

Registered number: 07736428

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## GLOBAL MARKET INDEX LIMITED

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### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018



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**GLOBAL MARKET INDEX LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	C Chao A Ebid J D Taylor (appointed 3 January 2018)
<b>Registered number</b>	07736428
<b>Registered office</b>	125 Old Broad Street London United Kingdom EC2N 1AR
<b>Independent auditors</b>	BDO LLP 150 Aldersgate Street London EC1A 4AB

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**GLOBAL MARKET INDEX LIMITED**

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## GLOBAL MARKET INDEX LIMITED

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### STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### Principal activity

Global Market Index Limited provides access to online trading for financial products including FX and CFD's 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.

2018 can be seen as the beginning of business for GMI UK, with the sales hiring starting in earnest in Q4 of this year. GMI remained profitable in 2018 and with the hiring continuing through Q4 and into 2019 we are well placed for continued growth.

In 2018, there were no changes in regards to products offered.

In 2019 we will be increasing our capital base yet again and will continue to hire strong, well renowned Sales staff.

Revenue drive is expected to come from 4 core areas:

1. Market leading liquidity for institutional clients.
2. An increased 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.

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## GLOBAL MARKET INDEX LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 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 at time of writing have in hand a full year cash flow forecast plus 3 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.

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GLOBAL MARKET INDEX LIMITED

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STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2018

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**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 client 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](http://www.gmimarkets.co.uk)).

This report was approved by the board and signed on its behalf.

J D Taylor  
Director

Date:

  
24/4/2019

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## GLOBAL MARKET INDEX LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

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The directors present their report and the financial statements for the period ended 31 December 2018.

#### 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 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.

#### Results and dividends

The profit for the period, after taxation, amounted to £77,038 (2017 - £178,087).

#### Directors

The directors who served during the period were:

C Chao  
A Ebid  
S J Holmes (resigned 14 August 2018)  
J D Taylor (appointed 3 January 2018)

#### 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.

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GLOBAL MARKET INDEX LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2018

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**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
J D Taylor  
Director

Date:

19/4/2019

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## GLOBAL MARKET INDEX LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL MARKET INDEX LIMITED

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#### Opinion

We have audited the financial statements of Global Market Index Limited (the 'Company') for the period ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the period 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 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 United Kingdom, including the Financial Reporting Council'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

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.

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## GLOBAL MARKET INDEX LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL MARKET INDEX LIMITED (CONTINUED)

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#### 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 Auditors' 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.

#### Opinion 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 period 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 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 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.

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## GLOBAL MARKET INDEX LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL MARKET INDEX LIMITED (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### 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 an Auditors' 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.

  
Lorraine Bay (Senior Statutory Auditor)

for and on behalf of  
**BDO LLP**

London  
EC1A 4AB

Date: 25 April 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

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**GLOBAL MARKET INDEX LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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		16 month period to 31 December 2018 £	31 August 2017 £
	Note		
Turnover		1,409,599	503,064
Cost of sales		(18,335)	(123,313)
<b>Gross profit</b>		<b>1,391,264</b>	<b>379,751</b>
Administrative expenses		(1,314,836)	(201,752)
<b>Operating profit</b>	5	<b>76,428</b>	<b>177,999</b>
Interest receivable and similar income	9	18,681	110
<b>Profit before tax</b>		<b>95,109</b>	<b>178,109</b>
Tax on profit	10	(18,071)	(22)
<b>Profit for the financial period</b>		<b>77,038</b>	<b>178,087</b>

The notes on pages 13 to 27 form part of these financial statements.

**GLOBAL MARKET INDEX LIMITED**  
**REGISTERED NUMBER: 07736428**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	31 December 2018 £	31 August 2017 £
<b>Fixed assets</b>			
Tangible assets	11	-	784
		-	784
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	382,893	5,888,201
Cash at bank and in hand	13	2,013,878	1,217,437
		2,396,771	7,105,638
Creditors: amounts falling due within one year	14	(679,362)	(6,249,730)
<b>Net current assets</b>		1,717,409	855,908
<b>Total assets less current liabilities</b>		1,717,409	856,692
Creditors: amounts falling due after more than one year		(783,679)	.
<b>Net assets</b>		933,730	856,692
<b>Capital and reserves</b>			
Called up share capital	17	899,942	899,942
Share premium account	18	46,230	46,230
Profit and loss account	18	(12,442)	(89,480)
		933,730	856,692

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**J.D. Taylor**  
 Director

Date:

24/4/2019

The notes on pages 13 to 26 form part of these financial statements.

**GLOBAL MARKET INDEX LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 September 2016</b>	399,942	46,230	(267,567)	178,605
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	178,087	178,087
<b>Total comprehensive income for the year</b>	-	-	178,087	178,087
Shares issued during the year	500,000	-	-	500,000
<b>Total transactions with owners</b>	500,000	-	-	500,000
<b>At 1 September 2017</b>	899,942	46,230	(89,480)	856,692
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	77,038	77,038
<b>Total comprehensive income for the period</b>	-	-	77,038	77,038
<b>At 31 December 2018</b>	899,942	46,230	(12,442)	933,730

The notes on pages 13 to 27 form part of these financial statements.

**GLOBAL MARKET INDEX LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	<b>31 December 2018 £</b>	<b>31 August 2017 £</b>
<b>Cash flows from operating activities</b>		
Profit for the financial period	77,038	178,087
<b>Adjustments for:</b>		
Depreciation of tangible assets	-	722
Loss on disposal of tangible assets	784	-
Interest received	(18,681)	(110)
Taxation charge	18,071	22
Decrease/(increase) in debtors	5,505,308	(4,844,655)
(Decrease)/increase in creditors	(4,804,739)	5,238,435
Corporation tax (paid)/received	(21)	-
<b>Net cash generated from operating activities</b>	<b>777,760</b>	<b>572,501</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(373)
Interest received	18,681	110
<b>Net cash from investing activities</b>	<b>18,681</b>	<b>(263)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	500,000
Repayment of other loans	-	(536)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>499,464</b>
<b>Net increase in cash and cash equivalents</b>	<b>796,441</b>	<b>1,071,702</b>
Cash and cash equivalents at beginning of period	1,217,437	145,735
<b>Cash and cash equivalents at the end of period</b>	<b>2,013,878</b>	<b>1,217,437</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	2,013,878	1,217,437
	<b>2,013,878</b>	<b>1,217,437</b>

The notes on pages 13 to 27 form part of these financial statements.

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## GLOBAL MARKET INDEX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 1. General information

The Company is a United Kingdom private company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is 125 Old Broad Street, London EC2N 1AR.

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the Company for the 16 month period ended 31 December 2018 and are presented to the nearest pound.

The Company has determined that GBP is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

The principal activity of the Company during the period was to provide access to online trading for financial products including FX and CFD's for professional clients and ECP's.

#### 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.

During the year the Company extended its accounting period and the financial statements have been prepared for the 16 month period 1 September 2017 to 31 December 2018. Comparatives figures represent the year 1 September 2016 to 31 August 2017.

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 following principal accounting policies have been applied:

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## GLOBAL MARKET INDEX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

##### 2.3 Turnover

Trading revenue consists principally of commissions earned from the opening and closing of matched principal Forex and CFD positions which are recognised at the point of trade, these form fixed fee and spread revenue.

Revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the Company and the revenue can be measured reliably.

##### 2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

##### 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.

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## GLOBAL MARKET INDEX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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## 2. Accounting policies (continued)

### 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

### 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 2.9 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.

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## GLOBAL MARKET INDEX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Computer equipment	-	33%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### 2.10 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.

##### 2.11 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.

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## GLOBAL MARKET INDEX LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

##### 2.13 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.

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

The directors do not consider there to have been any critical judgments 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.

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**GLOBAL MARKET INDEX LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**5. Operating profit**

The operating profit is stated after charging:

	<b>16 month period to 31 December 2018 £</b>	<i>31 August 2017 £</i>
Depreciation of tangible fixed assets	-	722
Exchange differences	(13,219)	9,493
Other operating lease rentals	<b>185,811</b>	<b>57,458</b>
	<u><u>          </u></u>	<u><u>          </u></u>

**6. Auditors' remuneration**

	<b>16 month period to 31 December 2018 £</b>	<i>31 August 2017 £</i>
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<b>15,000</b>	<b>6,500</b>
	<u><u>          </u></u>	<u><u>          </u></u>

**Fees payable to the Company's auditor in respect of:**

Audit-related assurance services	-	1,000
Taxation compliance services	-	1,500
All other services	<b>27,360</b>	<b>11,700</b>
	<u><u>27,360</u></u>	<u><u>14,200</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>16 month period to 31 December 2018 £</b>	<i>31 August 2017 £</i>
Wages and salaries	721,461	81,630
Social security costs	87,697	4,940
Cost of defined contribution scheme	2,660	-
	<u>811,818</u>	<u>86,570</u>

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

	<b>16 month period to 31 December 2018 No.</b>	<i>31 August 2017 No.</i>
Admin	4	1
Sales	2	1
	<u>6</u>	<u>2</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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8. Directors' remuneration

	16 month period to 31 December 2018 £	31 August 2017 £
Directors' emoluments	365,332	59,095
	<u>365,332</u>	<u>59,095</u>

The highest paid director received remuneration of £193,956

9. Interest receivable

	16 month period to 31 December 2018 £	31 August 2017 £
Other interest receivable	18,681	110
	<u>18,681</u>	<u>110</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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10. Taxation

	16 month period to 31 December 2018 £	31 August 2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	18,071	22
	<u>18,071</u>	<u>22</u>
<b>Total current tax</b>	<u>18,071</u>	<u>22</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>18,071</u>	<u>22</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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10. Taxation (continued)

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is the same as (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.58%). The differences are explained below:

	16 month period to 31 December 2018 £	31 August 2017 £
Profit on ordinary activities before tax	95,109	178,109
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.58%)	18,071	35,156
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	170
Utilisation of tax losses	-	(33,176)
Adjustment to deferred tax due to change in tax rates	-	(2,128)
<b>Total tax charge for the period/year</b>	<b>18,071</b>	<b>22</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**11. Tangible fixed assets**

	Office equipment £
At 1 September 2017	2,073
Disposals	(2,073)
At 31 December 2018	-
At 1 September 2017	1,289
Disposals	(1,289)
At 31 December 2018	-
<b>Net book value</b>	
At 31 December 2018	-
At 31 August 2017	784

**12. Debtors**

	31 December 2018 £	31 August 2017 £
Trade debtors	3,715	-
Other debtors	352,472	5,470,202
Prepayments and accrued income	26,706	417,999
	<u>382,893</u>	<u>5,888,201</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Cash and cash equivalents**

	<b>31 December 2018 £</b>	<i>31 August 2017 £</i>
Cash at bank and in hand	2,013,878	1,217,437
	<u>2,013,878</u>	<u>1,217,437</u>

**14. Creditors: Amounts falling due within one year**

	<b>31 December 2018 £</b>	<i>31 August 2017 £</i>
Trade creditors	5,080	4,662
Corporation tax	18,072	22
Other taxation and social security	65,369	3,458
Other creditors	564,566	6,202,807
Accruals and deferred income	26,275	38,781
	<u>679,362</u>	<u>6,249,730</u>

**15. Creditors: Amounts falling due after more than one year**

	<b>31 December 2018 £</b>	<i>31 August 2017 £</i>
Other creditors	783,679	-
	<u>783,679</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**16. Financial instruments**

	<b>31 December 2018 £</b>	<i>31 August 2017 £</i>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>2,013,878</b>	<i>1,217,437</i>
Financial assets that are debt instruments measured at amortised cost	<b>375,545</b>	<i>5,873,271</i>
	<u><b>2,389,423</b></u>	<u><i>7,090,708</i></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><b>(1,275,567)</b></u>	<u><i>(6,240,075)</i></u>

Financial assets measured at fair value through profit or loss comprise cash held at bank.

Financial assets 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).

**17. Share capital**

	<b>31 December 2018 £</b>	<i>31 August 2017 £</i>
Shares classified as equity		
<b>Allotted, called up and fully paid</b>		
899,942 (2017 - 899,942) Ordinary shares shares of £1.00 each	<u><b>899,942</b></u>	<u><i>899,942</i></u>

**18. 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.

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**19. Contingent liabilities**

There were no contingent liabilities at 31 December 2018 or at 31 August 2017.

**20. Capital commitments**

The company had no capital commitments at 31 December 2018 or at 31 August 2017.

**21. 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 £2,660 (Year to August 2017: £Nil). Contributions totalling £239 (Year to August 2017: £Nil) were payable to the fund at the reporting date.

**22. Commitments under operating leases**

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>31 December 2018 £</b>	<b>31 August 2017 £</b>
Not later than 1 year	<b>33,880</b>	<b>45,000</b>
	<b>33,880</b>	<b>45,000</b>

**23. Segregated client funds**

The Company holds client money to the value of £10,682 (Year to August 2017: £nil) in a segregated client money bank account.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 24. Related party transactions

During the period, the company received funds from GMI Limited, a company under common control, 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 period, GMI Limited transferred £1,113,821 (Year to August 2017: £5,098,098) to the company. At the reporting date, £79,219 (Year to August 2017: £6,083,847) was owed to GMI Limited by the company.

During the period, the company paid expenses on behalf of GMI Resources Limited, a company under common control, to the amount of £360 (Year to August 2017: £nil).

During the period C. Chao, a director of the company, provided a loan of £783,679 to the company. At 31 December 2018 £783,679 was due to C Chao. This loan is interest free and repayable within 3 years of notice from the lender requesting repayment, included in other creditors (see note 15)

During the period A. Ebid, a director of the company, provided a loan of £274,284 to the company. At 31 December 2018 £274,284 was due to A Ebid. The loan is interest free and repayable on demand, included in other creditors (see note 14).

#### *Key management personnel*

Certain persons who have authority and responsibility for the planning directing and controlling the activities of the company are considered to be key management personnel. During the period, total compensation for key management personnel totalled £365,332 (Year to August 2017: 59,094).

#### 25. Controlling party

At 31 December 2018, the directors considered the ultimate controlling party to be C. Chao by virtue of his majority shareholding in the company.