Company Registration No. 08619610 (England and Wales)

FORTRADE LIMITED
& SUBSIDIARIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2017

FORTRADE LIMITED & SUBSIDIARIES

COMPANY INFORMATION

Directors	N Collison C Humby
Company number	08619610
Registered office	43-45 Dorset Street London W1U 7NA
Auditors	Fisher, Sassoon & Marks 43-45 Dorset Street London W1U 7NA
Business address	Michelin House 81 Fulham Road London SW3 6RD

FORTRADE LIMITED & SUBSIDIARIES

CONTENTS

FORTRADE LIMITED & SUBSIDIARIES

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2017

This strategic report has been prepared for the group as a whole and therefore gives greater emphasis to those matters which are significant to the company and its subsidiary undertakings when viewed as a whole.

Fair review of the business
The group's business developed in line with the board's expectations and the results for the period and the financial position at the period end were considered satisfactory given industry and economic conditions.

The Company has ensured meeting its regulatory obligations under European Regulatory Directive, MiFID II, which came into force on 3rd January 2018.

The group continues to look for opportunities both in the UK and overseas. Therefore, the directors expect that the group will grow its business both in its core market and new markets and this will lead to an improvement in the group's financial results and growth in key performance indicators of client numbers and trade volumes.

Risk management
The principal activity of the Company, dealing in Contract for Differences, gives rise to financial risks in the ordinary course of business. The risk management undertaken mitigates the risks as detailed in the company's Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP provides an ongoing assessment of the risks that the Company believes have the potential to have a significant detrimental impact on its financial performance. The board sets the strategy and policies for the management of these risks and assigns the management and monitoring of these risks as appropriate. The main financial risks arising from the Company's business activities are identified as market risk, operational risk, liquidity risk, counterparty and credit risk.

The principal risks are further detailed in the company's Pillar 3 statement.

Development and performance
At the period end the Group had net assets in the sum of £3,463,376 (2016: £3,288,306). Accordingly the Group has a strong balance sheet and is well placed to achieve its long term strategy.

Key performance indicators

Key performance indicators are turnover and operating profit as detailed on the statutory profit and loss account.

On behalf of the board

N Collison
Director

30 September 2018

FORTRADE LIMITED & SUBSIDIARIES

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present their annual report on the affairs of the group, together with the financial statements and auditor's report, for the year ended 31 December 2017.

Principal activities
The activities of the group are that of the provision of investment services and acting as principal to its clients in foreign exchange and derivatives contracts including Contracts For Difference ("CFD").

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

N Collison
C Humby

Results and dividends
The results for the period are set out on page 6.

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

Financial instruments

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 individuals. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

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.

Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Research and development
The group continues to undertake research and development in respect of its bespoke in-house trading platform; Fortrader.

Post reporting date events
There are no matters to report.

Changes in presentation of the financial statements
The comparative figures for the income statements, statements of changes in equity, cash flow statements and the related notes are for seventeen months from 1 August 2015 to 31 December 2016.

Auditors
The auditors, Fisher, Sassoon & Marks are 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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the parent 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 group and the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosures to auditors
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 auditors are 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 auditors are aware of that information.

Risk management objectives and policies
The directors determines the company's business strategy and risk appetite along with designing and implementing a risk management framework that recognizes the risks that the business faces. They also determine how those risks may be mitigated and assess on an ongoing basis the arrangements to manage those risks. The board meets on a regular basis and discuss current projections for profitability and regulatory capital management, business planning and risk management. The directors manage the company's risks though a framework of policy and procedures having regard to relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required. The company follows the standardised approach to market risk and the simplified standard approach to credit risk.

The company's financial risk management objectives are therefore to minimise the key financial risks through having clearly defined terms of business with counterparties and stringent market risk control over transactions with them, and regular monitoring of cash flow and management accounts to ensure regulatory capital requirements are not breached and the company maintains adequate working capital.

On behalf of the board

N Collison
Director

~~20~~ 3 September 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FORTRADE LIMITED & SUBSIDIARIES

Opinion
We have audited the financial statements of Fortrade Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2017 set out on pages 6 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF FORTRADE LIMITED & SUBSIDIARIES

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

JMarks

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

Chartered Accountants
Statutory Auditor

30/09/2018

43-45 Dorset Street
London
W1U 7NA

FORTRADE LIMITED & SUBSIDIARIES

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Turnover	3	16,143,195	15,852,738
Cost of sales		(13,350,309)	(11,375,200)
Gross profit		2,792,886	4,477,538
Administrative expenses		(2,588,392)	(3,352,068)
Other operating income		26,500	
Operating profit/(loss)	4	230,994	1,125,470
Interest payable and similar charges		(24,171)	
Interest receivable and similar income		-	5,861
Profit/(loss) on ordinary activities before taxation		206,823	1,131,331
Taxation	9	(31,753)	15,688
Profit/(loss) for the financial period	17	175,070	1,147,019
Total comprehensive income/(loss) for the period		175,070	1,147,019

The profit and loss account has been prepared on the basis that all operations are continuing operations.

FORTRADE LIMITED & SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2017

		2017		2016	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	**11**		75,204		112,126
Current assets					
Debtors	**14**	7,376,444		13,455,370	
Cash at bank and in hand		327,472		418,578	
		7,703,916		13,873,948	
Creditors: amounts falling due within one year	**15**	(4,315,744)		(10,697,768)	
Net current assets			3,388,172		3,176,180
Total assets less current liabilities			3,463,376		3,288,306
Capital and reserves					
Called up share capital	**16**		2,614,250		2,614,250
Profit and loss reserves	**17**		849,126		674,056
Total equity			3,463,376		3,288,306

The financial statements were approved by the board of directors and authorised for issue on 30th September 2017 and are signed on its behalf by:

N Collison
Director

Company Registration No. 08619610

FORTRADE LIMITED & SUBSIDIARIES

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets			48,587		78,883
Current assets					
Debtors	**14**	7,455,225		13,428,016	
Cash at bank and in hand		248,182		252,099	
		7,703,407		13,680,115	
Creditors: amounts falling due within one year	**15**	(4,475,708)		(10,614,301)	
Net current assets			3,227,699		3,065,814
Total assets less current liabilities			3,276,286		3,144,697
Capital and reserves					
Called up share capital	**16**		2,614,250		2,614,250
Profit and loss reserves	**17**		662,036		530,447
Total equity			3,276,286		3,144,697

The financial statements were approved by the board of directors and authorised for issue on 30th September 2017 and are signed on its behalf by:

N Collison
Director

Company Registration No. 08619610

FORTRADE LIMITED & SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 31 July 2015		2,114,250	(472,963)	1,641,287
Profit and total comprehensive income the year		-	1,147,019	1,147,019
Issue of share capital		500,000	-	500,000
Balance at 31 December 2016		2,614,250	674,056	3,288,306
Year ended 31 December 2016				
Profit and total comprehensive income the period		-	175,070	175,070
Balance at 31 December 2017		2,614,250	849,126	3,463,376

FORTRADE LIMITED & SUBSIDIARIES

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2015		2,114,250	(423,525)	1,690,725
Period ended 31 December 2016				
Profit and total comprehensive income the period		-	953,972	953,972
Issue of share capital		500,000	-	500,000
Balance at 31 December 2016		2,614,250	530,477	3,144,697
Year ended 31 December 2017				
Profit and total comprehensive income the year		-	131,589	131,589
Balance at 31 December 2017		2,614,250	662,036	3,276,286

FORTRADE LIMITED & SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017		2016	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		3,383		(138,756)
Income taxes refunded/(paid)			(83,607)		60,020
Net cash inflow/(outflow) from operating activities			(80,224)		(78,736)
Investing activities					
Purchase of tangible fixed assets		(10,882)		(124,722)	
Interest received		-		-	
Net cash (used in)/generated from investing activities			(10,882)		(124,722)
Financing activities					
Proceeds from issue of shares		-		500,000	
Net cash generated from financing activities			-		500,000
Net increase/(decrease) in cash and cash equivalents			(91,106)		296,542
Cash and cash equivalents at beginning of period			418,578		122,036
Cash and cash equivalents at end of period			327,472		418,578

1 Accounting policies

1.1 Company information

Fortrade Limited is a company limited by shares incorporated in England and Wales. The registered office is 43-45 Dorset Street, London, W1U 7NA.

1.2 Compliance with accounting standards

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2017 are the consolidated financial statements of Fortrade Limited and its subsidiaries prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

1.3 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Fortrade Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1 Accounting policies (continued)

1.4 Turnover

Turnover represents amounts receivable for undertaking brokerage services in contracts for differences and is measured at net consideration received/paid on all realised and the net market value of open positions with clients and all other counterparties.

The recognition of income results directly from the recognition on financial assets and liabilities on an aggregate basis by each asset class determine the net gain or loss for that asset class in accordance with FRS 102 section 11.48. CFD positions are viewed as a single asset class.

1.5 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:

Fixtures, fittings & equipment	33.33 % on Straight Line Basis

1.6 Reporting period

The financial year end of the Company was changed from 31 July to 31 December in the 2016 calendar year. Accordingly, the comparative figures for the income statements, statements of changes in equity, cash flow statements and the related notes are for fifteen months from 1 July 2015to 31 December 2016.

1.7 Impairment of fixed assets

At each reporting period 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.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

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.

1 Accounting policies (continued)

1.8 Cash and cash equivalent

Cash and cash equivalents are basic financial assets and 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.

Accounting policies (continued)

1.9 Client money

The company holds money on behalf of clients in accordance with client money rules of its regulators, where required. 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 because the Company is not beneficially entitled to them.

1.10 Financial instruments

The group 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 group's statement of financial position when the group 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 publically 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.

1 Accounting policies (continued)

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 group 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Derecognition of financial liabilities

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

1.11 Foreign currency translation

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.

1 Accounting policies (continued)

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 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 group'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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing 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 profit and loss account, 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 group 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 stock or fixed 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 Going concern

At the time of approving the financial statements, the directors have 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.

1.15 Retirement benefits

Payment to defined contributions retirement schemes are charged as an expense as they fall due.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

2 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.

3 Turnover

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

	2017	2016
	£	£
Turnover		
Net Revenue from dealing	16,143,195	15,852,738

The Company's income is derived from trading in CFDs as principal which, for the purposes of segmental analysis, is considered by the directors to be a single global market.

4 Operating profit

	2017	2016
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	47,804	28,310
Exchange gains\ (losses)	120,818	(69,485)

5 Auditors' remuneration

	2017	2016
	£	£
Fees payable to the group's auditor and its associates:		
For audit services		
Audit of the company's financial statements	16,200	18,000
Audit of other group subsidiaries	10,000	9,800
	26,200	27,800
For other services		
All other non-audit services	6,901	37,825
	6,901	37,825

6 Employees

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

	2017 Number	2016 Number
Administration	7	7
Support	14	17
Directors	2	2
	23	26

Their aggregate remuneration comprised:	2017 £	2016 £
Wages and salaries	1,235,264	1,274,323
Social security costs	172,763	92,773
Pension costs	63,278	86,308
	1,471,305	1,453,404

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	216,370	206,117

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	206,370	191,950

8 Remuneration of key personnel

	2017 £	2016 £
Aggregate compensation	216,370	206,117

9 **Taxation**	**2017**	**2016**
	£	**£**
Current tax		
Tax refund	-	(60,020)
Foreign tax	31,753	44,332
	31,753	(15,688)

The charge for the period can be reconciled to the profit per the profit and loss account as follows:

	2017	**2016**
	£	**£**
Profit on ordinary activities before taxation	206,823	1,131,331
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2016: 20%)	39,296	226,266
Effects of:		
Different tax rates applied in overseas jurisdictions	15,992	(8,617)
Expenses not deductible for tax purposes	10,537	13,394
Utilisation of tax losses not previously recognised	(6,992)	(29,071)
Permanent capital allowances	(2,167)	(18,041)
Research and development tax credit	(24,913)	(60,020)
Deferred tax adjustments in respect of prior years	-	-
Other tax adjustments	-	(139,599)
Total tax charge/(credit) for the period	31,753	(15,688)

The company has estimated tax losses of £83,663 (2016 - £119,115) to carry forward against future trading profits.

10 Profit attributable to the company

The parent company has taken advantage of section 408 of the Companies Act 2006 not to present its own statement of comprehensive income. The parent company's result for the period was £131,589 (2016: £953,972).

11 Tangible fixed assets

	Group Fixtures, fittings & equipment	Company Fixtures, fittings & equipment
	£	£
Cost		
At 1 January 2017	144,350	100,949
Additions	10,882	1,736
At 31 December 2017	155,232	102,685
Depreciation and impairment		
At 1 January 2017	32,224	22,066
Depreciation charged in the year	47,804	32,032
At 31 December 2017	80,028	54,098
Carrying amount		
At 31 December 2017	75,204	48,587
At 31 December 2016	112,126	78,883

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Shares held Class	%
Subsidiary undertakings				
Fort Securities Israel Ltd	Israel	Back office support services	Ordinary	100
Fort Securities Australia Pty Ltd	Australia	Non-trading	Ordinary	100

13 Financial instruments

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	7,265,362	7,358,341	13,315,747	13,288,362
Carrying amount of financial liabilities				
Measured at amortised cost	4,307,241	4,461,899	10,512,567	10,602,281

14 Debtors

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Amounts falling due within one year:				
Trade debtors and trading assets	6,883,814	6,904,153	12,934,199	12,906,814
Amounts owed by parent and group undertakings	381,548	454,188	381,548	381,548
Other debtors	32,964	18,766	10,587	10,587
Prepayments and accrued income	78,118	78,118	129,036	129,067
	7,376,444	7,455,225	13,455,370	13,428,016

15 Creditors: amounts falling due within one year

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Trade creditors and trading liabilities	4,178,695	4,166,791	10,441,945	10,433,913
Amounts owed to group undertakings	-	215,661	-	124,956
Other taxation and social security	8,503	13,809	185,201	12,020
Accruals and deferred income	128,546	79,447	70,622	43,412
	4,315,744	4,475,708	10,697,768	10,614,301

16 Share capital

	2017	2016
Ordinary share capital	**£**	**£**
Issued and fully paid		
2,614,250 Ordinary shares of £1 each	2,614,250	2,614,250

The company has one class of ordinary shares which carry voting rights and full rights to dividends and capital distributions.

Reconciliation of movements during the period:

	Ordinary Number
At 31 December 2016	2,614,250
Issue of fully paid shares	-
At 31 December 2017	2,614,250

17 Profit and loss reserves

	2017	2016
Group	**£**	**£**
At the beginning of the period	674,056	(472,963)
Profit/(loss) for the period	175,050	1,147,019
At the end of the period	849,106	674,056

Profit and loss reserves

	2017	2016
Company	**£**	**£**
At the beginning of the period	530,447	(423,525)
Profit/(loss) for the period	131,589	953,972
At the end of the year	662,036	530,447

18 Related party transactions

The company has taken advantage of the exemption available in FRS 102-33.1A "Related party disclosures" whereby disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

19 Control

The intermediate parent company entity is Alba Capital SA, a company registered in Panama. The directors deem the ultimate controlling party to be Audina Treuhand AG by virtue of their ability to remove and appoint directors to the board of Alba Capital SA.

20 Cash generated from operations

	2017	2016
	£	£
Profit for the period after tax	175,070	1,147,019
Adjustments for:		
Taxation (credited)/charged	31,753	(60,020)
Investment income	-	-
Depreciation and impairment of tangible fixed assets	47,804	28,310
Movements in working capital:		
Decrease/(increase) in debtors	6,078,926	(4,740,663)
(Decrease)/increase in creditors	(6,330,170)	3,486,598
Cash generated from/(absorbed by) operations	3,383	(138,756)

21 Retirement benefits

The charge for the year to the profit and loss account in respect of defined contribution schemes was £63,278 (2016 - £86,308).

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

22. Risk management structure

The Chief Executive Officer ('CEO') is ultimately responsible for the overall risk management approach of the group and for approving and monitoring risk strategies, setting limits, applying principles and ensuring appropriate risk reduction strategies and procedures are coordinated and implemented on the dealing desk. The CEO is also responsible for quantification and qualification of risks inherent in the group's trading positions and ensuring that risk procedures and systems are optimised and maintained.

23 Risks from use of financial instruments

Market risk – Trading

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and underlying prices. Market risk is the risk of loss in portfolio value as a result of movements in these financial instruments market values.

The group does not undertake proprietary trading based on expectations in changes in market prices. However, the group does not hedge all client transactions and therefore has a net position in the markets on which it offers products.

The client positions are monitored on a continual basis and are assessed against the Firm's Risk Management Policy. Where large exposures build up, these may be off-set by hedging in the market. The Firm therefore has exposure to market risk to the extent that it has residual un-hedged positions and this exposure depends on market movements and client activities during the trading day. The CEO and the Trading Risk Manager monitor the appropriateness of the Firm's Risk Management Policy on an ongoing basis.

23.1 Risks from use of financial instruments

At this point the group's equity exposures are relatively low as the majority of client positions are in more liquid and less correlated instruments such as foreign exchange, equities and commodities.

The group's market risk is also reduced significantly by offering a large number of tradeable markets, whose movements are not always significantly correlated and in which long and short client positions frequently offset each other considerably.

Credit risk

The group has credit risk with Liquidity Provider with which it deposits funds and with which it hedges. The group monitors the exposure for each counterparty. The group's credit risk is the risk that clients will cause a financial loss for the group by failing to discharge their financial obligations to it.

The group has negligible client credit risk as it requires clients to place a margin or deposit in their account for all trades before they are permitted to deal with the group. The group has a formal margin policy and clients must top up their margin to pre-set levels if they fall below these or the group may enforce liquidation of one or more of their open positions.

The group does not extend credit over and above clients being permitted to trade at the group's pre-set margin levels, nor does it accept financial instruments other than cash by way of collateral. This further mitigates any credit risk to the group.

23.2 Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting its financial obligations.

The group's approach to liquidity is to ensure that as far as possible it will always have sufficient liquidity to meet its clients' and brokers' margin requirements and liabilities when they fall due. This is achieved by

ongoing monitoring of the group's available working capital as compared with the amounts due to clients and counterparties.

The cash position of the group is therefore monitored closely by the CEO and contingency plans are always in place to meet unexpected demands.

23.3 Operational risk

The group's operational risk is the risk that the group will derive losses through inherent failure in its processes, personnel, technology, infrastructure or external forces impacting on any of these. These risks are countered through regular assessment of the likelihood of these risks as part of the group's ongoing internal risk management procedures, including maintaining a fully up-to-date risk register and the group's ICAAP, and contingency planning for how to deal with such risks arising. The group's ICAAP also details expected costs which would be associated with risks which cannot be fully mitigated, and these are taken into account when planning the group's capital.

Foreign exchange risk

The group operates globally and uses the pounds sterling as its functional currency and is thus exposed to foreign exchange risk arising from various currency combinations. Foreign currency-denominated assets and liabilities together with expected cash flows give rise to foreign exchange exposures. Due to changes in global markets currency combinations will also change within a financial year.

The foreign exchange policy of the group is to hedge material foreign exchange exposures. Exposures are hedged by means of matching assets with liabilities and holding material cash balances in Sterling, Euros and US dollars.

FORTRADE LIMITED

APPENDIX - PILLAR 3 DISCLOSURE

FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

Regulatory Context

The Capital Requirements Directive ('the Directive') of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital that must be maintained by credit institutions and investment firms. In the United Kingdom, the Directive has been implemented by the Financial Conduct Authority ('FCA') in its regulations through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Investment Firms ('IFPRU').

The new FCA framework consists of three 'Pillars':

- Pillar 1 sets out the minimum capital requirements that a firm needs to retain to meet its credit, market and operational risks.
- Pillar 2 requires the firm and the FCA to take a view on whether it needs to hold additional capital against firm specific risks not covered by Pillar 1.
- Pillar 3 requires a firm to develop a set of disclosures which will allow market participants to assess key information about its underlying risks, risk management controls and capital position.

Frequency

The Firm will be making Pillar 3 disclosures annually. The disclosures will be as at the Accounting Reference Date ("ARD") which is currently 31 December.

Media and Location

The disclosure is published only as an appendix to our Annual Report and will be available from the Registered Office on request.

Verification

The information contained in this document has not been audited by the Firm's external auditors and does not constitute any form of financial statement and must not be relied upon in making any judgement on Fortrade Limited.

Materiality and Confidentiality

The rules provide that we may omit one or more of the required disclosures if we believe that the information is immaterial. Materiality is based on the criterion that the omission or misstatement of any information would be likely to change or influence the decision of a reader relying on that information. Where we have considered a disclosure to be immaterial, we have stated this in the document.

In addition, we may also omit one or more of the required disclosures where we believe that the information is regarded as proprietary or confidential. In our view, proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers, suppliers and counterparties.

Corporate Background

The Firm

The Firm is incorporated in the UK and is authorised and regulated by the FCA to deal on its own account for a variety of investment products. The Firm is permitted to deal with all customer types - retail, professional and eligible counterparties. The Firm may hold and control client money. The Firm is an execution-only dealer of contracts for difference (CFDs). The Firm's activities give it the IFPRU categorisation of a "Full Scope" and a "IFPRU €730K" firm.

As a Full Scope Firm we are considered a Proportionality tier three firm for the purposes of the FCA's Remuneration Code. This allows it to disapply many of the technical requirements of the Code and proportionately apply the Code's rules and principles in establishing its Remuneration Policy.

Scope of Disclosure

The scope of this Pillar 3 disclosure applies to Fortrade Limited; the disclosure is produced on an individual basis.

Risk Management and Risk Categories

Risk Management

The Firm's Chief Executive Officer ('CEO') is ultimately responsible for the overall risk management approach of the Firm and for approving and monitoring risk strategies, setting limits, applying principles and ensuring appropriate risk reduction strategies and procedures are coordinated and implemented on the dealing desk.

The CEO is also responsible for quantification and qualification of risks inherent in the Firm's trading positions and ensuring that risk procedures and systems are optimised and maintained.

The Firm has exposure to the following risks:

Market Risk - Trading
Credit and Counterparty Risk
Liquidity Risk
Operational Risk
Foreign Exchange Risk

Risk Management by Category

Market Risk - Trading

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and underlying prices. Market risk is the risk of loss in portfolio value as a result of movements in these financial instruments' market values.

The Firm does not undertake proprietary trading based on expectations in changes in market prices. However, the Firm does not hedge all client transactions and therefore has a net position in the markets on which it offers products.

The client positions are monitored on a continual basis and where large exposures build up beyond the specified risk limit per market, these are off-set by hedging in the market. The Firm therefore has exposure to market risk to the extent that it has residual un-hedged positions and this exposure depends on market movements and client activities during the trading day.

At this point the Firm's equity exposures are relatively low as the majority of client positions are fully hedged with counterparties.

The Firm's market risk is also reduced significantly by offering a large number of tradable markets, whose movements are not always significantly correlated and in which long and short client positions frequently offset each other considerably.

Credit Risk

The Firm has negligible client credit risk as it requires clients to place a margin or deposit in their account for all trades before they are permitted to deal with the Firm. The Firm has a formal margin policy and clients must top up their margin to pre-set levels if they fall below these, or the Firm may enforce the liquidation of one or more of their open positions.

The Firm does not extend credit over and above clients being permitted to trade at the Firm's pre-set margin levels, nor does it accept financial instruments other than cash by way of collateral. This further mitigates any credit risk to the Firm.

Liquidity Risk

Liquidity risk is the risk that the Firm will encounter difficulty in meeting its financial obligations. The Firm's approach to liquidity is to ensure that as far as possible it will always have sufficient liquidity to meet its clients' and brokers' margin requirements and liabilities when they fall due. This is achieved by ongoing monitoring of the Firm's available working capital as compared with the amounts due to clients and counterparties.

Any failure by the Firm to meet its payment obligations could result in market counterparties closing the Firm's hedging positions or failure to meet client withdrawal requests, either of which would have material adverse consequences for the Firm's business. The cash position of the Firm is therefore monitored closely by the CEO and contingency plans are always in place to meet unexpected demands.

Operational Risk

The Firm's operational risk is the risk that the Firm will derive losses through inherent failure in its processes, personnel, technology or infrastructure or by external forces impacting on any of these. These risks are countered through regular assessment of the likelihood of these risks as part of the Firm's ongoing internal risk management procedures, including maintaining a fully up-to-date risk register and ICAAP, and contingency planning for how to deal with such risks arising. The Firm's ICAAP also details expected costs which would be associated with risks which cannot be fully mitigated, and these are taken into account when planning the Firm's capital.

Foreign Exchange Risk

The Firm operates globally and uses pounds sterling as its functional currency and is thus exposed to foreign exchange risk arising from various currency combinations. Foreign currency-denominated assets and liabilities together with expected cash flows give rise to foreign exchange exposures. Due to changes in global markets currency combinations will also change within a financial year.

The foreign exchange policy of the Firm is to hedge material foreign exchange exposures. Exposures are hedged by means of matching assets with liabilities and holding material cash balances in Sterling, Euros and US dollars.

Capital

Capital Management

The Firm's objectives when managing capital are to safeguard the Firm's ability to continue as a going concern and to ensure there is always adequate capital to meet trading requirements, margin requirements, ongoing working capital requirements and the FCA's capital requirements.

The Firm sets the amount of trading capital in proportion to risk and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets/liabilities. In order to maintain or adjust the capital structure, the Firm may issue new shares to its shareholders.

Capital is managed through budgeting, forecasting and monthly entity and consolidated capital reporting.

Capital Resources

The Firm regards its capital position to include all financial assets and liabilities which at the year end the capital position was £3,276,286 (2016: £3,144,697).

Capital Adequacy

The firm is a IFPRU €730K full scope firm and, as such, is required to calculate its capital risk requirement which under Pillar 1 amounted to £1,345,510 on 31 December 2017. Under Pillar 2, the firm has evaluated its capital requirement, including the capital planning buffer, in the sum of £2,411,000.

There is therefore a considerable surplus of reserves above the capital resource requirement.

As at 31 December 2017 the firm's CRR Pillar 1 requirements were credit risk capital, and counterparty credit risk requirement amounted to £811,452, Operational risk requirement of £450,000 and market risk requirement of £84,058.

Remuneration

Remuneration Disclosure

Under the FCA's Remuneration Code, the Firm has determined that it is a Tier 3 firm, which allows it to disapply many of the technical requirements of the Code and proportionately apply the Code's rules and principles in establishing its Remuneration Policy.

Decision making Process for Remuneration Policy

Given the nature and size of the business, during 2017, Fortrade's Remuneration Policy was determined and administered by the Firm's Executive Director. The Firm also has a Remuneration Committee which meets to ratify remuneration awards.

The Remuneration Committee is responsible for making recommendations to the Board on Fortrade Remuneration Policy and will determine the remuneration and other benefits for the Executive Director and other senior employees, including all Code Staff.

The Firm's Remuneration Policy takes full account of the Firm's strategic objectives and the long term interests of shareholders and other stakeholders. Its objective is to recognise and reward good and excellent performance of employees that helps drive the sustainable growth of the Firm and to preserve shareholder value by ensuring the successful retention of employees.

For 2017, the executive directors reviewed the performance of all employees and based on that review determined the overall level of remuneration for each employee and the split between fixed (base salary) and variable (bonus) remuneration.

Code Staff Criteria

The following groups of employees have been identified as meeting the FCA's criteria for Code Staff:

- Any employee holding a significant influence function
- Other senior managers who have an input into the decision making process of the Firm
- Any employee receiving total remuneration which takes them into same remuneration bracket as senior management.

The Link between Pay and Performance for Code Staff

Code staff remuneration is made up of fixed (basic salary) and variable (bonus) elements. Variable remuneration is directly linked to the overall performance of the Firm and is designed to link reward with the long term growth and success of the Firm.

Aggregate Quantitative Information on Remuneration for Code Staff

For the year ending 31 December 2017, there were four Code Staff (as defined above). All were senior management. Aggregate remuneration expenditure in respect of Code Staff was £309,743.