

Company registration number 08111366 (England and Wales)

**NOTESCO UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# NOTESCO UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D Hatzis A R Hargreaves
<b>Company number</b>	08111366
<b>Registered office</b>	The Broadgate Tower Floor 12 20 Primrose Street London United Kingdom EC2A 2EW
<b>Auditor</b>	Fisher, Sassoon & Marks 43-45 Dorset Street London W1U 7NA

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# NOTESCO UK LIMITED

## CONTENTS

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	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 27

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# NOTESCO UK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present the strategic report for the year ended 31 December 2022.

The Company's principal activity was dealing in investments as principal (matched-principal broker). The Company is authorised and regulated by the Financial Conduct Authority ('FCA').

The performance for the year, and the position at 31 December 2022, are considered to be satisfactory and the directors are optimistic about the future as the business seeks to continue to grow its client base in the UK.

During the year the Company maintained low cost base strategy. The directors are confident that with the low cost, together with a growing UK client base, the Company will continue to trade successfully in the future.

#### Principal risks and uncertainties

The directors' risk management policy is to identify the principal business risks in achieving the Company's strategic objectives, establishing appropriate internal controls to manage those risks and ensuring that appropriate monitoring and reporting systems are in place. The Company's activities expose it to a variety of financial risks, which have continually evolved as the business has changed in recent years and activities have expanded into matched principal brokerage.

The Company's approach to managing risks applicable to the financial instruments concerned is set out in notes to the financial statements.

The Company's risk management policy is under continuous review and the directors have been conscious throughout 2022 of the changing business and the need to ensure that the controls are robust and appropriate for the operations in place, with the Company continuing to grow its UK client base, including those required as a firm regulated by the FCA to hold and control client money.

#### Key performance indicators

The company does not rely on any specific KPI's, instead relying on good general financial management with regards to debtors control, working capital levels and cost control. The directors are pleased with the performance over each of these areas in the period.

#### Pillar 3 disclosures

In accordance with the rules of the Financial Conduct Authority, the Company has published information on its risk management objectives and policies on its regulatory capital requirements and resources. These disclosures can be reviewed at the following website address; <https://www.ironfx.co.uk/en>

#### Future plans and developments

The directors are confident about the future of the Company and its financial position that will allow it to grow its operations in the future.

Following a prudent approach to growth over the years, the directors are satisfied that the Company has maintained a sound business model, driven by the wider group's experience in the foreign exchange markets, which will allow the Company to provide its products to a wide ranging market.

# NOTESCO UK LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Directors' statement of compliance with duty to promote the success of the Company**

The directors of the company have acted in a way that they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders, employees and customers as a whole, and in doing so, the directors have considered (amongst other matters):

- the likely consequences of any decision in the long term,
- the interest of the company's employees,
- the need to foster the company's business relationships with customer and others,
- the impact of the company's operations on the community and environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly among shareholders, employees and customers of the company.

On behalf of the board

D Hatzis

**Director**

18 April 2023

# NOTESCO UK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Hatzis  
A R Hargreaves

#### Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Cannon Place, 78 Cannon Street, London EC4N 6HN).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditor of the company as at the year end represent aged trade creditors balances base on the amount invoiced by the suppliers and remain payable to the suppliers until settled either by cash consideration or alternate settlement.

#### Financial instruments

##### *Cash flow risk*

Cash flow risks are that the company does not have sufficient financial resources to meet its obligations as they fall due. The company has controls in place to minimise the risk.

##### *Liquidity risk*

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

##### *Foreign currency risk*

The Company's principal foreign currency exposures arise from trading with overseas companies and transactions in currencies other than US Dollar. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in US Dollar.

##### *Credit risk*

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

##### *Price risk*

Price risk is defined as the risk that exposures to excessive price fluctuations in positions held by the company would cause a material loss to arise. All client positions are simultaneously matched with liquidity providers and hence this risk is mitigated.

#### Post reporting date events

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

# NOTESCO UK LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### Future developments

The directors are confident about the company's progress and believe the company is well placed to make further progress during the coming year. The company will continue to expand its client size by means of organic growth.

### Auditor

The auditor, Fisher, Sassoon & Marks, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

D Hatzis  
**Director**  
18 April 2023

# NOTESCO UK LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NOTESCO UK LIMITED

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#### Opinion

We have audited the financial statements of Notesco UK Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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.

#### 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 our 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.



# NOTESCO UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF NOTESCO UK LIMITED

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#### **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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

#### **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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the financial services sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Financial Conduct Authority (FCA), Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

## **NOTESCO UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF NOTESCO UK LIMITED**

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates as set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the FCA and reviewing the company's compliance monitoring procedures and findings.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or through collusion.

#### **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 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.

**Jonathan Marks (Senior Statutory Auditor)**  
**For and on behalf of Fisher, Sassoon & Marks**

18 April 2023

**Chartered Accountants**  
**Statutory Auditor**

43-45 Dorset Street  
London  
W1U 7NA

# NOTESCO UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
Revenue	3	643,795	863,071
<b>Gross profit</b>		643,795	863,071
Other operating income		17,362	16,733
Administrative expenses		(579,341)	(768,725)
<b>Operating profit</b>	4	81,816	111,079
Finance costs	8	-	(36,699)
Other gains and losses	9	22,446	8,303
<b>Profit before taxation</b>		104,262	82,683
Income tax expense	12	(21,141)	(12,936)
<b>Profit and total comprehensive income for the year</b>	24	83,121	69,747

The income statement has been prepared on the basis that all operations are continuing operations.

## NOTESCO UK LIMITED

### STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
<b>Non-current assets</b>			
Property, plant and equipment	10	-	65
Deferred tax asset	14	8,991	12,283
		<u>8,991</u>	<u>12,348</u>
<b>Current assets</b>			
Trade and other receivables	13	903,833	1,983,097
Cash and cash equivalents		2,412,438	1,270,219
		<u>3,316,271</u>	<u>3,253,316</u>
<b>Current liabilities</b>			
Trade and other payables	16	451,548	482,174
Current tax liabilities		17,849	10,746
		<u>469,397</u>	<u>492,920</u>
<b>Net current assets</b>		<u>2,846,874</u>	<u>2,760,396</u>
<b>Net assets</b>		<u>2,855,865</u>	<u>2,772,744</u>
<b>Equity</b>			
Called up share capital	22	2,417,015	2,417,015
Retained earnings	24	438,850	355,729
<b>Total equity</b>		<u>2,855,865</u>	<u>2,772,744</u>

The financial statements were approved by the board of directors and authorised for issue on 18 April 2023 and are signed on its behalf by:

D Hatzis  
Director

Company registration number 08111366

## NOTESCO UK LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Retained earnings	Total
	\$	\$	\$
Balance at 1 January 2021	2,417,015	285,982	2,702,997
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	69,747	69,747
Balance at 31 December 2021	2,417,015	355,729	2,772,744
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	83,121	83,121
Balance at 31 December 2022	2,417,015	438,850	2,855,865

# NOTESCO UK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	1,152,965		605,199	
Interest paid		-		(36,699)	
Income taxes paid		(10,746)		-	
<b>Net cash inflow from operating activities</b>		<u>1,142,219</u>		<u>568,500</u>	
<b>Investing activities</b>					
<b>Net cash used in investing activities</b>		-		-	
<b>Financing activities</b>					
<b>Net cash used in financing activities</b>		-		-	
<b>Net increase in cash and cash equivalents</b>		<u>1,142,219</u>		<u>568,500</u>	
Cash and cash equivalents at beginning of year		1,270,219		701,719	
Cash and cash equivalents at end of year		<u><u>2,412,438</u></u>		<u><u>1,270,219</u></u>	

# NOTESCO UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Notesco UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Broadgate Tower, Floor 12, 20 Primrose Street, London, United Kingdom, EC2A 2EW. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in United States Dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

#### **1.2 Adoption of new and revised International Financial Reporting Standards (IFRSs)**

The IFRS financial information has been drawn up on the basis of accounting standards, interpretations and amendments effective at the beginning of the accounting period.

- IFRS 17 "Insurance Contracts", effective from 1 January 2023 (deferred from 1 January 2021)
- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16 (effective from 1 January 2022)
- Reference to the Conceptual Framework – Amendments to IFRS 3 (effective from 1 January 2022)
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37 (effective from 1 January 2022)
- Annual Improvements to IFRS Standards IFRS 9 Financial Instruments, IFRS 16 Leases, IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 41 (effective from 1 January 2022)
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1, 1 January 2023 (deferred from 1 January 2022)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective from 1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (effective from 1 January 2023)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (effective from 1 January 2023)

There have been no new standards, interpretations or amendments effective during the period adopted by the Company as they would not have had a material impact on the Company financial statements.

The Directors do not anticipate that future Standards will have a material impact on the Company financial statements.

#### **1.3 Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# NOTESCO UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.4 Revenue

Revenue is measured at fair value of the consideration received or receivable from the Company's liquidity provider, representing;

Amounts receivable for services provided under a service level agreement, which excludes value added tax. Revenue is recognised as earned when, and to the extent that, the Company obtains the right to consideration. Revenue not billed is included in unbilled receivables and payments on account in excess of the relevant amount of revenue are included in trade and other payables.

#### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	5 years on straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### 1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.



# NOTESCO UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### **Trade and other receivables**

Trade Receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **Impairment of financial assets**

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### 1.10 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

# NOTESCO UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

The Company as lessee, applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

# NOTESCO UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.16 Foreign exchange

Transactions in currencies other than US Dollar are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in US Dollars which is considered to be the Company's functional and presentational currency under the current business model, which is consistent with the Company's parent undertaking.

#### 1.17 Client money

The Company holds money on behalf of clients in accordance with the client money rules of the Financial Conduct Authority. Client monies held in segregated bank accounts in accordance with regulations and the corresponding liabilities to these clients are not recognised in the Balance Sheet.

#### 1.18 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, as described in this note, the directors are required to make judgements. Estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumption are based on historical experience and other factors that are considered to be relevant, as reviewed on an ongoing basis. For the year ended 31 December 2022 there were no assumptions or estimates that are considered critical in applying the accounting policies.

Some of the Company's assets and liabilities are measured at fair value but the valuation of these instruments does not require any discounting or other significant judgement or estimation, since the Company does not offer any financial products with an underlying value that does not have a readily available market price. Market prices are obtained from the relevant exchanges.

### 2 Critical accounting estimates and judgements

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

## NOTESCO UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3 Revenue

An analysis of the company's revenue is as follows:

The total revenue of the Company, for both the current and prior financial year, has been derived from its principal activity driven from the United Kingdom, including revenues earned from the provision of online retail foreign exchange trading and related services from the Company's UK trading platform.

	2022 \$	2021 \$
<b>Revenue analysed by class of business</b>		
Revenue from services	643,795	863,071

#### 4 Operating profit

	2022 \$	2021 \$
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	91,940	(9,374)
Depreciation of property, plant and equipment	65	375

#### 5 Auditor's remuneration

	2022 \$	2021 \$
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	21,776	24,977
<b>For other services</b>		
Other services	453	2,172

#### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Management, accounts managers and administration	3	3

## NOTESCO UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Employees		(Continued)	
Their aggregate remuneration comprised:			
		2022	2021
		\$	\$
Wages and salaries		160,811	194,789
Social security costs		10,758	14,575
Pension costs		4,275	6,177
		<u>175,844</u>	<u>215,541</u>
7 Directors' remuneration			
		2022	2021
		\$	\$
Remuneration for qualifying services		12,441	12,281
		<u>12,441</u>	<u>12,281</u>
8 Finance costs			
		2022	2021
		\$	\$
Other interest payable		-	36,699
		<u>-</u>	<u>36,699</u>
9 Other gains and losses			
		2022	2021
		\$	\$
Other income		22,446	8,303
		<u>22,446</u>	<u>8,303</u>

# NOTESCO UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Property, plant and equipment

	Leasehold improvement	Fixtures, fittings & equipment	Total
	\$	\$	\$
<b>Cost</b>			
At 1 January 2021	495,588	355,758	851,346
Write off	(495,588)	(341,501)	(837,089)
At 31 December 2021	-	14,257	14,257
At 31 December 2022	-	14,257	14,257
<b>Accumulated depreciation and impairment</b>			
At 1 January 2021	495,588	355,318	850,906
Charge for the year	-	375	375
Eliminated due to write off	(495,588)	(341,501)	(837,089)
At 31 December 2021	-	14,192	14,192
Charge for the year	-	65	65
At 31 December 2022	-	14,257	14,257
<b>Carrying amount</b>			
At 31 December 2022	-	-	-
At 31 December 2021	-	65	65

### 11 Financial instruments

	2022 \$	2021 \$
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	3,316,271	3,253,316
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	451,548	482,174

### 12 Income tax income/(expense)

	2022 \$	2021 \$
<b>Current tax</b>		
UK corporation tax on profits for the current period	17,849	10,746
<b>Deferred tax</b>		
Origination and reversal of temporary differences	3,292	2,190
Total tax charge	21,141	12,936

## NOTESCO UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 12 Income tax income/(expense) (Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2022 \$	2021 \$
Profit before taxation	104,262	82,683
Expected tax charge/(credit) based on a corporation tax rate of 19.00%	19,810	15,710
Expenses not deductible in determining taxable profit	-	6,973
Utilisation of tax losses not previously recognised	-	(9,309)
Permanent capital allowances in excess of depreciation	(1,961)	(2,628)
Deferred Tax	3,292	2,190
Tax charge for the year	21,141	12,936

The company has estimated tax losses of \$nil (2021: \$nil) available to carry forward to offset against future profits.

#### 13 Trade and other receivables

	2022 \$	2021 \$
VAT recoverable	16,673	8,261
Amount owed by parent undertaking	11,706	-
Amounts owed by related parties	845,621	1,941,893
Other receivables	13,071	14,480
Prepayments	16,762	18,463
	903,833	1,983,097

Other receivables disclosed above are classified as receivables, and are therefore measured at amortised cost.

Amounts of \$13,071 (2021: \$14,480), included in other receivables represent rent deposits under short term operating lease commitments.

Amounts due from related parties are unsecured, interest free and repayable on demand. For details relating to the amounts owed by related parties refer to related party transactions note.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Prepayments for the year and the comparative has been disclosed separately.

## NOTESCO UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 14 Deferred taxation

	2022 \$	2021 \$
Deferred tax liabilities	-	-
Deferred tax assets	(8,991)	(12,283)
	<u>(8,991)</u>	<u>(12,283)</u>

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Accelerated capital allowances \$
Deferred tax asset at 1 January 2021	(14,473)
<b>Deferred tax movements in prior year</b>	
Credit to profit or loss	2,190
Deferred tax asset at 1 January 2022	(12,283)
<b>Deferred tax movements in current year</b>	
Credit to profit or loss	3,292
Deferred tax asset at 31 December 2022	<u>(8,991)</u>

The deferred tax asset at 31 December 2022 has arisen due to temporary timing differences that have originated on the non-current assets of the Company, resulting in an obligation to pay less tax in the future.

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

#### 15 Fair value of financial assets and financial liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The directors have considered the book values and fair values of the Company's financial assets and liabilities as at 31 December 2022 and consider them to be approximate to their book value owing to the short term maturity of these instruments and the current low interest rate environment.



## NOTESCO UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16 Trade and other payables

	2022	2021
	\$	\$
Trade payables	257,637	278,094
Amounts owed to related parties	167,732	171,187
Accruals	22,393	27,412
Social security and other taxation	3,786	5,481
	<u>451,548</u>	<u>482,174</u>

The trade payables comprise of amounts outstanding of trade purchases and on-going costs. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid.

Amounts due to related parties are unsecured, interest free and payable on demand. For details relating to the amounts owed to related parties refer to related party transactions note.

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

Accruals for the year and the comparative has been disclosed separately.

During the year, the Company assessed the aging of unclaimed balances from old vendors. An amount of US\$nil, which has been unclaimed for over six years has been deemed by the Company to have expired based on the applicable statutes of limitation in the relevant jurisdictions since the vendors no longer have the right to legally claim the balances. In accordance with IFRS, liabilities are written off to the Statement of Financial Position when they are waived, cancelled or expired. However, the Board of Directors did not proceed with any write off since the Company is currently under negotiations with the vendor.

#### 17 Retirement benefit schemes

	2022	2021
Defined contribution schemes	\$	\$
Charge to profit or loss in respect of defined contribution schemes	<u>4,275</u>	<u>6,177</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

## **NOTESCO UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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#### **18 Financial instruments - Other**

##### **Financial risk management objectives**

The overarching objective of the directors is to have a risk management policy to be able to identify and assess the business risks in achieving the Company's, and wider group's, strategic objectives, establishing appropriate internal controls to manage those risks and ensuring that appropriate monitoring and reporting systems are in place. These controls are to be continually reviewed.

Following a variation in its regulatory permissions with the Financial Conduct Authority, allowing the Company from October 2014 to dealing in investments as agent and as principal (matched principal broker), the directors have had regard to the changing business model of the Company. While the existing controls were considered appropriate for the Company's extended operations, the directors have been conscious of ensuring that the Company's systems and controls evolve with its change in operations, continually seeking to improve its risk management policy.

##### **Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern and meet the regulatory capital requirements imposed by the Financial Conduct Authority. The capital structure of the Company consists of the equity of the Company (comprising issued capital plus retained earnings). The Company is currently capitalised at a level comfortably in excess of the minimum regulatory capital required at the end of 31 December 2022 and it has always been the prudent decision to maintain a healthy capital surplus to cover any unforeseen increases in cost. The directors monitor management accounts on a frequent basis to ensure that an appropriate level of capital and cash resources are maintained to meet regulatory requirements. The cost base of the Company has decreased during 2022 to a level at 31 December 2022 which is thought to be reflective of the ongoing cost basis for the foreseeable future.

Therefore the directors are comfortable that the current capitalisation of the Company is appropriate for the operation of the business, but are also aware that further capital would be made available in the event that it is thought prudent to capitalise the Company further for regulatory purposes.

## NOTESCO UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 18 Financial instruments - Other

(Continued)

##### Foreign exchange risk

The Company is exposed to foreign exchange risk as certain transactions and balances are mainly in Sterling, Euro, Czech Crown and Japanese Yen and therefore it has currency risk exposure to fluctuations in exchange rates. These fluctuations do not have a material impact on the financial statements at 31 December 2022, and will be continually reviewed by the directors as the business continues to grow its UK client base and operations.

The directors are responsible for managing the Company's exposure to foreign currency risk by monitoring the exposure on all foreign currency denominated assets and liabilities. Foreign currency risk, as defined by IFRS 7, arises as the value of future transactions fluctuate due to changes in foreign exchange rates. The carrying amounts of the company's foreign currency denominated monetary assets and liabilities at the reporting date are as follows (Other currencies reported in US\$):

	2022	2021	2022	2021
	\$	\$	\$	\$
Non-monetary assets	-	-	-	-
Other assets (monetary)	1,943,858	831,774	-	-
Other liabilities (monetary)	-	-	-	-
	<u>1,943,858</u>	<u>831,774</u>	<u>-</u>	<u>-</u>

At 31 December 2022, had the exchange rate between US Dollars and Sterling, Euro, Czech Crown, Zloty, Japanese Yen Swiss Franc, Rupiah and Brazilian real increased or decreased by 5% with all other variables held constant, the increase or decrease respectively in net assets attributable to the Company's operations would amount to approximately \$97,437 (2021: \$41,693).

##### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk).

The Company is exposed to price risk by virtue of its financial instruments that are traded as contracts for difference and spread betting contracts. However, the positions at any point are mitigated through matched positions held with counterparties, notably the Company's liquidity providers.

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fluctuations of market interest affect the prices of securities.

The Company's management monitors the interest rate fluctuations and acts accordingly, however it does not consider interest rate risk as significant since it does not hold any material interest bearing assets and liabilities. Furthermore, the interest rates applying to the UK are currently minimal and therefore have negligible impact.

# NOTESCO UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 18 Financial instruments - Other

(Continued)

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk is monitored by management on an ongoing basis with respect to trading positions. The directors address credit risk in a number of ways including:

- aiming to maintain a diversified client portfolio thus avoiding high concentration and exposure to a small number of clients;
- ensuring that clients cannot begin to trade unless money has been deposited into clients' account; and
- ensuring that the necessary margin is tied for any open positions.

Furthermore, the credit risk that arises from client positions is further reduced by the Company's policies and tools, which include manual and automatic stop loss limits in order to prevent any open positions exceeding the Company's pre-set margin.

The directors manage cash flow risk by regularly monitoring the amounts outstanding and calling on funds to enable the Company to meet liabilities as they fall due. Any cash deposits with banks are held with a major international banking group with reported substantial financial strength and high grade credit ratings assigned by international credit-rating agencies.

#### Liquidity risk

Liquidity risk refers to the risk of not having sufficient resources to enable the Company to meet its obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the directors, who will manage the Company's short, medium and long-term funding and liquidity management requirements.

The Company aims to maintain a healthy level of liquidity at all times and the directors regularly monitor cash flow and management accounts to ensure that the Company maintains adequate working capital, therefore the directors do not consider liquidity risk to be significant.

#### Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external factors. This is considered to be a key risk for management during the year, as the directors have set to put in place controls and systems that are able to deal with both the growing business operations and also the regulatory requirements of the Company.

The directors draw on experience in the industry on a group wide basis and ensure that significant strategic decisions made by management are continually monitored. Management formally communicates duties and responsibilities to employees through regular meetings, seminars and trainings.

### 19 Operating lease commitments

#### Lessee

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2022	2021
	\$	\$
Minimum lease payments under operating leases	77,427	85,543

## NOTESCO UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 20 Related party transactions

##### Remuneration of key management personnel

The remuneration of the directors and key management personnel, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2022	2021
	\$	\$
Salaries and other short-term employee benefits	115,489	163,761

During the year, the company earned management fee revenue amounting to \$643,795 (2021: \$863,071) from Notesco Financial Services Ltd under a formal Service-Level Agreement (SLA). Notesco Financial Services Ltd is a company registered in Cyprus and related by virtue of common ownership. At the year end, the Company was owed an amount of \$747,814 (2021: \$1,938,704) by Notesco Financial Services Ltd, representing trading and service fees due, less advances received. This amount is interest free and repayable on demand.

At the year end, the company was owed an amount of \$nil (2021: \$2,000) by the group company GVS (BVI) Ltd, a company based in British Virgin Islands. This amount represents expenses paid by the company.

At the year end, the Company was owed an amount of \$1001 (2021: \$1,001) by the group company 8SAFE (BVI) LTD, a company based in British Virgin Islands. This amount is interest free and repayable on demand.

At the year end, the company was owed an amount of \$7,596 (2021: \$nil) by the group company Salvax Ltd, a company based in Bermuda. This amount is interest free and repayable on demand.

At the year end, the company was owed an amount of \$70,552 (2021: \$nil) by the group company Tradeco Ltd, a company based in Seychelles. This amount is interest free and repayable on demand.

At the year end, the company was owed an amount of \$18,658 (2021: \$nil) by the group company Marcetics Global PTE Ltd, a company based in Singapore. This amount is interest free and repayable on demand.

At the year end, the company owed an amount of \$nil (2021: \$46,215) to the group company Notesco Pty Limited, a company based in Australia. This amount is interest free and repayable on demand.

At the year end, the company owed an amount of \$1,001 (2021: \$1,001) to the group company Damadah Holding Ltd, based in Cyprus. This amount is interest free and repayable on demand.

At the year end, the company owed an amount of \$28,460 (2021: \$nil) to the group company Notesco Ltd, a company based in Bermuda. This amount represents transfer between client's equity.

At the year end, the company owed an amount of \$138,271 (2021: \$121,256) to the group company Noteris Services Ltd, a company based in Cyprus. This amount is interest free and repayable on demand.

At the year end, the company was owed an amount of \$11,706 (2021: \$2,715 company owed) to the shareholder of the parent company 8Safe International Limited (BVI). This amount represents deposit made from the shareholder.

#### 21 Controlling party

The parent company with 100% shareholding is 8Safe International Limited, a company registered in British Virgin Islands. Registered address – 19, Waterfront Drive, P.O. Box 3540, Road Town, Tortola VG 1110, British Virgin Islands. Mr. M Kashiouris is the ultimate controlling party by virtue of his ultimate majority shareholding in 8Safe International Limited.

# NOTESCO UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

<b>22</b>	<b>Share capital</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
	<b>Ordinary share capital</b>		
	<i>Issued and fully paid</i>		
	1,500,000 fully paid ordinary shares of £1 each	2,417,015	2,417,015
		<u>          </u>	<u>          </u>
<b>23</b>	<b>Events after the reporting date</b>		
	There are no other matters to report .		
<b>24</b>	<b>Retained earnings</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
	At 1 January 2022	355,729	285,982
	Profit / (loss) for the year	83,121	69,747
		<u>          </u>	<u>          </u>
	At 31 December 2022	438,850	355,729
		<u>          </u>	<u>          </u>
<b>25</b>	<b>Cash generated from operations</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
	Profit for the year before income tax	104,262	82,683
	<b>Adjustments for:</b>		
	Finance costs	-	36,699
	Depreciation and impairment of property, plant and equipment	65	375
	Other gains and losses	(22,446)	(8,303)
	Pension scheme non-cash movement	(1,009)	64
	<b>Movements in working capital:</b>		
	Decrease in trade and other receivables	1,101,710	445,993
	(Decrease)/increase in trade and other payables	(29,617)	47,688
		<u>          </u>	<u>          </u>
	<b>Cash generated from operations</b>	<b>1,152,965</b>	<b>605,199</b>
		<u>          </u>	<u>          </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.