

REVISED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021
FOR
IBP MARKETS LTD



IBP MARKETS LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2021

DIRECTORS:

D Goezi
P Zonno

REGISTERED OFFICE:

14-16 Dowgate Hill
London
EC4R 2SU

REGISTERED NUMBER:

07126254 (England and Wales)

SENIOR STATUTORY AUDITOR: Robert Nissen F.C.A.

AUDITORS:

Stein Richards
Chartered Accountants and Statutory Auditor
10 London Mews
Paddington
London
W2 1HY

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

The directors present their strategic report for the year ended 31st December 2021.

REVIEW OF BUSINESS

The results for the year are set out on page 10 and show the profit on ordinary activities after taxation for the year as being £393,702 (2020: loss £1,080). At the year end, the net assets of the company amounted to £858,799 (2020 £340,556).

Turnover and operating profits grew substantially during the course of 2021. This is the result of organic growth achieved in an environment of strong financial markets. The company was resilient and able to provide continuous services throughout the pandemic and various lockdowns which did not negatively impact on its results. The results for the year and the financial position at the year end were considered satisfactory by the directors given trading and market conditions.

The company is authorised and regulated by the Financial Conduct Authority and is classified for prudential purposes as an IFPRU €125,000 firm.

PRINCIPAL RISKS AND UNCERTAINTIES

The maintenance of high service and delivery standards are key to mitigating the inherent business risk. The status of this is measured continuously and performance reported quarterly to the board.

The company is governed by its directors who determines its business strategy and risk appetite. The directors are also responsible for establishing and maintaining the company's governance arrangements along with designing and implementing a risk management framework that recognises the risks that the business faces. The directors will also determine how the risk the business faces may be mitigated and assess on an ongoing basis the arrangements to manage those risks. The directors are also responsible for the preparation of the projections for profitability, cash flow, regulatory capital management, and business planning and risk management. The directors manage the company's risks through a framework of policies and procedures having regard to relevant laws, standards, principles and rules (including Financial Conduct Authority principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The directors have identified that business, operational, market and credit risks are the main areas of risk to which the company is exposed. Annually the directors formally reviews the risks, controls and other risk mitigation arrangements and assesses their effectiveness. Where the directors identify material risks they consider the financial impact of these risks as part of the business planning and capital management and concludes whether the amount of regulatory capital is adequate.

COVID-19

The continued spread and deepening of the pandemic throughout the financial year gave rise to multiple risks to the company. Market and counterparty credit risk resulting from the increased trading activity driven by the pandemic is actively monitored as a course of business. From an operational risk perspective, the company has put significant measures in place aimed at mitigating specific risks relating to its people and operational activities and continues to actively monitor the situation and closely follow governmental advice.

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

SECTION 172(1) STATEMENT

The directors have considered and established the necessary process to ensure that the company meets the requirements of The Companies (Miscellaneous Reporting) Regulations 2018 ("the Regulations").

These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

The directors of the company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

The directors manage the company in a manner designed to promote the interest of its members as a whole and to act fairly as between its members.

It is particularly mindful of the long-term impact of its decisions.

The directors actions are intended to promote the interests of various stakeholders including employees, suppliers and customers.

At all times it seeks to maintain its reputation for high standards of conduct, as would be expected of a firm in the financial services industry. It is mindful of the impact its activities may have on the environment by using electronic communications and limiting travel to instances where it is essential.

KEY PERFORMANCE INDICATORS

The Company manages the business by reference to key performance indicators, the principal indicators are as follow:

Turnover: £7,733,318 (2020: £2,410,376)

Operating profits: £649,413 (2020: £6,420)

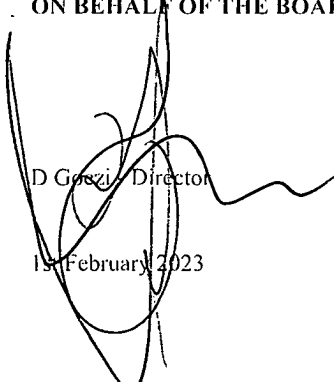
Liquidity ratio: 1.00 (2020: 1.02) (current assets/current liabilities)

The directors consider the company to be well financed at the year end.

The key non-financial performance indicators of the company are client service and satisfaction, and stakeholder relationships. The directors review the performance with constant feedback from clients and stakeholders.

The directors will continue to monitor the company's performance and have no plans for changes to the strategic objectives of the company in the foreseeable future.

ON BEHALF OF THE BOARD:



D Gozli, Director

15 February 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2021

The directors present their report with the financial statements of the company for the year ended 31st December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing equity and bonds brokerage services, dealing and arranging custody in securities for its investors.

The company is authorised and regulated by The Financial Conduct Authority and its permission is limited to dealing with eligible counterparties and professional clients.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2021.

FUTURE DEVELOPMENTS

The company will continue to develop its prime brokerage business and its custody business, looking to provide quality personalized services to institutional and professional clients.

DIRECTORS

D Goezi has held office during the whole of the period from 1st January 2021 to the date of this report.

Other changes in directors holding office are as follows:

M Aylward - resigned 10th November 2021

P Zonno was appointed as a director after 31st December 2021 but prior to the date of this report.

S Ayme ceased to be a director after 31st December 2021 but prior to the date of this report.

D Goezi performs the Chief Executive Officer function since 3 December 2018.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The financial instruments used by the company arise wholly and directly from its activities. The financial instruments comprise of debtors, cash at bank and creditors.

The company has put in place the following measures in order to manage the financial risks arising from these financial instruments.

Market risks

The company incurs market risk on foreign currency movements on liabilities payable in foreign currencies. The directors monitors its exposure on a daily basis. Foreign exchange risk is calculated on the bank balances held in foreign currencies.

Operational Risk

This incorporates the monitoring of client money processes undertaken as well as the regulatory and contingency planning done at the company level. The company has documented contingency planning and disaster recovery procedures, and these are regularly reviewed and tested by the directors.

Business risk

By its nature a brokerage company has a higher business risk than some other types of business. However, with this context the company again has a conservative business risk appetite.

The company has a very simple business strategy and the main business risk is loss of clients.

Credit risk

The company holds all cash with highly rated United Kingdom and European Banks after undertaking an initial assessment of the credit rating of each bank. The company may be exposed to the default of a client for derivatives in the event that the client fails to meet a margin call. The company has in place a stringent process for managing margin calls.

PILLAR 3 DISCLOSURE

Disclosures will be issued on an annual basis, at a minimum, and will be made available on the company's website.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2021

GOING CONCERN

The directors have made an assessment of the company's ability to continue as going concern.

In making this assessment the directors have taken into account the results of stress testing models undertaken as part of the Internal Capital Adequacy and Risk Assessment (ICARA) and are satisfied that the company has the resource to continue for at least twelve months from the approval of the balance sheet.

DIRECTORS INDEMNITY INSURANCE

The company has a directors indemnity insurance policy for the current and previous year.

DISCLOSURE IN THE STRATEGIC REPORT

The Section 172(1) statement disclosures are included in the strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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. They 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.

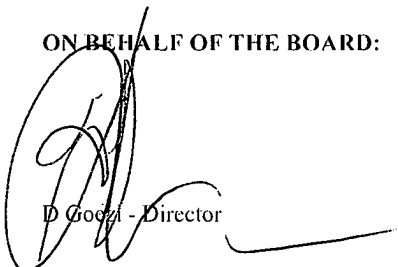
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Stein Richards, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



D Goetz - Director

1st February 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
IBP MARKETS LTD

Opinion

We have audited the revised financial statements of IBP Markets Ltd (the 'company') for the year ended 31st December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Revised Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). These revised financial statements replace the original financial statements approved by the directors on 24th November 2022.

The revised financial statements have been prepared in accordance with The Companies (Revision of Defective Accounts and Reports) Regulations 2008 and as such do not consider events which have taken place after the date on which the original financial statements were approved.

In our opinion the revised financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Emphasis of matter - Revision of Statement of Financial Position

We draw attention to note one of the revised financial statements, which describes the need to revise the Statement of Financial Position. The original financial statements were approved on 24 November 2022 and our previous audit report was signed on that date. We have not performed a subsequent events review for the period from the date of our previous auditor's report to the date of this report. Our opinion is not modified in this respect.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
IBP MARKETS LTD

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
IBP MARKETS LTD

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with and enquiries made with the management with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with that team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity.

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, company law, tax and pensions legislation.

- Those laws and regulations for which non compliance may be fundamental to the operating aspects of the company and therefore may have a material effect on the financial statements include compliance with Financial Conduct Authority (FCA) relating to designated investment business.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; enquiries with the compliance officer to ensure the entity complies with the FCA registration and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

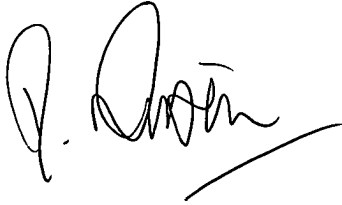
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
IBP MARKETS LTD

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Nissen F.C.A. (Senior Statutory Auditor)
for and on behalf of Stein Richards
Chartered Accountants and Statutory Auditor
10 London Mews
Paddington
London
W2 1HY

1st February 2023

A handwritten signature in black ink, appearing to read 'R. Nissen', with a long horizontal flourish extending to the right.

**REVISED STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2021**

	Notes	31.12.21 £	31.12.20 £
REVENUE	5	7,733,318	2,410,376
Cost of sales		3,978,867	923,223
GROSS PROFIT		3,754,451	1,487,153
Administrative expenses		3,105,038	1,490,892
		649,413	(3,739)
Other operating income		-	10,159
OPERATING PROFIT	8	649,413	6,420
Interest receivable and similar income		1,536	1,077
PROFIT BEFORE TAXATION		650,949	7,497
Tax on profit	9	257,247	8,577
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		393,702	(1,080)
OTHER COMPREHENSIVE INCOME			
Reissue/(purchase) of own shares		54,541	(63,060)
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		54,541	(63,060)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		448,243	(64,140)

The notes form part of these financial statements

REVISED
STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2021

	Notes	31.12.21 £	£	31.12.20 £	£
FIXED ASSETS					
Intangible assets	10		52,920		-
Property, plant and equipment	11		336		2,562
Investments	12		736,440		1,000
			<u>789,696</u>		<u>3,562</u>
CURRENT ASSETS					
Debtors	13	17,262,675		8,284,733	
Cash at bank	14	2,565,243		8,583,479	
		<u>19,827,918</u>		<u>16,868,212</u>	
CREDITORS					
Amounts falling due within one year	15	19,758,815		16,531,218	
		<u>19,758,815</u>		<u>16,531,218</u>	
NET CURRENT ASSETS			<u>69,103</u>		<u>336,994</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>858,799</u>		<u>340,556</u>
CAPITAL AND RESERVES					
Called up share capital	18		200,000		165,000
Share premium	19		50,000		15,000
Retained earnings	19		608,799		160,556
SHAREHOLDERS' FUNDS			<u>858,799</u>		<u>340,556</u>

The financial statements and authorised for issue were approved by the Board of Directors and authorised for issue on 1st February 2023 and were signed on its behalf by:


D. Goetz - Director

The notes form part of these financial statements

REVISED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st January 2020	150,000	224,696	-	374,696
Changes in equity				
Issue of share capital	15,000	-	15,000	30,000
Total comprehensive income	-	(64,140)	-	(64,140)
Balance at 31st December 2020	<u>165,000</u>	<u>160,556</u>	<u>15,000</u>	<u>340,556</u>
Changes in equity				
Issue of share capital	35,000	-	35,000	70,000
Total comprehensive income	-	448,243	-	448,243
Balance at 31st December 2021	<u><u>200,000</u></u>	<u><u>608,799</u></u>	<u><u>50,000</u></u>	<u><u>858,799</u></u>

The notes form part of these financial statements

**REVISED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	22	(4,516,902)	8,137,408
Tax paid		(34,082)	354
Net cash from operating activities		<u>(4,550,984)</u>	<u>8,137,762</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(52,920)	-
Purchase of tangible fixed assets		-	(534)
Purchase of fixed asset investments		(1,470,880)	-
Interest received		1,536	1,077
Net cash from investing activities		<u>(1,522,264)</u>	<u>543</u>
Cash flows from financing activities			
Amount withdrawn by directors		(69,529)	(26,514)
Share issue		70,000	30,000
Share buyback		-	(63,060)
Reissue of shares		54,541	-
Government grants		-	10,159
Net cash from financing activities		<u>55,012</u>	<u>(49,415)</u>
(Decrease)/increase in cash and cash equivalents		<u>(6,018,236)</u>	<u>8,088,890</u>
Cash and cash equivalents at beginning of year	23	<u>8,583,479</u>	<u>494,589</u>
Cash and cash equivalents at end of year	23	<u><u>2,565,243</u></u>	<u><u>8,583,479</u></u>

The notes form part of these financial statements

NOTES TO THE REVISED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

1. REVISED FINANCIAL STATEMENTS

The financial statements for the year ended 31st December 2021 have been revised.

They

- replace the original financial statements;
- are now the statutory financial statements;
- are prepared as they were at the date of the original financial statements and not as at the date of revision and accordingly do not deal with events between those dates.

The cash/assets held as collateral under the Title Transfer Collateral Arrangement (TTCA) with its clients were overstated by £7,150,000. This is now rectified by reducing the other debtors and other creditors balances.

2. STATUTORY INFORMATION

IBP Markets Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern

After reviewing the company's forecasts and projections, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover

Turnover represents commission receivable from brokerage and agency activities.

Brokerage fees and custody and clearing fees receivable are recognised on the date the trades are executed with the counterpart and the client.

Intangible fixed assets

Intangible fixed assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulate amortisation and accumulated impairment losses.

Amortisation is calculated so as to write off the cost of an asset less its estimated residual value, over the useful economic life of that asset as follows:

Software development costs are being amortised evenly over their estimated useful life of 5 years.

NOTES TO THE REVISED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using straight-line method and reducing balance method.

The estimated useful lives range as follows:

Computer equipment	33.33% straight line
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Tangible fixed assets costing more than £5,000 are capitalised and included at cost.

Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Investments in subsidiaries

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE REVISED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

3. ACCOUNTING POLICIES - continued

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Listed investment

Listed investment is held at cost less impairment.

Financial assets

The company's principal financial assets consist of cash and cash equivalents, trade debtors and other debtors. Trade and other debtors are measured initially at transaction price and subsequently at amortised cost.

Financial liabilities and equity instruments

The company's principal financial liabilities include trade creditors and other creditors which are measured initially at transaction price and subsequently at amortised cost.

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand and deposits held on call with the banks, all of which are available for use by the company unless otherwise stated.

Money and/or assets received from professional clients and eligible counterparties (as defined in the FCA Handbook) that are held under a title transfer collateral agreement (TTCA), a means by which a professional client or eligible counterparty may agree that full ownership of such funds is unconditionally transferred to the company, are accounted on a gross basis in the financial statements.

4. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Valuation of listed investment

As described in note 12 to the financial statements, listed investment is valued by the directors by reference to market evidence of transaction prices and the status of the underlying company.

NOTES TO THE REVISED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

5. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by class of business is given below:

	31.12.21	31.12.20
	£	£
Brokerage fees receivable	4,640,059	2,122,186
Custody and clearing fees	3,093,259	287,665
Securities lending fees	-	525
	<u>7,733,318</u>	<u>2,410,376</u>

The total turnover of the company for the year has been derived from its principal activity mainly undertaken in United Kingdom.

6. EMPLOYEES AND DIRECTORS

	31.12.21	31.12.20
	£	£
Wages and salaries	1,334,577	561,102
Social security costs	137,749	62,904
Other pension costs	11,965	3,247
	<u>1,484,291</u>	<u>627,253</u>

The average number of employees during the year was as follows:

	31.12.21	31.12.20
Management	4	4
Administration	9	4
	<u>13</u>	<u>8</u>

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees and the directors. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £15,534 (2020: £6,682).

The above disclosure includes the directors of the company.

7. DIRECTORS' EMOLUMENTS AND KEY MANAGEMENT COMPENSATION

	31.12.21	31.12.20
	£	£
Directors' remuneration	<u>299,888</u>	<u>292,946</u>

The number of directors to whom retirement benefits were accruing was as follows:

	3	3
Money purchase schemes	<u>3</u>	<u>3</u>

NOTES TO THE REVISED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

7. DIRECTORS' EMOLUMENTS AND KEY MANAGEMENT COMPENSATION - continued

Information regarding the highest paid director is as follows:

	31.12.21	31.12.20
	£	£
Emoluments etc	<u>165,780</u>	<u>174,648</u>

The directors are considered to be the key management personnel of the company. The benefits comprises of salary and pension contributions earned during the current and the previous year.

8. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.21	31.12.20
	£	£
Other operating leases	61,675	103,747
Depreciation - owned assets	2,226	2,108
Loss on disposal of fixed assets	735,440	-
Auditors' remuneration	49,800	20,140
Other non- audit services	-	2,400
Foreign exchange differences	<u>(131,434)</u>	<u>65,226</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.21	31.12.20
	£	£
Current tax:		
UK corporation tax	<u>257,247</u>	<u>8,577</u>
Tax on profit	<u>257,247</u>	<u>8,577</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.21	31.12.20
	£	£
Profit before tax	<u>650,949</u>	<u>7,497</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	123,680	1,424
Effects of:		
Expenses not deductible for tax purposes	147,372	6,625
Capital allowances in excess of depreciation	(13,805)	-
Depreciation in excess of capital allowances	-	299
Adjustments to tax charge in respect of previous periods	-	229
Total tax charge	<u>257,247</u>	<u>8,577</u>

NOTES TO THE REVISED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

9. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	31.12.21	
	Gross	Tax
	£	£
Reissue/(purchase) of own shares	<u>54,541</u>	<u>-</u>
		<u>54,541</u>
	31.12.20	
	Gross	Tax
	£	£
Purchase of own shares	<u>(63,060)</u>	<u>-</u>
		<u>(63,060)</u>

The main rate of corporation tax currently is 19% and it will remain at that rate until 1 April 2023 when the rate will increase to 25% for companies with profits over £250,000. The 19% rate will become a small profits rate payable by companies with profits of £50,000 or less. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief, providing a gradual increase in the effective corporation tax rate.

10. INTANGIBLE FIXED ASSETS

	Software development costs £
COST	
Additions	<u>52,920</u>
At 31st December 2021	<u>52,920</u>
NET BOOK VALUE	
At 31st December 2021	<u>52,920</u>

11. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment £
COST	
At 1st January 2021 and 31st December 2021	<u>6,687</u>
DEPRECIATION	
At 1st January 2021	<u>4,125</u>
Charge for year	<u>2,226</u>
At 31st December 2021	<u>6,351</u>
NET BOOK VALUE	
At 31st December 2021	<u>336</u>
At 31st December 2020	<u>2,562</u>

**NOTES TO THE REVISED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021**

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
COST OR VALUATION			
At 1st January 2021	1,000	-	1,000
Additions	-	1,470,880	1,470,880
Impairments	-	(735,440)	(735,440)
At 31st December 2021	<u>1,000</u>	<u>735,440</u>	<u>736,440</u>
NET BOOK VALUE			
At 31st December 2021	<u>1,000</u>	<u>735,440</u>	<u>736,440</u>
At 31st December 2020	<u>1,000</u>	<u>-</u>	<u>1,000</u>

Cost or valuation at 31st December 2021 is represented by:

	Shares in group undertakings £	Listed investments £	Totals £
Valuation in 2021	-	(735,440)	(735,440)
Cost	<u>1,000</u>	<u>1,470,880</u>	<u>1,471,880</u>
	<u>1,000</u>	<u>735,440</u>	<u>736,440</u>

During the year the company purchased a fixed income bond with a nominal value of €6,400,000 with a maturity date of 31 December 2025 at a discount.

However in the view of the directors the fair value of the listed investment bond is £735,440 at the balance sheet date as there is a doubt that the bond is unlikely to be redeemed because of the status of the underlying company.

Post year end, the directors believe the fair value of the listed investment bond is £nil.

13. DEBTORS

	31.12.21 £	31.12.20 £
Amounts falling due within one year:		
Trade debtors	2,159	65,313
Other debtors	15,458,108	7,990,664
Directors' current accounts	96,203	26,514
Tax	31,266	-
Prepayments and accrued income	<u>1,666,627</u>	<u>193,930</u>
	<u>17,254,363</u>	<u>8,276,421</u>
Amounts falling due after more than one year:		
Other debtors	<u>8,312</u>	<u>8,312</u>
Aggregate amounts	<u>17,262,675</u>	<u>8,284,733</u>

NOTES TO THE REVISED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

13. DEBTORS - continued

Included in other debtors is a balance of £15,458,108 (2020: £7,990,664) cash/assets held as collateral under the Title Transfer Collateral Arrangement (TTCA) with its clients.

The directors include TTCA cash/assets within the internal management accounts at a valuation of £10,736,932. The discount to external valuations represents the directors' view on the liquidity of assets and review of individual investments held at 31 December 2021.

14. CASH AT BANK

At the balance sheet date, cash balances of £10,702,068 (2020: £6,382,558) were held in designated client accounts. This amount has not been reflected in these financial statements as either an asset or liability as the directors have no legal title.

Included in cash at bank is £3,004,523 (2020: £8,215,222) relating to cash held by the company as collateral under the Title Transfer Collateral Arrangement (TTCA) with its clients.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade creditors	186,411	184,051
Amounts owed to group undertakings	1,000	1,000
Tax	296,860	42,429
Social security and other taxes	73,044	29,521
Other creditors	18,762,004	16,205,571
Directors' current accounts	160	-
Accruals and deferred income	439,336	68,646
	<u>19,758,815</u>	<u>16,531,218</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.21	31.12.20
	£	£
Within one year	48,628	49,872
Between one and five years	5,844	24,936
	<u>54,472</u>	<u>74,808</u>

17. FINANCIAL INSTRUMENTS

The financial assets measured at amortised cost as at 31 December 2021 are in the sum of £17,231,409 (2020: £8,276,421).

The financial liabilities measure at amortised cost as at 31 December 2021 are in the sum of £19,388,911 (2020: £16,459,268).

**NOTES TO THE REVISED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021**

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	31.12.21	31.12.20
Number:	Class:	value:	£	£
200,000	Ordinary	£1	<u>200,000</u>	<u>165,000</u>

35,000 Ordinary shares of £1 each were allotted as fully paid at a premium of £1 per share during the year.

During the year the company sold shares held in treasury totalling 31,500 for £1.73 each.

19. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1st January 2021	160,556	15,000	175,556
Profit for the year	393,702		393,702
Reissue of own shares	54,541	-	54,541
Cash share issue	-	35,000	35,000
At 31st December 2021	<u>608,799</u>	<u>50,000</u>	<u>658,799</u>

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31st December 2021 and 31st December 2020:

	31.12.21 £	31.12.20 £
D Goezi		
Balance outstanding at start of year	26,514	-
Amounts advanced	69,689	26,514
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>96,203</u>	<u>26,514</u>
S Ayme		
Balance outstanding at start of year	-	-
Amounts advanced	(160)	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(160)</u>	<u>-</u>

Interest is charged at 2% - 2.50% per annum on the loans.

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is D Goezi.

NOTES TO THE REVISED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

22. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.21	31.12.20
	£	£
Profit before taxation	650,949	7,497
Depreciation charges	2,226	2,108
Loss on disposal of fixed assets	735,440	-
Government grants	-	(10,159)
Finance income	(1,536)	(1,077)
	<u>1,387,079</u>	<u>(1,631)</u>
Increase in trade and other debtors	(8,876,987)	(4,446,140)
Increase in trade and other creditors	<u>2,973,006</u>	<u>12,585,179</u>
Cash generated from operations	<u><u>(4,516,902)</u></u>	<u><u>8,137,408</u></u>

23. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Revised Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>2,565,243</u>	<u>8,583,479</u>

Year ended 31st December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	8,583,479	497,714
Bank overdrafts	-	(3,125)
	<u>8,583,479</u>	<u>494,589</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank	8,583,479	(6,018,236)	2,565,243
	<u>8,583,479</u>	<u>(6,018,236)</u>	<u>2,565,243</u>
Total	<u><u>8,583,479</u></u>	<u><u>(6,018,236)</u></u>	<u><u>2,565,243</u></u>