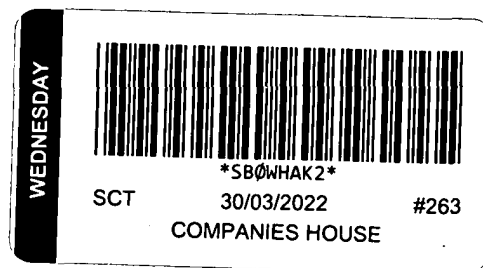


Global Market Index Limited

Registered number: 07736428

Annual Report

For the year ended 31 December 2021



GLOBAL MARKET INDEX LIMITED

COMPANY INFORMATION

Directors	C Chao A Ebid Z Alkhatib J Taylor
Company secretary	M Elfshawy
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 - 9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Analysis of Net Debt	14
Notes to the Financial Statements	15 - 24

GLOBAL MARKET INDEX LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report for Global Market Index Limited for the year ended 31 December 2021.

Principal activity

Global Market Index Limited (GMI) provides access to online trading for financial products including FX and CFDs for Professional and ECP clients.

Business review

GMI UK has established relationships with various licensed companies and Professional clients from the UK and other countries across the globe. GMI UK continues to utilise proprietary software developed by our associated company for the provision of key parts of the infrastructure such as Bridge, FIX API, and advanced price aggregation technologies. This combination allows GMI UK to provide clients with access to award winning platforms.

GMI UK is based 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 the success in increasing the ECP and professional clients' trading volume in 2020, GMI continued to attract higher trading volume by maintaining existing relationships and onboarding professional clients during 2021 achieving an increased trading figure.

In 2021 we increased our capital base once again and at year end had a CET1 Capital ratio of circa 61%. In addition to our stable financial position, we continued to look to hire strong, well renowned sales and control staff.

Revenue drivers in 2022 are expected to come from 4 core areas:

1. Market leading liquidity and White Label solutions for institutional clients targeting MT4 and MT5 brokers.
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.
3. We will continue to work in partnership with our associated company Finstek and utilise the Finstek technologies such as its Bridge and Aggregation software. 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. Recruiting motivated sales team and increasing local and global geographical reach to attract and convert more clients.

GLOBAL MARKET INDEX LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 UK banks only with highly respected UK, FCA regulated banks in order to minimise our exposure to such risks. In respect of client exposure, we do not offer credit to clients. GMI UK 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 to ensure that our/client margin requirement are always managed efficiently.
- **Regulatory Risk including Brexit:** GMI UK have successfully navigated through the regulatory changes at the end of 2021 and are well placed to continue to grow business throughout 2022 and meet its capital requirements at all times. GMI UK are well capitalised in a position to meet the IFPR new capital requirements at all times during 2022 and including the changes to PMR in the next 5 years.

Covid-19 pandemic impact

GMI UK is an Institutional STP broker, with revenue being generated via clients trading volume. Despite the negative impact on many people in businesses by the Covid-19 pandemic, the FX trading market has witnessed remarkable growth during the period creating trading opportunities as markets remained volatile.

GMI UK services institutional brokers who have benefited from the market volatility and trading opportunities during the pandemic, and as such, GMI UK volume has increased, and we expect this volatility to continue throughout 2022.

GLOBAL MARKET INDEX LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Events in Ukraine impact

Russia's invasion of Ukraine is having a notable impact on financial markets. The events and the wide range of financial sanctions imposed in response on Russia, Russian individuals and Russian business by numerous jurisdictions worldwide will have multiple impacts on financial markets and firms. GMI UK is adhering to the Market Abuse Regulation (MAR) and the senior management and staff are aware of the MAR disclosure obligation, assessment and will remain informed of any information or changes that are required to be disclosed under MAR.

Despite the negative impact on many people in businesses by the events in Ukraine, the FX trading market has witnessed remarkable growth during the period creating trading opportunities as markets remained volatile.

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 in excess of approximately five years' operating expenses. Running our own proprietary technology means that the monthly expenditure is controllable, with negligible third-party costs. Revenues are expected to continue to remain robust given the ongoing expected market volatility.

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 and signed on its behalf.


Ashraf Ebid (Mar 28, 2022 18:29 GMT+1)

A Ebid
Director

Date: Mar 28, 2022

GLOBAL MARKET INDEX LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

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;
- 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 year, after taxation, amounted to £679,563 (2020 - £166,869).

The directors did not recommend a dividend in the current or prior year.

Directors

The directors who served during the year were:

C Chao
A Ebid
Z Alkhatib
C Hossain-Nelson (resigned 7 April 2021)
J Taylor (appointed 27 July 2021)

Matters covered in the strategic report

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

GLOBAL MARKET INDEX LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

Post balance sheet events

Please see disclosures in the Strategic Report regarding the impact of events in Ukraine. Aside from this, there have been no significant events affecting the Company since the year end.

Auditors

The auditors, Mazars 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.

Ashraf Ebid

Ashraf Ebid (Mar 28, 2022 18:29 GMT+1)

A Ebid
Director

Date: Mar 28, 2022

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 2021 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 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.

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.

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.

GLOBAL MARKET INDEX LIMITED

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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.

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 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 intend either 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 the financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, FCA regulations and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off of revenue), and significant one-off or unusual transactions.

GLOBAL MARKET INDEX LIMITED

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

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 (Mar 29, 2022 12:18 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: Mar 29, 2022

GLOBAL MARKET INDEX LIMITED

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

	Note	2021 £	2020 £
Turnover	4	1,399,715	931,776
Cost of sales		-	(533)
Gross profit		<u>1,399,715</u>	<u>931,243</u>
Administrative expenses		(559,562)	(749,868)
Other operating income	5	728	-
Operating profit	6	<u>840,881</u>	<u>181,375</u>
Interest receivable and similar income		573	38
Interest payable and similar expenses		(2,683)	(3,394)
Profit before tax		<u>838,771</u>	<u>178,019</u>
Tax on profit	10	(159,208)	(11,150)
Profit for the financial year		<u><u>679,563</u></u>	<u><u>166,869</u></u>

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 15 to 24 form part of these financial statements.

GLOBAL MARKET INDEX LIMITED
REGISTERED NUMBER: 07736428

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	11	3,303,993	5,650,024
Cash and cash equivalents	12	2,342,524	1,294,439
		<u>5,646,517</u>	<u>6,944,463</u>
Creditors: amounts falling due within one year	13	(2,961,029)	(5,677,800)
Net current assets		<u>2,685,488</u>	<u>1,266,663</u>
Total assets less current liabilities		<u>2,685,488</u>	<u>1,266,663</u>
Creditors: amounts falling due after more than one year	14	(739,262)	-
Net assets		<u><u>1,946,226</u></u>	<u><u>1,266,663</u></u>
Capital and reserves			
Called up share capital	16	1,192,884	1,192,884
Share premium account	17	46,230	46,230
Profit and loss account	17	707,112	27,549
		<u><u>1,946,226</u></u>	<u><u>1,266,663</u></u>

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

Ashraf Ebid
 Ashraf Ebid (Mar 28, 2022 18:29 GMT+1)

A Ebid
Director

Date: Mar 28, 2022

The notes on pages 15 to 24 form part of these financial statements.

GLOBAL MARKET INDEX LIMITED

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	1,192,884	46,230	(139,320)	1,099,794
Comprehensive income for the year				
Profit for the year	-	-	166,869	166,869
Total comprehensive income for the year	-	-	166,869	166,869
At 1 January 2021	1,192,884	46,230	27,549	1,266,663
Comprehensive income for the year				
Profit for the year	-	-	679,563	679,563
Total comprehensive income for the year	-	-	679,563	679,563
At 31 December 2021	1,192,884	46,230	707,112	1,946,226

The notes on pages 15 to 24 form part of these financial statements.

GLOBAL MARKET INDEX LIMITED

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

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	679,563	166,869
Adjustments for:		
Interest paid	2,683	3,392
Interest received	(573)	(38)
Taxation charge	159,208	11,150
Decrease/(increase) in debtors	2,346,031	(2,902,978)
(Decrease)/increase in creditors	(2,130,091)	2,819,721
Corporation tax paid	(6,626)	-
Net cash generated from operating activities	<u>1,050,195</u>	<u>98,116</u>
Cash flows from investing activities		
Interest received	573	37
Net cash from investing activities	<u>573</u>	<u>37</u>
Cash flows from financing activities		
Interest paid	(2,683)	(3,394)
Net cash used in financing activities	<u>(2,683)</u>	<u>(3,394)</u>
Net increase in cash and cash equivalents	<u>1,048,085</u>	<u>94,759</u>
Cash and cash equivalents at beginning of year	1,294,439	1,199,680
Cash and cash equivalents at the end of year	<u><u>2,342,524</u></u>	<u><u>1,294,439</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,342,524	1,294,439
	<u><u>2,342,524</u></u>	<u><u>1,294,439</u></u>

The notes on pages 15 to 24 form part of these financial statements.

GLOBAL MARKET INDEX LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	1,294,439	1,048,085	-	2,342,524
Debt due within 1 year	(731,855)	-	731,855	-
Debt due after 1 year	-	-	(739,262)	(739,262)
	<u>562,584</u>	<u>1,048,085</u>	<u>(7,407)</u>	<u>1,603,262</u>

The notes on pages 15 to 24 form part of these financial statements.

GLOBAL MARKET INDEX LIMITED

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

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 2021

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 profit or loss 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 2021

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.

GLOBAL MARKET INDEX LIMITED

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

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 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 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.

GLOBAL MARKET INDEX LIMITED

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

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

The directors do not consider there to be 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.

5. Other operating income

	2021 £	2020 £
Consultancy income	728	-

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Other operating lease rentals	17,000	64,495

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	13,000	12,500

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

Taxation compliance services	2,350	2,250
All other services	22,441	20,030
	24,791	22,280

GLOBAL MARKET INDEX LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Employees

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

	2021	2020
	£	£
Wages and salaries	335,582	492,830
Social security costs	39,607	58,428
Cost of defined contribution scheme	4,315	4,890
	<u>379,504</u>	<u>556,148</u>

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

	2021	2020
	No.	No.
Directors	4	2
Other employees	2	4
	<u>6</u>	<u>6</u>

9. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	245,205	158,983
Company contributions to defined contribution pension schemes	2,610	636
	<u>247,815</u>	<u>159,619</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £121,597 (2020 - £121,365).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020 - £636).

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 2021

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	159,304	6,722
Adjustments in respect of previous periods	(96)	4,428
	<u>159,208</u>	<u>11,150</u>
Total current tax	<u>159,208</u>	<u>11,150</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>838,771</u>	<u>178,019</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	159,366	33,824
Effects of:		
Expenses not deductible for tax purposes	-	33
Adjustments to tax charge in respect of prior periods	(96)	4,428
Deferred tax not recognised	-	(27,135)
Remeasurement of deferred tax for changes in tax rates	(31)	-
Movement in deferred tax not recognised	(31)	-
Total tax charge for the year	<u>159,208</u>	<u>11,150</u>

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

GLOBAL MARKET INDEX LIMITED

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

11. Debtors

	2021 £	2020 £
Trade debtors	2,591	24,456
Other debtors	3,293,543	5,618,421
Prepayments and accrued income	7,859	7,147
	<u>3,303,993</u>	<u>5,650,024</u>

12. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>2,342,524</u>	<u>1,294,439</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	53	-
Corporation tax	159,304	6,722
Other taxation and social security	23,786	17,220
Other creditors (note 20)	2,752,857	5,633,785
Accruals and deferred income	25,029	20,073
	<u>2,961,029</u>	<u>5,677,800</u>

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

	2021 £	2020 £
Other creditors (note 20)	<u>739,262</u>	<u>-</u>

GLOBAL MARKET INDEX LIMITED

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

15. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,342,524	1,294,439
Financial assets that are debt instruments measured at amortised cost	3,293,474	5,640,094
	<u>5,635,998</u>	<u>6,934,533</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>3,516,007</u>	<u>5,660,382</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).

16. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
899,942 (2020 - 899,942) Ordinary shares of £1.00 each	899,942	899,942
532,622 (2020 - 532,622) B Ordinary shares of £0.55 each	292,942	292,942
	<u>1,192,884</u>	<u>1,192,884</u>

Both Ordinary and B Ordinary shares have attached voting rights but no rights to fixed income.

17. 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 2021

18. 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 £4,315 (2020 - £5,407). Contributions totalling £1,190 (2020 - £1,357) were payable to the fund at the balance sheet date and are included in creditors.

19. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Land and buildings		
Not later than 1 year	4,500	-

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. At the reporting date £nil (2020 - £74,520) 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 £nil (2020 - £336,008) from Global Market Index Limited, a company under common control and incorporated in Mauritius. The Company incurred expenses of £28,923 (2020 - £nil) for accounting and IT services provided by Finstek Limited, a company under common control and incorporated in Hong Kong.

At 31 December 2021, £739,262 (2020 - £731,855) was due to C Chao, a director of the Company. This loan is unsecured, interest free, repayable within 8 years of notice from the lender requesting payment, and is included within other creditors.

21. Post balance sheet events

The Directors have considered the impact of the situation in Ukraine within the Strategic Report on page 3. The Directors have treated this as a non-adjusting event and as such the accounting estimates and judgments as disclosed within the financial statements have not been updated to reflect this. The going concern basis of preparation is considered appropriate for the preparation of the financial statements. There have been no other post balance sheet events since the year end.

22. Controlling party

At 31 December 2021, the directors considered the ultimate controlling party to be A Ebid by virtue of his majority shareholding in the company.