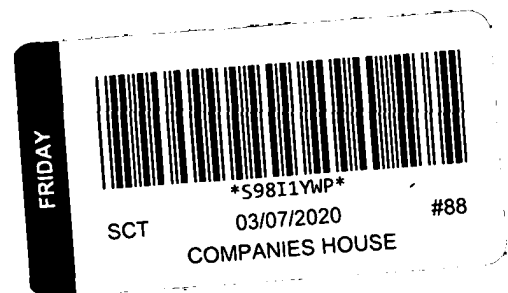


Global Market Index Limited

Registered number: 07736428

Annual Report

For the year ended 31 December 2019



GLOBAL MARKET INDEX LIMITED

COMPANY INFORMATION

Directors	C Chao A Ebid
Company secretary	G Y Li
Registered number	07736428
Registered office	1 Poultry London EC2R 8EJ

GLOBAL MARKET INDEX LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Independent Auditors' Report	6 - 8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 23

GLOBAL MARKET INDEX LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their Strategic Report for Global Market Index Limited for the year ended 31 December 2019.

Principal activity

Global Market Index Limited provides access to online trading for financial products including FX and CFDs for professional clients and ECP's.

Business review

GMI has established relationships with various FCA regulated companies for the provision of liquidity services. In addition, GMI UK utilises proprietary software developed by the wider GMI global brands for the provision of key parts of the infrastructure such as Bridge and FIX API, and advanced price aggregation technologies. This combination allows GMI to provide clients with access to award winning platforms under the GMI brand name as well as GMI's own proprietary platform.

GMI currently leases an office in the City of London where the primary business activity takes place. Our model and FCA permissions only allow us to act as matched principle so no risk is taken on any client trades.

Following our commitment in 2018 to develop the professional trader side of the business, 2019 saw a significant increase in our Professional trading volumes.

In 2019 we increased our capital base once again and at year end had a CET1 Capital ratio of circa 36%.

In addition to our stable financial position, we continued to hire strong, well renowned sales and control staff

Revenue drivers in 2020 are expected to come from 4 core areas:

1. Market leading liquidity for institutional clients

2. Continued focus on professional traders. Given our positioning and strength in the institutional space, we are well placed to meet the needs of the professional trader. This sector is typically serviced by retail brokers who (as a rule) are not able to offer the pricing and execution that GMI is able to as a result of being historically institutional facing.

3. We will continue to work in partnership with sister company Finstek and utilise the Finstek technologies such as its market leading Bridge and aggregator. This allows us to pass on savings to the client and compete on price as well as to compete on execution speed and quality of service, especially as we are no longer wholly reliant on third parties.

4. Increasing geographical reach.

GLOBAL MARKET INDEX LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Principal risks and uncertainties

The senior management of the firm place a high priority on a strong risk management culture. Management recognises that risk is inherent to their business and the market in which they specialise. The firm faces a number of business risks which are actively managed.

GMI's principal risks include the following:

- **Cash Flow Risk:** As with any firm it is essential to ensure that cash flow is adequately monitored and planned for. We monitor and control cash balances on a daily basis and we have in hand a full year cash flow forecast plus multi year stress scenario based projections. The company is well capitalised, and in addition has the support of the wider business and its shareholders should the need arise
- **Foreign Exchange Risks:** The company is exposed to fluctuations in foreign exchange rates in respect of our own cash assets and liabilities. The company is well capitalised, monitors cash on a daily basis and in addition has the support of the wider business and its shareholders should the need arise
- **Counterparty credit risk:** This relates to the potential non-performance by counterparties in respect of contracted financial obligations. In respect of cash balances, GMI banks only with highly respected UK, FCA banks which minimises our exposure to such risks. In respect of client exposure, we do not offer credit to clients. GMI controls other related risks by offering only the standard leverage for all products and operating an execution only platform. By taking no risk on the client's trades we may (still) be affected by severe (e.g. "black swan event") market moves in which clients could lose more than their deposit / margin and delay payment to us. Our systems as well as experienced liquidity and risk department help ensure our/client margin requirement are always managed efficiently.
- **Regulatory Risk including Brexit:** The regulatory environment in which the firm operates: as this changes, the firm may be impacted. This includes Brexit. Although the detailed outcomes of Brexit as yet remain uncertain, we feel we are well placed. Our existing and target clients are largely institutional. As such we are less likely to be impacted by restrictions on x-border trade trading. Additionally, again given our reputation globally in the institutional space, we are expecting the non-EU client base to increase significantly. Also, as a matched principle broker, we do not face the market-risk associated with volatility around Brexit events.

Additionally (at time of writing), we have noted the actual and potential impact of the Covid pandemic:

GMI UK is an Institutional only STP broker, with revenue being generated via clients trading activity. Moving markets create trading opportunities, and as such, the Covid-19 pandemic has meant that the FX and CFD markets have remained volatile throughout the Quarter.

The ability however, for clients to go Long and Short has meant that trading activity has remained robust throughout the period and GMI UK expect the remainder of 2020 to remain volatile with similarly robust trading by our clients.

GMI UK's Institutional Clients also benefit from this over the short to medium term via increased trading, however the longer term impact is difficult to forecast.

GMI UK are a well organised operation with significant cash buffer to fund ongoing operations in the event of a marked downturn in business activity levels. At time of writing we have cash balances sufficient to fund well in excess of two years' operating expenses. Running our own proprietary technology means that the monthly expenditure is controllable, with third party costs almost negligible. We expect revenues to continue to remain robust given the ongoing expected market volatility and any unexpected downturn in trading revenue is accounted for via controlled expenditure levels.

GLOBAL MARKET INDEX LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial key performance indicators

Key performance indicators will include but not be limited to the following. These have been selected to assess stability and growth.

Stability:

- Capital ratios
- Cash balances
- Liquidity Ratios
- Customer retention
- Operating costs %

Growth:

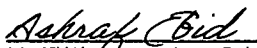
- Number of new institutional clients
- Number of new professional clients
- Value of client deposits
- Value of trading volumes
- Top line revenue

Pillar 3 disclosures

Information about our capital adequacy and risk assessment and control processes, together with our financial risk management objectives, policies, exposure and remunerations are available on our website (www.gmimarkets.co.uk).

This report was approved by the board on Jun 30, 2020

and signed on its behalf.


Ashraf Ebid (Jun 30, 2020 17:01 GMT+3)

A Ebid
Director

GLOBAL MARKET INDEX LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company's financial statements and then apply them consistently;
- 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 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 to 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.

Directors

The directors who served during the year were:

C Chao
A Ebid
J D Taylor (resigned 3 May 2019)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, who were appointed during the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

GLOBAL MARKET INDEX LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

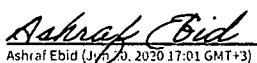
Post balance sheet events

On 11 March 2020, the World Health Organisation (WHO) declared COVID-19 as a pandemic. The directors do not consider any adjustments to the reported financial information to be required in relation to this and no post balance sheet events as a result have been identified. The going concern basis of preparation is considered appropriate for the preparation of the financial statements as per note 2.3.

Matters covered in the Strategic Report

A review of the business, principal risks and uncertainties and financial key performance indicators are given in the Strategic Report.

This report was approved by the board on Jun 30, 2020 and signed on its behalf.


Ashraf Ebid (Jun 30, 2020 17:01 GMT+3)

A Ebid
Director

GLOBAL MARKET INDEX LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL MARKET INDEX LIMITED

Opinion

We have audited the financial statements of Global Market Index Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss 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.

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 Auditor's 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed on page 2, and the consideration of the going concern basis of preparation on page 13 and non-adjusting post balance sheet events on page 23.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy

GLOBAL MARKET INDEX LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL MARKET INDEX LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in 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 in this regard.

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

Matters on which we are required to report by exception

In 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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

GLOBAL MARKET INDEX LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL MARKET INDEX LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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 auditor's report.

Use of the audit 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 an auditor's report 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.

Fiona Martin

Fiona Martin (Jun 30, 2020 15:13 GMT+1)

Fiona Martin (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date: Jun 30, 2020

GLOBAL MARKET INDEX LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

		2019 £	16 month period to 31 December 2018 £
	Note		
Turnover		1,370,560	1,409,599
Cost of sales		(6,161)	(18,335)
Gross profit		1,364,399	1,391,264
Administrative expenses		(1,502,313)	(1,309,075)
Operating (loss)/profit		(137,914)	82,189
Interest receivable and similar income		298	18,681
Interest payable and expenses		(7,333)	(5,761)
(Loss)/profit before tax		(144,949)	95,109
Tax on (loss)/profit	9	18,071	(18,071)
(Loss)/profit for the financial year		(126,878)	77,038
Other comprehensive income for the year			
Total comprehensive income for the year		(126,878)	77,038

The notes on pages 13 to 23 form part of these financial statements.

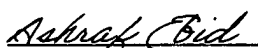
GLOBAL MARKET INDEX LIMITED
REGISTERED NUMBER: 07736428

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	10	2,751,475	382,893
Cash and cash equivalents	11	1,199,678	2,013,878
		<u>3,951,153</u>	<u>2,396,771</u>
Creditors: amounts falling due within one year	12	(2,097,183)	(679,362)
Net current assets		<u>1,853,970</u>	<u>1,717,409</u>
Total assets less current liabilities		<u>1,853,970</u>	<u>1,717,409</u>
Creditors: amounts falling due after more than one year	13	(754,176)	(783,679)
Net assets		<u><u>1,099,794</u></u>	<u><u>933,730</u></u>
Capital and reserves			
Called up share capital	15	1,192,884	899,942
Share premium account	16	46,230	46,230
Profit and loss account	16	(139,320)	(12,442)
		<u><u>1,099,794</u></u>	<u><u>933,730</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Jun 30, 2020


 Ashraf Ebid (Jun 30, 2020 17:01 GMT+3)

A Ebid
Director

The notes on pages 13 to 23 form part of these financial statements.

GLOBAL MARKET INDEX LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2017	899,942	46,230	(89,480)	856,692
Comprehensive income for the period				
Profit for the period	-	-	77,038	77,038
At 31 December 2018	899,942	46,230	(12,442)	933,730
Comprehensive income for the year				
Loss for the year	-	-	(126,878)	(126,878)
Transactions with owners				
Shares issued during the year	292,942	-	-	292,942
At 31 December 2019	1,192,884	46,230	(139,320)	1,099,794

The notes on pages 13 to 23 form part of these financial statements.

GLOBAL MARKET INDEX LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	16 month period to 31 December 2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(126,878)	77,038
Adjustments for:		
Loss on disposal of tangible assets	-	784
Interest paid	7,333	-
Interest received	(298)	(18,681)
Taxation charge	(18,071)	18,071
(Increase)/decrease in debtors	(2,367,870)	5,505,308
Increase/(decrease) in creditors	1,410,108	(4,804,739)
Corporation tax (paid)	(4,429)	(21)
Net cash generated from operating activities	(1,100,105)	777,760
Cash flows from investing activities		
Interest received	298	18,681
Net cash from investing activities	298	18,681
Cash flows from financing activities		
Issue of ordinary shares	292,942	-
Interest paid	(7,333)	-
Net cash used in financing activities	285,609	-
Net (decrease)/increase in cash and cash equivalents	(814,198)	796,441
Cash and cash equivalents at beginning of year	2,013,878	1,217,437
Cash and cash equivalents at the end of year	1,199,680	2,013,878
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,199,680	2,013,878

The notes on pages 13 to 23 form part of these financial statements.

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Global Market Index Limited is a private company limited by shares and registered in England and Wales. The registered office is 1 Poultry, London, England, EC2R 8EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements have been rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.3 Going concern

GMI UK are a well organised operation with significant cash buffer to fund ongoing operations in the event of a marked downturn in business activity levels as a result of COVID-19 or any other significant event. At time of writing the company has cash balances sufficient to fund well in excess of two years' operating expenses. The directors have the ability to control monthly expenditure due to the nature of the costs, and they expect revenues to continue to remain robust given the ongoing expected market volatility with any unexpected downturn in trading revenue is accounted for via controlled expenditure levels. In this way, the directors will be able to continue to meet liabilities as they fall due.

Based on the above, the directors are confident that the company is a going concern.

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 Financial instruments (continued)

are publicly traded or their fair value can otherwise be measured reliably;

- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors do not consider there to be any critical judgements or key sources of estimation uncertainty during the period.

4. Turnover

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Operating (loss)/profit

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

	2019	16 month period to 31 December 2018
	£	£
Exchange differences	100,724	(13,219)
Other operating lease rentals	203,499	185,811

6. Auditors' remuneration

	2019	16 month period to 31 December 2018
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,000	15,000
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	2,200	-
All other services	9,663	27,360
	11,863	27,360

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Employees

	2019	16 month period to 31 December 2018
	£	£
Wages and salaries	851,268	721,461
Social security costs	103,558	87,697
Cost of defined contribution scheme	11,271	2,660
	<u>966,097</u>	<u>811,818</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	16 month period to 31 December 2018 No.
Admin	5	4
Sales	4	2
	<u>9</u>	<u>6</u>

8. Directors' remuneration

	2019	16 month period to 31 December 2018
	£	£
Directors' emoluments	245,689	365,332
Company contributions to defined contribution pension schemes	1,625	-
	<u>247,314</u>	<u>365,332</u>

The highest paid director received remuneration of £120,000 (2018 - £193,956).

During the year retirement benefits were accruing to 1 director (2018 - 0) in respect of defined contribution pension schemes.

The directors are deemed to be the key management personnel of the company.

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Taxation

	2019 £	16 month period to 31 December 2018 £
Current tax on profits for the year	(4,428)	18,071
Adjustments in respect of previous periods	(13,643)	-
Total current tax	(18,071)	18,071

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	16 month period to 31 December 2018 £
(Loss)/profit on ordinary activities before tax	(144,949)	95,109
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(27,540)	18,071
Effects of:		
Expenses not deductible for tax purposes	150	-
Adjustments to tax charge in respect of prior periods	(13,643)	-
Losses carried back	(4,428)	-
Deferred tax not recognised	27,390	-
Total tax charge for the year/period	(18,071)	18,071

Factors that may affect future tax charges

There are no matters that may affect future tax charges.

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Debtors

	2019 £	2018 £
Trade debtors (note 20)	45,251	3,715
Other debtors	2,680,843	352,472
Prepayments and accrued income	25,381	26,706
	<u>2,751,475</u>	<u>382,893</u>

11. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>1,199,680</u>	<u>2,013,878</u>

12. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	35,392	5,080
Corporation tax	-	18,072
Other taxation and social security	50,649	65,369
Other creditors (note 20)	1,991,542	564,566
Accruals and deferred income	19,600	26,275
	<u>2,097,183</u>	<u>679,362</u>

13. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other creditors (note 20)	<u>754,176</u>	<u>783,679</u>

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,199,680	2,013,878
Financial assets that are debt instruments measured at amortised cost	2,706,484	375,545
	<u>3,906,164</u>	<u>2,389,423</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,800,508)</u>	<u>(1,275,567)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, accrued income and other debtors (excluding amounts due from HMRC).

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals (excluding amounts due to HMRC).

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
899,942 (2018 - 899,942) Ordinary shares of £1.00 each	899,942	899,942
532,622 (2018 - nil) B Ordinary shares of £0.55 each	292,942	-
	<u>1,192,884</u>	<u>899,942</u>

On 25 January 2019, 532,622 B Ordinary shares with nominal value of £0.55 were issued at par in order to settle a director loan (note 20).

16. Reserves

Share premium account

Includes any amounts received for share capital that exceeds its nominal value.

Profit and loss account

Includes all current and prior period retained profits and losses.

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

17. Pension commitments

The Company operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the Company to the fund and amounted to £11,271 (2018 - £2,660). Contributions totalling £2,877 (2018 - £239) were payable to the fund at the balance sheet date and are included in creditors.

18. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	16,940	33,880

19. Segregated client funds

The Company holds client money to the value of £nil (2018 - £10,662) in a segregated client money bank account.

GLOBAL MARKET INDEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20. Related party transactions

During the period, the company received funds from GMI Limited, a company under common control and incorporated in Hong Kong, which the company then passed on to their clearing brokers. The nature of the transactions with the company is one of brokers services provider/liquidity provision. During the year, GMI Limited transferred £nil (2018 - £1,113,821) to the company. At the reporting date £76,793 (2018 - £79,219) was owed to GMI Limited by the company. The balance is unsecured, interest free and repayable on demand, and is included within other creditors.

During the year, the company received consultancy income of £879,725 (2018 - £nil) from Global Market Index Limited, a company under common control and incorporated in Mauritius. At 31 December 2019, £45,251 (2018 - £nil) was due to the company. This balance is unsecured, interest free and repayable on demand, and is included within trade debtors.

During the year, the company paid expenses on behalf of GMI Resources Limited, a company under common control to the amount of £nil (2018 - £360).

During the year C Chao, a director of the company, provided a loan of £nil (2018 - £783,679). At 31 December 2019, £754,176 (2018 - £783,679) was due to C Chao. This loan is unsecured, interest free and repayable within 3 years of notice from the lender requesting payment, and is included within other creditors.

During the year A Ebid, a director of the company, provided a loan of £nil (2018 - £274,284). In the current year, this loan was settled through the issuing of B Ordinary shares as per note 15. At 31 December 2019, £nil (2018 - £274,284) was due to A. Ebid. The loan was unsecured, interest free and repayable on demand, and was included in other creditors.

21. Post balance sheet events

On 11 March 2020, the World Health Organisation (WHO) declared COVID-19 as a pandemic. The directors do not consider any adjustments to the reported financial information to be required in relation to this and no post balance sheet events as a result have been identified. The going concern basis of preparation is considered appropriate for the preparation of the financial statements as per note 2.3.

22. Controlling party

At 31 December 2019, the directors considered the ultimate controlling party to be A Ebid by virtue of his majority shareholding in the company.

GLOBAL MARKET INDEX LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	16 month period to 31 December 2018 £
Turnover	1,370,561	1,409,599
Cost of Sales	(6,161)	(18,335)
Gross profit	1,364,400	1,391,264
Less: overheads		
Administration expenses	(1,502,314)	(1,309,075)
Operating (loss)/profit	(137,914)	82,189
Interest receivable	298	18,681
Interest payable	(7,333)	(5,761)
Tax on (loss)/profit on ordinary activities	18,071	(18,071)
(Loss)/profit for the year/period	(126,878)	77,038

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	16 month period to 31 December 2018 £
Turnover		
Sales	490,836	1,409,599
Consultancy income	879,725	-
	<u>1,370,561</u>	<u>1,409,599</u>
	2019 £	16 month period to 31 December 2018 £
Cost of sales		
Purchases	6,161	18,335

GLOBAL MARKET INDEX LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	16 month period to 31 December 2018 £
Administration expenses		
Directors' national insurance	31,436	43,036
Directors' salaries	245,689	365,332
Directors' pension costs	1,625	-
Staff salaries	605,579	356,129
Staff national insurance	72,122	44,661
Staff pension costs	9,646	2,660
Staff training	-	395
Staff welfare	12,659	-
Entertainment	1,071	4,440
Hotels, travel and subsistence	7,786	18,196
Consultancy	(828)	68,300
Printing and stationery	288	548
Postage	106	234
Telephone and fax	8,037	14,523
Computer costs	10,854	35,373
Advertising and promotion	-	1,500
Trade subscriptions	1,275	1,092
Legal and professional	13,716	44,720
Accountancy fees	52,639	55,166
Difference on foreign exchange	100,724	(13,218)
Sundry expenses	388	39
Rent	203,499	185,811
Insurances	13,506	13,256
Profit/loss on sale of tangible assets	-	784
Recruitment expenses	24,300	29,574
Gifts and samples	-	791
Data feeds	2,829	5,874
Compliance service	13,054	27,485
Regulatory fees & levies	49,659	2,374
Irrecoverable VAT	20,655	-
	<u>1,502,314</u>	<u>1,309,075</u>

GLOBAL MARKET INDEX LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	16 month period to 31 December 2018 £
Interest receivable		
Bank interest receivable	298	18,681

	2019 £	16 month period to 31 December 2018 £
Interest payable		
Bank interest payable	7,333	5,761