

City of London Markets Limited

Annual Report and Financial Statements

For the year ended 30 September 2017

Company Registration No. 08329071 (England and Wales)

City of London Markets Limited

Company Information

Director	B O'Donohue	(Appointed 1 September 2018)
Secretary	B O'Donohue	
Company number	08329071	
Registered office	Devonshire House 60 Goswell Road London EC1M 7AD	
Auditor	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	

City of London Markets Limited

Contents

	Page
Strategic report	1
Director's report	2 - 3
Independent auditor's report	4 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 18

City of London Markets Limited

Strategic Report

For the year ended 30 September 2017

The director presents the strategic report for the year ended 30 September 2017.

Fair review of the business

The principle activity of the firm during the period under review continued to be that of a stockbroking and investment management firm.

During the year revenue increased to £383,576 (2016: £74,004) and the director expects that turnover will increase further in the next reporting period and that prospects for the company are good going forward. The company generated a loss of £320,937 (2016: £10,554) during the year with cash at bank and hand at balance sheet date of £19,308 (2016: £12,325).

Principal risks and uncertainties

FCA compliance and regulations are a key risk for the business and the company has faced challenges in meeting its regulatory requirements. At the time of writing this report the company has undertaken measures to address these challenges. These include employing an external compliance consultant and hiring a dedicated compliance officer.

The company has been affected by shortcomings in systems and controls under previous management. The new management is in the process of addressing these shortcomings and while there is much work to be done, significant change is underway. The departure of many former staff has resulted in there ultimately being less activity to manage and that in and of itself has made the task going forward more manageable. Going forward the internal systems and controls are being developed and this will better enable the company to manage its exposure to risk.

In addition to the departure of some staff members there have been changes in the responsibilities of those who have remained resulting in a materially different management structure. Under the guidance of the Head of Compliance the company is bolstering its internal systems and controls.

Key performance indicators

As an investment manager, assets under management (AUM) is a key metric by which the company is measured. AUM at the financial year end was circa £5,000,000. While management will have a growth-agenda going forward the current focus is not on growth but on addressing the serious shortcomings in systems and controls that have resulted in non-compliance with the firm's regulatory requirements and responsibilities. Management is confident that once these issues have been addressed the firm will become profitable and sustain its growth trajectory.

On behalf of the board

B O'Donohue

Director

12 December 2018

City of London Markets Limited

Director's Report

For the year ended 30 September 2017

The director presents his report and financial statements for the year ended 30 September 2017.

In accordance with s414C(11) of the Companies Act 2006, the information relating to future developments and financial risk management is included in the Strategic Report.

Principal activities

The principal activity of the company continued to be that of a stockbroker and investment management firm.

Director

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

B O'Donohue	(Appointed 1 September 2018)
J Douglas	(Resigned 10 September 2018)
B Jenkins	(Resigned 25 November 2016)
A Turtle	(Resigned 6 June 2018)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Auditor

The auditor, Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies 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 director is 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. He is 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.

City of London Markets Limited

Director's Report (Continued)

For the year ended 30 September 2017

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Pillar 3 disclosures

Details of the company's unaudited Pillar 3 disclosures required under section II of the FCA's Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU), can be found at the following website:
www.cityoflondonmarkets.com

On behalf of the board

B O'Donohue

Director

12 December 2018

City of London Markets Limited

Independent Auditor's Report

To the Members of City of London Markets Limited

Disclaimer of opinion

We were engaged to audit the financial statements of City of London Markets for the year ended 30 September 2017 which comprise the Profit and Loss Account, the Balance Sheet, 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 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).

We do not express an opinion on the financial statements of the company. Because of the significance of the matters described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for disclaimer on financial statements

The audit evidence available to us was limited because of the following factors. The director of the company has prepared cash flow forecasts which indicate further working capital of £350,000 will be required over the next 12 months. The company is dependent on the availability of this funding in order to continue in business and meet its liabilities as they fall due. Although the company is in negotiation to ensure the additional funding is received, these negotiations have not as yet concluded. As explained in note 1.2, the directors believe that it is likely that these facilities will be successfully negotiated, however there can be no certainty in this respect. As a result of this limitation, we have been unable to obtain sufficient appropriate audit evidence concerning the appropriateness of the going concern basis of preparation of the financial statements.

In addition, the audit evidence available to us in respect of the provision for client remediation and regulatory sanctions was limited and we were therefore unable to determine whether the amount included in the financial statements of £253,350 is sufficient to cover the potential liability or what course of action the regulator will adopt. The accuracy of this provision will also affect the additional funding required.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

Notwithstanding our disclaimer of opinion on the view given by the financial statements, in our opinion:

- 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.

City of London Markets Limited

Independent Auditor's Report (Continued)

To the Members of City of London Markets Limited

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 and the Director's Report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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

- 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement, the director is 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 director is 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 director 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 responsibility is to conduct a audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. However, because of the matter described in the Basis for disclaimer of opinion section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

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.

City of London Markets Limited

Independent Auditor's Report (Continued)

To the Members of City of London Markets Limited

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Thomas Moore (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

12 December 2018

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

City of London Markets Limited

Profit and Loss Account

For the year ended 30 September 2017

	Notes	2017 £	2016 £
Turnover	3	383,576	74,004
Cost of sales		(278,825)	(27,055)
Gross profit		104,751	46,949
Administrative expenses		(413,802)	(57,480)
Operating loss	4	(309,051)	(10,531)
Interest payable and similar expenses	6	(229)	(23)
Loss before taxation		(309,280)	(10,554)
Taxation	7	(11,657)	-
Loss for the financial year		(320,937)	(10,554)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations. There are no items considered to be classified as other comprehensive income, and as such a Statement of Comprehensive Income has not been included in the report.

City of London Markets Limited

Balance Sheet

As at 30 September 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	8		722		481
Current assets					
Debtors	10	25,751		52,769	
Cash at bank and in hand		19,308		12,325	
		<u>45,059</u>		<u>65,094</u>	
Creditors: amounts falling due within one year	11	<u>(71,967)</u>		<u>(24,174)</u>	
Net current (liabilities)/assets			<u>(26,908)</u>		<u>40,920</u>
Total assets less current liabilities			<u>(26,186)</u>		<u>41,401</u>
Provisions for liabilities	12		<u>(253,350)</u>		<u>-</u>
Net (liabilities)/assets			<u><u>(279,536)</u></u>		<u><u>41,401</u></u>
Capital and reserves					
Called up share capital	13	158,000		158,000	
Profit and loss reserves		<u>(437,536)</u>		<u>(116,599)</u>	
Total equity			<u><u>(279,536)</u></u>		<u><u>41,401</u></u>

The financial statements were approved by the board of directors and authorised for issue on 12 December 2018 and are signed on its behalf by:

B O'Donohue
Director

Company Registration No. 08329071

City of London Markets Limited

Statement of Changes in Equity

For the year ended 30 September 2017

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 October 2015		148,000	(106,045)	41,955
Year ended 30 September 2016:				
Loss and total comprehensive income for the year		-	(10,554)	(10,554)
Issue of share capital	13	10,000	-	10,000
Balance at 30 September 2016		158,000	(116,599)	41,401
Year ended 30 September 2017:				
Loss and total comprehensive income for the year		-	(320,937)	(320,937)
Balance at 30 September 2017		158,000	(437,536)	(279,536)

City of London Markets Limited

Statement of Cash Flows

For the year ended 30 September 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	16		24,139		(10,697)
Interest paid			(229)		(23)
Taxes paid			(11,657)		-
Net cash inflow/(outflow) from operating activities			12,253		(10,720)
Investing activities					
Purchase of tangible fixed assets		(642)		-	
Proceeds from other investments and loans		-		7,021	
Net cash (used in)/generated from investing activities			(642)		7,021
Financing activities					
Proceeds from issue of shares		-		10,000	
Net cash (used in)/generated from financing activities			-		10,000
Net increase in cash and cash equivalents			11,611		6,301
Cash and cash equivalents at beginning of year			7,697		1,396
Cash and cash equivalents at end of year			19,308		7,697
Relating to:					
Cash at bank and in hand			19,308		12,325
Bank overdrafts included in creditors payable within one year			-		(4,628)

City of London Markets Limited

Notes to the Financial Statements

For the year ended 30 September 2017

1 Accounting policies

Company information

City of London Markets Limited is a private company limited by shares incorporated in England and Wales. The registered office is Devonshire House, 60 Goswell Road, London, EC1M 7AD.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

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

1.2 Going concern

During the year the company made a net loss of £320,938 and at the balance sheet date had net liabilities of £279,536.

The ability of the company to continue in business as a going concern and meet its liabilities as they fall due is contingent on the ability of the company to raise further finance sufficient to cover the operating costs of the business and to meet its regulatory capital requirements for at least twelve months from the date of approval of the financial statements. The director is in negotiations to obtain the additional funding and whilst the negotiations have not yet been concluded the director is confident that sufficient finance will be able to be obtained. Consequently, the financial statements have been prepared on the going concern basis.

1.3 Turnover

Turnover represents amounts receivable for investment management and stockbroking services.

1.4 Tangible fixed assets

Tangible fixed assets 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:

Computer equipment	4 years straight line
--------------------	-----------------------

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 credited or charged to profit or loss.

1.5 Impairment of fixed 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.

City of London Markets Limited

Notes to the Financial Statements (Continued)

For the year ended 30 September 2017

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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.

1.6 Cash at bank and in hand

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

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

City of London Markets Limited

Notes to the Financial Statements (Continued)

For the year ended 30 September 2017

1 Accounting policies

(Continued)

Other financial liabilities

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 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.

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

City of London Markets Limited

Notes to the Financial Statements (Continued)

For the year ended 30 September 2017

1 Accounting policies

(Continued)

1.12 Foreign exchange

Transactions in currencies other than pounds sterling 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 profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Claims for provisions and sanctions

Included within provisions is an amount of £253,350 which is an estimate of the potential liabilities due in respect of customer remediation and regulatory breaches. Investigations are ongoing into these issues and as such the valuation of the estimates is uncertain, although the director believes the estimates to be sufficient to cover the potential liability.

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover analysed by class of business		
Stockbroking and investment management services	383,576	74,004
	<u> </u>	<u> </u>
	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	383,576	74,004
	<u> </u>	<u> </u>

City of London Markets Limited

Notes to the Financial Statements (Continued)

For the year ended 30 September 2017

4 Operating loss

	2017 £	2016 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	233	(153)
Fees payable to the company's auditor for the audit of the company's financial statements	11,320	8,093
Depreciation of owned tangible fixed assets	401	240
	<u> </u>	<u> </u>

5 Employees

There were no persons (excluding directors) employed by the company during the year or prior year.

6 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	23
Other finance costs:		
Other interest	229	-
	<u> </u>	<u> </u>
	229	23
	<u> </u>	<u> </u>

7 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	11,657	-
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Loss before taxation	(309,280)	(10,554)
	<u> </u>	<u> </u>
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)</i>	(58,763)	(2,111)
Tax effect of expenses that are not deductible in determining taxable profit	47,230	-
Unutilised tax losses carried forward	12,175	2,111
Permanent capital allowances	(642)	-
s455 tax charged to profit and loss	11,657	-
	<u> </u>	<u> </u>
Taxation charge for the year	11,657	-
	<u> </u>	<u> </u>

City of London Markets Limited

Notes to the Financial Statements (Continued)

For the year ended 30 September 2017

7 Taxation

(Continued)

No deferred tax asset has been recognised on trading losses in either the current or prior year because of the uncertainty of profits arising in future periods. At the year end date, the company has trading losses carried forward of £166,745 (2016: £115,460).

8 Tangible fixed assets

Computer equipment
£

Cost

At 1 October 2016	961
Additions	642

At 30 September 2017	1,603
----------------------	-------

Depreciation and impairment

At 1 October 2016	480
Depreciation charged in the year	401

At 30 September 2017	881
----------------------	-----

Carrying amount

At 30 September 2017	722
At 30 September 2016	481

9 Financial instruments

2017
£

2016
£

Carrying amount of financial assets

Debt instruments measured at amortised cost	25,751	42,867
---	--------	--------

Carrying amount of financial liabilities

Measured at amortised cost	71,967	14,272
----------------------------	--------	--------

10 Debtors

2017
£

2016
£

Amounts falling due within one year:

Trade debtors	25,751	3,260
Corporation tax recoverable	-	9,902
Other debtors	-	39,607
	25,751	52,769

City of London Markets Limited

Notes to the Financial Statements (Continued)

For the year ended 30 September 2017

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank overdraft	-	4,628
Trade creditors	9,367	1,544
Corporation tax	-	9,902
Other creditors	50,000	-
Accruals and deferred income	12,600	8,100
	<u>71,967</u>	<u>24,174</u>

12 Provisions for liabilities

	2017 £	2016 £
Provisions for claims and sanctions	253,350	-
	<u>253,350</u>	<u>-</u>

13 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
158,000 ordinary shares of £1 each	158,000	158,000
	<u>158,000</u>	<u>158,000</u>

14 Related party transactions

At the year end J Douglas, who served as a director during the entire year, owed the company £nil (2016: £39,607). The loan made available to him by the company in the year was valued at £51,312 at the point at which it was written off and no interest was charged.

During the year there were commission payments of £10,064 (2016: nil) made to City of London Securities Limited, an entity in which J Douglas has a material interest.

15 Controlling party

The controlling party is J Douglas by virtue of his 100% holding in the company.

City of London Markets Limited

Notes to the Financial Statements (Continued)

For the year ended 30 September 2017

16 Cash generated from operations

	2017 £	2016 £
Loss for the year after tax	(320,937)	(10,554)
Adjustments for:		
Taxation charged	11,657	-
Finance costs	229	23
Depreciation and impairment of tangible fixed assets	401	240
Increase in provisions	253,350	-
Movements in working capital:		
Decrease/(increase) in debtors	17,116	(1,637)
Increase in creditors	62,323	1,231
Cash generated from/(absorbed by) operations	<u>24,139</u>	<u>(10,697)</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.