As at 31 December 2020, if the Australian Dollar had weakened/strengthened by 4% (2019: 5%) against to the Pound Sterling with all other variables held constant, post-tax profit for the year would have been £2,498 higher/ lower (2019: £2,720 (loss, higher/lower)) mainly as a result of foreign exchange gains/losses on translation of AUD denominated balances.

As at 31 December 2020, if the Polish Zloty had weakened/strengthened by 2% (2019: 8%) against to the Pound Sterling with all other variables held constant, post-tax profit for the year would have been £1,983 higher/ lower (2019: £5,893 (loss, higher/lower)) mainly as a result of foreign exchange gains/losses on translation of PLN denominated balances.

As at 31 December 2020, if the Swiss Franc had weakened/strengthened by 8% (2019: 5%) against to the Pound Sterling with all other variables held constant, post-tax profit for the year would have been £15,908 higher/ lower (2019: £8,997 (loss, higher/lower)) mainly as a result of foreign exchange gains/losses on translation of CHF denominated balances.

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Price risk

This is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices other than due to currency or interest rate risk.

The Company acts as a matched principal broker with its clients, hence is not exposed to any related price risk as each transaction with its clients is fully hedged by off-set trades between the Company and FxPro Financial Services Limited (entity under common control).

The Company is also exposed to equity securities price risk because of investments held by the Company and classified on the statement of financial position as FVTPL (listed). The Company is not exposed to commodity price risk.

5 Financial risk management (continued)

(i) Financial risk factors

- **Market risk (continued)**

Price risk (continued)

Post-tax profit for the year would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. For details on which stock exchanges the equity securities are listed refer to Note 5 (iii).

Sensitivity

The table below summarises the impact on the Company's post-tax profit for the year assuming that the prices of the securities held by the Company increased/decreased by 10% with all other variables held constant:

	Impact on post-tax profit in £	
	2020	2019
Year-end market value:		
Equity securities held for trading (Note 14)	**3,806**	-

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company's Board of Directors.

- **Cash flow and fair value interest rate risk**

Cash flow interest rate risk arises from interest bearing assets held at variable interest rates and from interest charged on the derivative financial instruments that remain open overnight.

Interest charged on the derivative financial instruments (both assets and liabilities) that remain open overnight does not expose the Company to cash flow interest rate risk as each client's trade is fully hedged by off-set trades between the Company and FxPro Financial Services Limited (entity under common control).

Fair value interest rate risk arises from financial assets and liabilities held at fixed interest rates. No sensitivity analysis is presented for interest rate risk as the impact of reasonably possible market movements on the Company's post-tax profit (2019: loss) are not significant to the Company's financial performance and position.

- **Credit risk**

Credit risk is the risk of loss that the Company would incur if the counterparty in a transaction failed to perform its contractual obligations.

Credit risk arises from cash and cash equivalents, receivables from related parties, amounts receivable from clients, trade receivables, other receivables, margin accounts with brokers and favourable derivative financial instruments.

5 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(i) Risk management

For banks and financial institutions, only parties whom management has internally assessed as financially healthy and stable are accepted. The Company only uses banks with an investment grade rating. If there is no independent rating, management assesses the credit quality of the counterparty, taking into account its financial position, past experience and other factors. Transactions with customers are settled using major credit cards and banks or financial institutions specialising in online transferring of funds and transactions.

The credit risk in respect of customers arises from a customer's trading position going into deficit through incurring a loss in excess of the required margin deposit. Since the Company will not demand these amounts from its customers, due to the negative balance protection policy it has in place, it will absorb all unexpected losses over and above the clients' deposited funds. In addition to clients' stop loss limits capabilities, the Company uses various tools and automations to reduce its exposure to this credit risk, including automatic stop outs well before margin levels are eliminated to prevent any open position going into deficit and protect the clients by minimising their losses and dynamic leverage which increases the margin required as open positions exposure increases.

The carrying amount of financial assets represents the maximum credit exposure without taking into account any balances held as required margin for open trading positions in CFDs. Such assets are held by the Company in a fiduciary capacity (Note 21).

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- Receivables from related parties, amounts receivable from clients, trade receivables, margin accounts with brokers and other receivables; and
- Cash and cash equivalents.

(a) Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

For the write off policy refer to Note 3.

(b) Financial assets at amortised cost

For the impairment policy for all other financial assets that are subject to impairment under IFRS 9, refer to Note 3.

5 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Significant increase in credit risk. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the counterparty
- significant increases in credit risk on other financial instruments of the same counterparty
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Default. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off. For the write-off policy refer to Note 3.

The Company uses the following categories which reflect the credit risk and how the provision is determined for each of these categories. For counterparties which are externally rated, the Company uses external credit ratings.

5 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties where credit risk is in line with original expectations	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due e or it becomes probable a customer will enter bankruptcy	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

The following tables contain an analysis of the credit risk exposure of each class of financial instruments for which an impairment assessment is performed. The gross carrying amounts below also represent the Company's maximum exposure to credit risk on these assets as at 31 December 2020 and 31 December 2019.

Amounts receivable from clients

Company external credit rating	2020 £	2019 £
A1 (Moody's)	**63,364**	31,741

Amounts receivable from clients carry the credit risk of the banks that clients' cash is deposited and held by the Company in a fiduciary capacity, as these relate to profits from clients' trading in CFDs which as of the statement of financial position date the Company had not yet transferred from the clients' bank accounts. Amounts receivable from clients are transferred on a daily basis. Concentrations of credit risk with respect to receivables are limited due to the Company's policy to restrict any losses that a client can suffer from CFDs to the cash margin held for each client by the Company under fiduciary agreements. Due to this factor, management believes that no credit risk for collection losses is inherent in the Company's receivables from clients. The expected credit loss attached to these receivables is that of the client's designated banks and is estimated as immaterial.

5 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Receivables from related parties

Company internal credit rating	2020 £	2019 £
Performing	230,543	317,582

The Company assessed the ECL for these balances and the identified impairment loss was immaterial.

The Company does not hold any collateral as security for any receivables from related parties.

Margin accounts with brokers

Company external credit rating	2020 £	2019 £
BBB+ (Standard & Poor's)	856,682	-

The Company assessed the ECL for these balances and the identified impairment loss was immaterial.

The Company does not hold any collateral as security for any margin accounts with brokers.

Other receivables

Company internal credit rating	2020 £	2019 £
Performing	4,880	7,616

The Company assessed the ECL for these balances and the identified impairment loss was immaterial.

The Company does not hold any collateral as security for any other receivables.

5 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(ii) Impairment of financial assets (continued)

Cash and cash equivalents

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Company external credit rating (Moody's)	2020 £	2019 £
AAA — A (Moody's)	4,275,428	3,696,539

The Company assessed the ECL for these balances and the identified impairment loss was immaterial.

The Company does not hold any collateral as security for any cash and cash equivalents.

All bank balances were performing (Stage 1) as at 31 December 2020 and 31 December 2019.

No significant changes to estimation techniques or assumptions were made during the reporting period.

5 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Liquidity risk**

The finance department monitors rolling forecasts of the Company's liquidity requirements based on expected cash flows in order to ensure it has sufficient cash to meet its operational needs, under both normal circumstances and stressed conditions.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year £	Between 1 and 2 years £	Between 2 and 5 years £	Total £
31 December 2020				
Trade and other payables (Note 19)	1,076,696	-	-	1,076,696
Lease liabilities	158,139	492,814	-	650,953
	1,234,835	492,814	-	1,727,649

	Less than 1 year £	Between 1 and 2 years £	Between 2 and 5 years £	Total £
31 December 2019				
Trade and other payables (Note 19)	151,003	-	-	151,003
Lease liabilities	246,407	164,271	492,814	903,492
	397,410	164,271	492,814	1,054,495

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to meet obligations as they fall due. Management maintains flexibility in funding by maintaining availability of cash and cash equivalent reserves.

(ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's capital requirements are calculated in accordance with the FCA regulations. The capital of the Company is monitored regularly in light of any potential changes within the business. The Company is required by the FCA to prepare an Internal Capital Adequacy Assessment Programme ("ICAAP"). As at the statement of financial position date the Company's regulatory capital resources were £4,568,467 (2019: £4,101,870) which comprise solely of issued share capital and retained earnings. The Company held adequate capital resources and did not breach any regulatory capital requirements during the year.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company considers equity as shown on the face of the statement of financial position as capital.

5 Financial risk management (continued)

(iii) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value:

At 31 December 2020	**Level 1**	**Level 2**	**Total balance**
	£	**£**	**£**
Assets			
Listed equity securities (Note 14)	**38,069**	**-**	**38,069**
Derivative financial instruments (Note 5 (iv))	**-**	**3,194,709**	**3,194,709**
Liabilities			
Derivative financial instruments (Note 5 (iv))	**-**	**341,465**	**341,465**

At 31 December 2019	**Level 1**	**Level 2**	**Total balance**
	£	**£**	**£**
Assets			
Derivative financial instruments (Note 5 (iv))	-	2,000,204	2,000,204
Liabilities			
Derivative financial instruments (Note 5 (iv))	-	713,650	713,650

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise listed equity instruments. Those investments are classified as financial assets at fair value through profit or loss.

The Company has no investments classified as level 3.

There were no transfers between Levels 1 and 2 during the year.

The carrying value of all financial assets and financial liabilities not carried at fair value, are assumed to approximate their fair values.

5 Financial risk management (continued)

(iv) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The following tables present the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements, as at 31 December 2020 and 31 December 2019. The column 'net amount 'shows the impact on the Company's statement of financial position if all set-off rights were exercised.

31 December 2020	Gross amounts before offsetting in the statement of financial position (a)	Gross amounts set off in the statement of financial position (b)	Net amount after offsetting in the statement of financial position (c) = (a) - (b)
	£	£	£
ASSETS			
Derivative financial asset	3,194,709	3,194,709	-
TOTAL ASSETS SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT	**3,194,709**	**3,194,709**	**-**
	£	£	£
LIABILITIES			
Derivative financial liability	341,465	341,465	-
Advances of net unrealised revenue	2,853,244	2,853,244	-
TOTAL LIABILITIES SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT	**3,194,709**	**3,194,709**	**-**

31 December 2019	Gross amounts before offsetting in the statement of financial position (a)	Gross amounts set off in the statement of financial position (b)	Net amount after offsetting in the statement of financial position (c) = (a) - (b)
	£	£	£
ASSETS			
Derivative financial asset	2,000,204	2,000,204	-
TOTAL ASSETS SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT	**2,000,204**	**2,000,204**	**-**
	£	£	£
LIABILITIES			
Derivative financial liability	713,650	713,650	-
Advances of net unrealised revenue	1,286,554	1,286,554	-
TOTAL LIABILITIES SUBJECT TO OFFSETTING, MASTER NETTING AND SIMILAR ARRANGEMENT	**2,000,204**	**2,000,204**	**-**

(1) Advances of net unrealised revenue relate to net unrealised revenue arising from the open positions with clients that the Company has withdrawn from client funds and recognised as a payable measured at amortised cost.

5 Financial risk management (continued)

(iv) Offsetting financial assets and liabilities (continued)

The amount set off in the statement of financial position reported in column (b) is the lower of (i) the gross amount before offsetting reported in column (a) and (ii) the amount of the related instrument that is eligible for offsetting.

The Company has a service level agreement with FxPro Financial Services Limited according to which all trades between the Company and its clients are hedged by entering into off-set trades between the Company and FxPro Financial Services Limited and are settled on a daily basis. The Company reserves the right, at any time and at the Company's sole discretion, to set-off any unrealised losses incurred in respect of a clients' open positions against that client money held by the Company on behalf of that client in accordance with the agreement between the customer and the Company. The same right is applicable to FxPro Financial Services Limited as per the service level agreement on the same terms. This arrangement meets the criteria for offsetting and therefore, no derivatives and associated fair value balances are presented on the statement of financial position or statement of comprehensive income.

There were no other amounts subject to master netting and similar arrangements not set off in the statement of financial position.

6 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments in applying the Company's accounting policies

- **Determination of the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of buildings the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31 December 2020, potential future cash outflows of £492,814 have been included in the lease liability because it is reasonably certain that the lease will not be terminated.

7 Revenue

	2020 £	2019 £
Intercompany commissions (Note 20(i))	**1,671,346**	1,520,950
Income from inactive accounts	**29,943**	27,679
Errors from client transactions	**21,992**	-
	1,723,281	1,548,629

8 Expenses by function and nature

	2020 £	2019 £
Administrative expenses:		
Staff costs (Note 10)	**387,792**	346,676
Professional fees	**119,772**	142,151
Property rent	**-**	39,910
Property rates	**136,728**	179,117
Auditors' remuneration	**14,800**	14,400
Other assurance services paid to the auditors	**32,500**	30,950
Non-audit services	**4,600**	4,400
Software licenses and computed related costs	**11,942**	13,240
Travel and hospitality expenses	**3,548**	5,385
Data feed processing	**-**	8,604
Motor vehicle expenses	**11,738**	11,843
Bank Charges	**11,011**	9,718
Utilities	**8,530**	10,704
Depreciation (Note 12)	**8,117**	33,770
Depreciation of right-of-use asset (Note 13)	**214,691**	174,099
Unrecoverable VAT	**87,142**	116,350
Intercompany service fees (Note 20(ii))	**30,000**	30,000
Under provision of prior year expenses - Software licenses and computed related costs	**-**	2.335
Under provision of prior year expenses – Professional fees	**-**	41.335
Insurance	**3,218**	3,850
Maintenance costs	**653**	1,656
Donations	**42,658**	-
Other expenses	**52,964**	54,602
Total administrative expenses	**1,182,404**	1,275,095
Selling and marketing expenses:		
Commission paid to introducing brokers	**84,758**	370,488
Fees incurred on transaction processing	**124,971**	122,519
Marketing and advertising expenses	**465**	155
Total selling and marketing expenses	**210,194**	493,162
Total administrative, selling and marketing expenses	**1,392,598**	1,768,257

9 Other gains/(losses) - net

	2020 £	2019 £
Net foreign exchange transaction gains/(losses)	**38,706**	(105,144)
Net fair value losses on financial assets at fair value through profit or loss	**(11,121)**	-
	27,585	(105,144)

10 Staff costs

	2020 £	2019 £
Wages and salaries	**341,729**	298,712
National insurance costs	**36,377**	37,900
Other pension costs	**9,686**	10,064
Total staff costs	**387,792**	346,676

The monthly average number of employees during the year ended 31 December 2020 was 6 (2019: 7).

11 Income tax expense

	2020 £	2019 £
Current tax expense:		
Corporation tax	**21,170**	-

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2020 £	2019 £
Profit/(loss) before tax	**487,764**	(221,724)
Tax calculated at the applicable corporate tax rate of 19% (2019: 19%)	**92,675**	(42,127)
Overprovision of prior year expense	**(39,000)**	-
Expenses not deductible for tax purposes	**(1,070)**	4,771
Effect of unused tax losses for which no deferred tax asset was recognised	**(31,435)**	37,356
Income tax expense	**21,170**	-

The effective tax rate for the year was 19% (2019: 19%).

12 Plant and equipment

	Office equipment £	Computer hardware £	Furniture and fittings £	Motor Vehicle £	Total £
Cost:					
At 1 January 2019	9,421	7,593	41,134	97,898	**156,046**
Additions	-	-	-	-	**-**
At 31 December 2019	9,421	7,593	41,134	97,898	**156,046**
Additions	-	-	-	-	**-**
At 31 December 2020	9,421	7,593	41,134	97,898	**156,046**
Accumulated Depreciation:					
At 1 January 2019	7,149	7,325	23,966	73,419	**111,859**
Charge for the year (Note 8)	793	268	8,230	24,479	**33,770**
At 31 December 2019	7,942	7,593	32,196	97,898	**145,629**
Charge for the year (Note 8)	783	-	7,334	-	**8,117**
At 31 December 2020	8,725	7,593	39,530	97,898	**153,746**
Carrying amount:					
At 31 December 2019	1,479	-	8,938	-	**10,417**
At 31 December 2020	696	-	1,604	-	**2,300**

13 Leases

This note provides information for leases where the Company is a lessee.

(i) The Company's leasing arrangements

The Company leases offices in London. Rental contracts are typically made for fixed periods of up to 5 years but may have termination options together with a termination penalty.

Lease modifications with an effective date of 14 December 2020 were recognised as there were changes in the payment amounts agreed with the lessor. The period of the lease term remains the same.

There were no additions during the year.

(ii) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2020 £	2019 £
Right-of-use assets		
Buildings	**676,690**	902,953
Lease liabilities		
Current	**138,859**	225,546
Non-current	**478,258**	626,344
Total	**617,117**	851,890

13 Leases (continued)

(iii) Amounts recognised in profit or loss

The statement of comprehensive income shows the following amounts relating to leases:

	2020 £	2019 £
Depreciation charge of right-of-use assets		
Buildings	**214,691**	174,099
Interest expense (included in finance cost)	**16,971**	21,245
Expense relating to short-term leases	**-**	39,910
Total	**16,971**	61,155

The total cash outflow for leases in 2020 was £240,174 (2019: £246,407).

14 Financial assets

(a) Financial assets at amortised cost

	2020 £	2019 £
Amounts receivable from clients	**63,364**	31,741
Receivables from related parties (Note 20(vi))	**230,543**	317,582
Margin accounts with brokers	**856,682**	-
Other receivables	**4,880**	7,616
Total financial assets	**1,155,469**	356,939

(i) Fair value of financial assets at amortised cost

Due to the short-term nature of the current financial assets at amortised cost, their carrying amount is considered to be the same as their fair value.

As of 31 December 2020, all financial assets at amortised cost are at Stage 1 (2019: £356,939 Stage 1).

The maximum exposure to credit risk at the statement of financial position date is the carrying value of each class of financial assets mentioned above. The Company does not hold any collateral as security.

The carrying amounts of the Company's financial assets at amortised cost are denominated in the following currencies:

	2020 £	2019 £
Pound Sterling - functional and presentation currency	**38,847**	5,048
US Dollar	**230,543**	320,149
Euro	**856,682**	31,742
Other currencies	**29,397**	-
	1,155,469	356,939

Information about the current year impairment of trade receivables and the Company's exposure to credit risk can be found in Note 5.

14 Financial assets (continued)

(b) Financial assets at fair value through profit or loss

	2020	2019
	£	£
Listed equity securities – held for trading	**38,069**	-

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the statement of cash flows.

(i) Amounts recognised in profit or loss

Changes in fair values of financial assets at fair value through profit or loss are recognised in the statement of comprehensive income and are analysed as follows:

	2020	2019
	£	£
Financial assets at fair value through profit or loss – held for trading		
Net fair value losses (Note 9)	**11,121**	-

(ii) Fair value and risk exposure

Information about the methods used in determining fair value and sensitivity of the assets to price risk are provided in Note 5.

The fair value of all equity securities is based on their current bid prices in an active market. For more information please refer to Note 5(iii).

15 Prepayments

	2020	2019
	£	£
Prepayments	**119,494**	139,809

The fair value of prepayments approximates their carrying amount.

The carrying amounts of the Company's current prepayments are denominated Pound Sterling (functional and presentation currency.

16 Derivative financial instruments

Derivative financial instruments are primarily open positions on contracts for differences (CFDs) in which the Company acts as the counterparty to positions held by the Company's customers at the year-end.

The notional exposure of the Company is as follows:

31 December 2020	**Notional exposure long/(short)**
	£
Commodities	**(1,299,007)**
Currency pairs	**4,697,395**
Equities & indices	**1,753,611**

31 December 2019	
	£
Commodities	8,585,992
Currency pairs	(12,989,123)
Equities & Indices	3,578,255

Notional exposure represents the market value of the underlying financial instruments as at the reporting date. The notional exposure above arises after netting off long and short positions of the underlying financial instruments at the reporting date in each category of commodities, currency pairs and equities & indices. The fair value of these instruments is disclosed in Note 5 (iii).

The Company has a legal right to offset derivative financial instruments against advances from unrealised net trading revenues based on the terms of the client agreement and balances are settled on a net basis. Please refer to Note 5 (iv).

The maximum exposure to credit risk at the reporting date is the fair value of the derivative asset at the statement of financial position date.

17 Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the statement of financial position and the statement of cash flows:

	2020	2019
	£	£
Cash at bank	**4,275,428**	3,696,539

The cash and cash equivalents are analysed in the following currencies:

	2020	2019
	£	£
Pound Sterling - functional and presentation currency	**1,618,391**	1,511,496
US Dollar	**980,419**	800,239
Euro	**1,359,679**	1,061,157
Other currencies	**316,939**	323,647
	4,275,428	3,696,539

18 Share capital

	Number of shares	Share Capital £	Total £
Authorised, issued and fully paid:			
At 1 January 2019/ 31 December 2019/31 December 2020	**1,400,000**	**1,400,000**	**1,400,000**

The total authorised number of ordinary shares as at 31 December 2020 was 1,400,000 (2019: 1,400,000) with a par value of £1 per share. All issued shares are fully paid.

19 Trade and other payables

	2020 £	2019 £
Financial liabilities at amortised cost		
Trade payables	**9,630**	8,319
Accrued expenses	**51,900**	49,450
Amounts payable to clients	**970,900**	50,405
Total financial liabilities within trade and other payables at amortised cost	**1,032,430**	108,174
National insurance and other taxes	**6,723**	1,386
VAT balances	**1,103**	1,071
Deferred income	**36,440**	40,372
Total trade and other payables	**1,076,696**	151,003

The fair value of trade and other payables which are due within one year approximates their carrying amount at the statement of financial position date.

20 Related party transactions and ultimate parent undertaking

The Company is directly controlled by FxPro Group Limited, registered in Guernsey, which owns 100% of the Company's shares and is ultimately controlled by a number of individuals, none of whom has a controlling interest. The results of the Company are consolidated in the consolidated financial statements of its parent entity whose registered office is at Royal Bank Place, 1 Glategny Esplanade, St Peter Port, Guernsey, Channel Islands, GY1 4ND.

The following transactions were carried out with related parties:

(i) Sale of services

	2020 £	2019 £
Company under common control:		
Commission income (Note 7)	**1,671,346**	1,520,950

The Company recognized a net loss from the off-set trading with FxPro Financial Services Limited of £12,149,152 for 2020 (2019: net loss of £4,750,230). For more details on the arrangement with FxPro Financial Services that is based on the service line agreement, please refer to Note 5(iv).

20 Related party transactions and ultimate parent undertaking (continued)

(ii) Purchase of services

	2020 £	2019 £
Company under common control:		
Service Fee (Note 8)	**30,000**	30,000

(iii) Key management personnel compensation

The compensation of key management personnel is as follows:

	2020 £	2019 £
Salaries and other short-term employee benefits	**187,500**	58,545

(iv) Directors' remuneration

The total remuneration of the Directors (included in key management personnel compensation above) was as follows:

	2020 £	2019 £
Salaries and other short-term benefits	**67,500**	58,545

	2020 £	2019 £
Highest paid director:		
Total amount of emoluments	**40,000**	40,000

(v) Other transactions

	2020 £	2019 £
Company under common control:		
Rental income	**146,470**	124,293
Salary recharge	**-**	48,798
	146,470	173,091

The Company sub-leases part of the offices it leases out as lessee to BNKPro Ltd (previously FxPro Invest Ltd), which is an entity under common control, under an operating lease (which expires in March 2021) with rentals payable monthly recognized in the statement of comprehensive income as part of "other income". The total undiscounted lease payments to be received within one-year amount to £nil (2019: £161,489).

During 2019, the salary of £48,798 paid by the Company to an employee, was fully recharged to BNKPro Ltd, as the employee was performing services for BNKPro Ltd.

20 Related party transactions and ultimate parent undertaking (continued)

(vi) Year-end balances

	2020 £	2019 £
Year-end balances from related parties:		
Receivable from entities under common control (Note 14)	**230,543**	317,582
Derivative financial instruments with entities under common control (Note 5(iv)	**341,465**	713,650
	572,008	1,031,232
Year-end balances to related parties:		
Derivative financial instruments with entities under common control (Note 5(iv)	**3,194,709**	2,000,204

The above receivable balance bears no interest, is not secured and is receivable on demand.

21 Fiduciary activities

In order to render investment services to clients, the Company holds clients' money in designated bank accounts for this purpose. The assets in these accounts are held by the Company in a fiduciary capacity and are not recognised in the statement of financial position. As at 31 December 2020 there were clients' accounts with banks held in a fiduciary capacity amounting to £10,467,836 (2019: £13,840,876). The client bank accounts are segregated from the bank accounts of the Company.

	2020 £	2019 £
Credit quality:		
A1	**10,467,836**	5,435,392
A2	**-**	8,405,484
	10,467,836	13,840,876
Currencies:		
Pound Sterling - functional and presentation currency	**4,644,215**	4,597,816
Euro	**2,835,136**	3,956,193
US Dollar	**2,752,787**	5,112,038
Other currencies	**235,698**	174,829
	10,467,836	13,840,876

22 Events after the statement of financial position date

There were no material events after the statement of financial position date, which have a bearing on the understanding of the financial statements.