

COMPANY REGISTRATION NUMBER: 09479466

TigerWit Limited
Audited Financial Statements
31 March 2022



TigerWit Limited
Audited Financial Statements
Year ended 31 March 2022

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TigerWit Limited

Officers and Professional Advisers

The Board of Directors

Mr J E Manczak
Mr S D Denham
Mr T D Hughes

Registered office

7th Floor
Augustine House
6a Austin Friars
London
England
EC2N 2HA

Auditor

Nexia Smith & Williamson
Statutory Auditor
45 Gresham Street
London
England
EC2V 7BG

TigerWit Limited
Strategic Report
Year ended 31 March 2022

The Directors present the Strategic Report for the year ended 31 March 2022.

Fair review of the business

The Company was incorporated on 9 March 2015 and received authorisation from the Financial Conduct Authority ('FCA') to undertake investment services on 26 January 2016.

During the year, the Company obtained its Electronic Money Institution authorisation from the FCA. The licence has not been utilised in the year.

The results of the year and the financial position at the year-end were considered satisfactory by the Directors.

The Company's key performance indicators are turnover and net profit/(loss) before tax which is disclosed on page 11 of the financial statements.

Development and performance

At the year end the Company had net assets of £1,954,234 (2021: £2,102,651).

Strategic developments

During the year the shareholders of the Company have sold a minority stake of the Company to a third party who is active in the cryptocurrency derivatives exchange space ("the Acquirer").

Consequently, the shareholders of the Company have entered into a binding agreement for the remainder of the shareholding in the Company to be sold to the Acquirer. The completion of this sale transaction is conditional on the approval by the FCA of the change in control.

Principal risks and uncertainties

The Directors are responsible for identifying principal risks and suitable mitigating strategies. The Company seeks to mitigate its risks through the proactive quantification of such risks and by applying robust systems, controls and hedging tools so that the risks are deemed to be acceptable to the business. The Company's Internal Capital and Risk Assessment ("ICARA") provides an ongoing assessment of the risks the Company believes have the potential to have a significant detrimental impact on its financial performance.

The Directors have identified that the principal risks and uncertainties involved with the Company are:

- The regulatory environments in which the Company operates changes in a way that impacts the activities of the Company;
- The market risk the Company accepts to provide instant execution of client orders results in a loss to the Company;
- A bank or broker which the Company uses defaults, resulting in the Company's balances with that bank or broker not being recoverable;
- Failure of systems, controls or processes which underpin the operations of the Company;
- The timing of completion of the sale to the Acquirer.

The Company continues to maintain sufficient capital resources against regulatory capital requirements with calculations having been updated following the implementation of the Investment Firms Prudential Regime ("IFPR").

TigerWit Limited

Strategic Report *(continued)*

Year ended 31 March 2022

Section 172 statement

Under Section 172 of the Companies Act 2006, the Board has a duty to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of other stakeholders in the Company, such as suppliers, and to do so with an understanding of the impact on the community and environment and with high standards of business conduct, which includes acting fairly between members of the Company.

The Board meets these responsibilities in the way it promotes the Company's culture and ensures, as part of its regular oversight, that the integrity of the Company's affairs is foremost in the way the activities are managed and promoted.

The Board of Directors meets regularly during the year to discuss various issues relating to corporate strategy and risk management. Central to these discussions are the duties contained within Section 172.

1. The likely consequences of any decision in the long term

The Board of Directors makes informed, data-led decisions in order to best meet the long-term needs of the Company's customers, employees, members and other stakeholders and assesses the likely impact of its decisions as part of this process.

2. The interests of the Company's employees

Employees are the key asset to support the Company's objectives which cannot be delivered without skilled and able people. Directors and employees value stability and the opportunity to participate within the financial services profession, and to work with good people.

3. The need to foster the Company's business relationships with suppliers, customers and others

Customers are key to the future success of the business and understanding their needs is an integral part of providing relevant and compelling products and services which grow our customer base and increase the value which the Company can deliver.

4. The impact of the Company's operations on the community and the environment

The Company is configured to operate in a low impact way environmentally. As a predominantly digital business, its carbon footprint is minimal.

5. The desirability of the Company maintaining a reputation for high standards of business conduct

Directors set the standard and provide training and leadership to employees to operate with integrity and with respect for customers, suppliers, regulators and other stakeholders.

6. The need to act fairly between members of the Company.

The Company treats its stakeholders fairly and equally so they benefit from the delivery of the Company's plan.

This report was approved by the Board of Directors on 28 July 2022 and signed on behalf of the board by:


Mr T D Hughes
Director

TigerWit Limited
Directors' Report
Year ended 31 March 2022

The Directors present their report and the financial statements of the Company for the year ended 31 March 2022.

Principal activities

The principal activity of the Company was that of the provision of investment services and trading as principal and agent in foreign exchange, equities and derivatives contracts including Contracts For Differences ("CFDs") as well as the provision of professional and technological services.

Directors

The Directors who served the Company during the year were as follows:

Mr J E Manczak
Mr S D Denham
Mr T D Hughes
Mr H Du (Resigned 10 March 2022)

Dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The Directors do not recommend payment of a final dividend (2021: £nil).

Financial risks and uncertainties

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 foreign denominated instruments. Company policy does not demand that these exposures must be hedged in order to fix the cost in Sterling.

Credit risk

Investments of cash surpluses are made through banks and companies which fulfil credit rating criteria.

Customers are not permitted to trade on credit terms. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

TigerWit Limited

Directors' Report *(continued)*

Year ended 31 March 2022

Going Concern

In assessing the Company's going concern status the Directors have considered the trading results since year end, the profit and loss, cash flow and regulatory capital resources forecasts for the Company and the agreement for sale of the Company (as described in Strategic developments paragraph in the Strategic Report).

As described in more detail in the Strategic Report, the shareholders of the Company have entered into a binding agreement for the remainder of the shareholding in the Company to be sold to the Acquirer. The completion of this sale transaction is conditional on the approval by the FCA of the change in control, which has not yet been received.

The Directors have a strong expectation that the change in control application will be approved by the FCA and the sale of Company will complete successfully post year end, as the Acquirer is a financial institution with multiple regulatory permissions in similar jurisdictions. The Directors have had no indication from the FCA or from the Acquirer that the transaction is unlikely to complete, and they believe that the likelihood of the sale of the Company not completing is limited.

Further, the Acquirer has committed to provide the necessary funding to keep the Company in operation for 12 months from the date of signing of the agreement or until the sale transaction completes, per the terms of the sale agreement, as well as thereafter, based on the business plans which were submitted by the Acquirer with the FCA as part of the process of approval of change in control by the FCA.

In anticipation of the completion of the sale transaction, the Company is making preparations to transition from its existing agreement for provision of professional and technological services to TigerWit Limited, an entity related via common control (see note 24). Should the transaction not complete, the Directors will be required to consider alternative strategic options.

These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Notwithstanding the uncertainty, the Directors are confident that sale transaction will complete successfully and accordingly, these financial statements have been prepared on a going concern basis which the Directors consider appropriate in these circumstances.

Were the Company no longer a going concern, adjustments may be required to the carrying value of assets, provisions would be required for the future liabilities arising as a consequence of the Company ceasing business and assets currently classified as non-current would be reclassified as current.

Streamlined Energy and Carbon Reporting

Energy and carbon information is not disclosed because the Company is a low energy user as defined in the Environmental Reporting Guidelines.

TigerWit Limited

Directors' Report *(continued)*

Year ended 31 March 2022

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

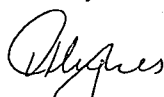
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Board of Directors on 28 July 2022 and signed on behalf of the board by:



Mr T D Hughes
Director

TigerWit Limited

Independent Auditor's Report to the Members of TigerWit Limited

Year ended 31 March 2022

Opinion

We have audited the financial statements of TigerWit Limited (the 'Company') for the year ended 31 March 2022 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to Note 3 to the financial statements concerning the Company's ability to continue as a going concern.

As described in more detail in Note 3, the shareholders of the Company have entered into a binding agreement for the remainder of the shareholding in the Company to be sold to the Acquirer. The completion of this sale transaction is conditional on the approval by the FCA of the change in control, which has not yet been received.

Should the transaction not complete, the Directors will be required to consider alternative strategic options.

As stated in Note 3, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Notwithstanding the above, in auditing the financial statements we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

TigerWit Limited

Independent Auditor's Report to the Members of TigerWit Limited

Year ended 31 March 2022

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

TigerWit Limited

Independent Auditor's Report to the Members of TigerWit Limited

Year ended 31 March 2022

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.

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

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations and how management identify breaches of the applicable Financial Conduct Authority (FCA) rules. We also drew on our existing understanding of the Company's industry and regulation.

We understand that the Company complies with requirements of the framework through:

- The Directors managing and overseeing a compliance function
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at Board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Company's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements; and
- The UK regulatory principles, including those governed by the Financial Conduct Authority (FCA).

To gain evidence about compliance with the significant laws and regulations above we reviewed the Company's breaches register, reviewed board meeting minutes, inspected correspondence with the FCA relating to the period and obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, incorrect recognition of revenue, recoverability of amounts due from affiliates and going concern. These areas were communicated to the other members of the engagement team who were not present at the discussion.

TigerWit Limited

Independent Auditor's Report to the Members of TigerWit Limited

Year ended 31 March 2022

The procedures we carried out to gain evidence in the above areas included;

- testing of a sample of revenue transactions to underlying documentation;
- testing of a sample of manual journal entries, selected through applying specific risk assessments based on the Company's processes and controls surrounding manual journal entries;
- testing of a sample of receivables from affiliates through to post year end receipts; and
- reviewing and challenging management's going concern assessment.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

Nexia Smith & Williamson

Jonathan Wiseman (Senior Statutory Auditor)

For and on behalf of
Nexia Smith & Williamson
Chartered Accountants
Statutory Auditor

45 Gresham Street
London
United Kingdom
EC2V 7BG

Date: 28 July 2022

TigerWit Limited

Income Statement Year ended 31 March 2022

		2022	2021
	Note	£	£
Turnover	4	1,647,732	2,237,241
Cost of sales		(27,010)	(14,073)
Gross profit		1,620,722	2,223,168
Administrative expenses		(1,831,416)	(2,198,868)
Other operating income	5	62,321	-
Operating (loss)/profit	6	(148,373)	24,300
Interest payable and similar expenses	10	(44)	-
(Loss)/profit before taxation		(148,417)	24,300
Tax on (loss)/profit		-	-
(Loss)/profit for the financial year		(148,417)	24,300

All the activities of the Company are from continuing operations.

The Company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes form part of these financial statements.

TigerWit Limited

Statement of Financial Position Year ended 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	12	8,473	9,453
Current assets			
Debtors	13	799,493	282,308
Cash at bank and in hand		1,434,630	2,003,852
		<u>2,242,596</u>	<u>2,286,160</u>
Creditors: amounts falling due within one year	14	(288,362)	(192,962)
Net current assets		<u>1,945,761</u>	<u>2,093,198</u>
Total assets less current liabilities		<u>1,954,234</u>	<u>2,102,651</u>
Net assets		<u>1,954,234</u>	<u>2,102,651</u>
Capital and reserves			
Called up share capital	17	267	267
Share premium account	18	2,654,573	2,654,573
Profit and loss account	18	(700,606)	(552,189)
Shareholder's funds		<u>1,954,234</u>	<u>2,102,651</u>

These financial statements were approved by the Board of Directors and authorised for issue on 28 July 2022 and are signed on behalf of the board by:



Mr T D Hughes
Director

Company registration number: 09479466

The notes form part of these financial statements.

TigerWit Limited

Statement of Changes in Equity Year ended 31 March 2022

	Called up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 1 April 2020	267	2,654,573	(576,489)	2,078,351
Profit for the year			24,300	24,300
Total comprehensive income for the year	–	–	24,300	24,300
At 31 March 2021	267	2,654,573	(552,189)	2,102,651
Loss for the year			(148,417)	(148,417)
Total comprehensive income for the year	–	–	(148,417)	(148,417)
At 31 March 2022	267	2,654,573	(700,606)	1,954,234

The notes form part of these financial statements.

TigerWit Limited
Statement of Cash Flows
Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(148,417)	24,300
<i>Adjustments for:</i>		
Depreciation of tangible assets	7,505	9,468
Interest payable and similar expenses	44	–
Director's loan write-off	70,302	–
Accrued (income)/expenses	(306,466)	99,830
<i>Changes in:</i>		
Trade and other debtors	(306,847)	119,740
Trade and other creditors	121,296	(100,757)
Cash (used in)/generated from operations	(562,653)	152,581
Interest paid	(44)	–
Net cash (used in)/from operating activities	(562,697)	152,581
 Cash flows from investing activities		
Purchase of tangible assets	(6,525)	(7,121)
Net cash used in investing activities	(6,525)	(7,121)
 Net (decrease)/increase in cash and cash equivalents	(569,222)	145,460
Cash and cash equivalents at beginning of year	2,003,852	1,858,392
Cash and cash equivalents at end of year	1,434,630	2,003,852

The notes form part of these financial statements.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

1. General information

The Company is a private company limited by shares, registered in England and Wales. The address of the registered office is 7th Floor, Augustine House, 6a Austin Friars, London, EC2N 2HA, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in Sterling, which is the functional currency of the entity.

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.

Going concern

In assessing the Company's going concern status the Directors have considered the trading results since year end, the profit and loss, cash flow and regulatory capital resources forecasts for the Company and the agreement for sale of the Company (as described in the Strategic Developments paragraph within the Strategic Report).

As described in more detail in the Strategic Report, the shareholders of the Company have entered into a binding agreement for the remainder of the shareholding in the Company to be sold to the Acquirer. The completion of this sale transaction is conditional on the approval by the FCA of the change in control which has not yet been received.

The Directors have a strong expectation that the change in control application will be approved by the FCA and the sale of Company will complete successfully post year end, as the Acquirer is a financial institution with multiple regulatory permissions in similar jurisdictions. The Directors have had no indication from the FCA or from the Acquirer that the transaction is unlikely to complete, and they believe that the likelihood of the sale of the Company not completing is limited.

Further, the Acquirer has committed to provide the necessary funding to keep the Company in operation for 12 months from the date of signing of the agreement or until the sale transaction completes, per the terms of the sale agreement, as well as thereafter, based on the business plans which were submitted by the Acquirer with the FCA as part of the process of approval of change in control by the FCA.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

3. Accounting policies *(continued)*

Going concern *(continued)*

In anticipation of the completion of the sale transaction, the Company is making preparations to transition from its existing agreement for provision of professional and technological services to TigerWit Limited, an entity related via common control (see note 24). Should the transaction not complete, the Directors will be required to consider alternative strategic options.

These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Notwithstanding the uncertainty, the Directors are confident that sale transaction will complete successfully and accordingly, these financial statements have been prepared on a going concern basis which the Directors consider appropriate in these circumstances.

Were the Company no longer a going concern, adjustments may be required to the carrying value of assets, provisions would be required for the future liabilities arising as a consequence of the Company ceasing business and assets currently classified as non-current would be reclassified as current.

Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Taxation

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

Current tax

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

Deferred tax

Deferred tax 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.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

3. Accounting policies (*continued*)

Deferred tax (continued)

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 Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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 costs 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.

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, 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.

Revenue recognition

Turnover represents the net revenue from trading in foreign exchange, equities and derivatives contracts including Contracts for Differences ("CFD"), and fees received for professional and technological services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to Company and the revenue can be reliably measured.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

3. Accounting policies (continued)

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

The Company applied the amendments regarding temporary rent concessions, received as a direct consequence of the Covid-19 pandemic, on the basis that:

- the change in lease payments results in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change
- any reduction in lease payments affects only payments originally due on or before 30 June 2022, and
- there is no significant change to other terms and conditions of the lease.

The Company recognised the changes in lease payments arising from qualifying rent concessions as a reduction to the lease expenditure in the year.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible fixed assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Computer equipment - 33% straight line

Impairment of tangible fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

3. Accounting policies (continued)

Financial instruments

Basic financial assets

Basic financial assets, which include debtors 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 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 assets expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership pass 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 Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors 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.

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

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

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

Given the straightforward nature of the business, management have not been required to make any key estimates or judgements when preparing the financial statements.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

4. Turnover

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

Turnover analysed by class of business:

	2022	2021
	£	£
Trading	50,083	(55,662)
Provision of professional and technological services	1,597,649	2,292,903
	1,647,732	2,237,241

Turnover analysed by geographical market:

	2022	2021
	£	£
Europe	35,471	30,649
Non-Europe	1,621,261	2,206,592
	1,647,732	2,237,241

5. Other operating income

	2022	2021
	£	£
Other operating income	62,321	–

Other operating income comprises expenses reimbursed by the Acquirer (further details in the Strategic Report).

6. Operating profit

Operating profit or loss is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	7,505	9,468
Operating lease rentals	(30,746)	64,692
Foreign exchange differences	23,346	(9,141)
Director's loan write-off	70,232	–

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a loss of £23,346 (2021: gain of £9,141).

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	25,495	17,000
Other assurance services provided in the year pursuant to legislation amounted to £22,470 (2021: £21,000).		
Tax compliance services provided in the year amounted to £5,570 (2021: £3,500).		

8. Staff costs

The average number of persons employed by the Company during the year, including the Directors, amounted to:

	2022	2021
	No.	No.
Administrative staff	11	16
Management staff	2	2
	13	18

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	643,136	973,041
Social security costs	84,264	117,811
Other pension costs	9,414	11,587
	736,814	1,102,439

9. Director remuneration

The Directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	262,500	353,171
Company contributions to defined contribution pension plans	2,642	2,626
	265,142	355,797

Remuneration of the highest paid Director in respect of qualifying services:

	2022	2021
	£	£
Aggregate remuneration	150,000	157,112
Company contributions to defined contribution pension plans	1,321	1,313
	151,321	158,425

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

10. Interest payable and similar expenses

	2022	2021
	£	£
Other interest payable and similar charges	44	–

11. Taxation

Current tax

UK corporation tax on profits for the year is £nil (2021: £nil).

The actual amount charged 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:

	2022	2021
	£	£
(Loss)/profit before taxation	(148,418)	24,300
	2022	2021
	£	£
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00%	(28,199)	4,617
Fixed asset differences	(372)	–
Tax effect of expenses that are not deductible in determining taxable profit	38,625	3,628
Movement in deferred tax not recognised	10,283	(8,245)
Remeasurement of deferred tax for changes in tax rates	(11,630)	–
Other adjustments	(8,707)	–
Taxation charge for the year	–	–

The total tax losses available to be carried forward by the Company could give rise to a potential deferred tax asset of £48,458 (2021: £37,551). However, this has not been recognised in the financial statements due to uncertainty over the timing of the future utilisation of the losses.

12. Tangible fixed assets

	Computer equipment
	£
Cost	
At 1 April 2021	31,436
Additions	6,525
At 31 March 2022	37,961
Depreciation	
At 1 April 2021	21,983
Charge for the year	7,505
At 31 March 2022	29,488
Carrying amount	
At 31 March 2022	8,473
At 31 March 2021	9,453

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

13. Debtors

	2022 £	2021 £
Amounts owed by related parties	378,441	73,507
Prepayments and accrued income	312,476	42,420
Corporation tax repayable	24,657	24,657
Other debtors	83,919	141,724
	799,493	282,308

Included in Prepayments and accrued income are £217,348 owed from related parties (2021: £nil).

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	147,301	42,682
Accruals and deferred income	77,626	103,522
Social security and other taxes	17,220	40,033
Other creditors	46,215	6,725
	288,362	192,962

Included Other creditors are amounts due to related parties in the sum of £1,158 (2021: £1,158).

15. Employee benefits

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £9,414 (2021: £11,587).

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. Included within other creditors is £1,529 (2021: £2,767) of contributions owing to the defined contribution scheme at the balance sheet date.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

16. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost		
	2022	2021
	£	£
Financial assets that are debt instruments measured at amortised cost	720,386	187,740
 Financial liabilities that are debt instruments measured at amortised cost		
	2022	2021
	£	£
Financial liabilities that are debt instruments measured at amortised cost	269,614	159,161

Financial assets that are debt instruments at amortised costs include amounts due from related parties, accrued income and other debtors.

Financial liabilities that are debt instruments at amortised cost include trade and other creditors and accruals.

The Company's cash and cash equivalents at year end amounted to £1,434,630 (2021: £2,003,852).

The Company's key risks have been identified and grouped as either market, credit, liquidity, operational, business or people risks. The Firm has assessed these risks in its ICARA and has set out appropriate actions to manage them.

Market Risk

As a principal and market maker in CFDs and Spread Betting, the Company acts as principal in bilateral transactions with its clients. It does not engage in proprietary trading. The Firm's regulatory permission as a non Small and Interconnected MIFIDPRU firm allows it to internalise market risk according to defined risk limits. Other potential exposures are non-trading book exposures to foreign currency assets and liabilities held on our balance sheet.

Whilst the Company may apply fees in foreign currencies these are converted to Sterling upon receipt thus minimising any material exposure to currency risk on the balance sheet of the Company.

Credit Risk, including Counterparty Credit Risk ("CCR")

The Company's principal exposure to credit risk are that clients or counterparties fail to make payments as required under the terms of the relevant contracts and the exposure to banks, liquidity providers or other counterparties where cash is held.

The Company holds cash only with banks assigned high credit ratings. Liquidity providers and other counterparties are appointed only after the successful completion of the Company's due diligence processes. The Company applies automated close out and negative balance protection to client positions which significantly reduces its exposure to credit risk. All client money is held in segregated bank accounts and neither belongs to nor can be used by either the Company or the bank with whom the money is deposited.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

16. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations to suppliers or clients as well as the risk arising of the closure of client positions. The Company's approach to liquidity is to ensure that as far as possible it will always have sufficient liquidity to meet its operating expenses and client settlement obligations. This is achieved by ongoing monitoring of the Company's available working capital in proportion to the amounts due to clients and counterparties.

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

Operational Risk

Operational Risk is the risk of loss as a result of inadequate or failed internal processes, people, systems, and/or external events. The mitigation of this risk incorporates stringent IT controls and processes undertaken as well as the regulatory and contingency planning done at Company level. The Company's operational risk appetite is conservative and it has implemented robust controls to mitigate the risk.

The Company's staffing levels also provide a level of contingency cover in all critical business areas. The Company has documented contingency planning and disaster recovery procedures and these are regularly reviewed and tested.

Business Risk

Business risk means any risk to the Company arising from changes in its business including:

- the acute risk to earnings posed by falling or volatile income;
- the broader risk of the Company's business model or strategy proving to be inappropriate due to macro-economic, geopolitical, industry, regulatory or other factors; and
- the risk that the Company may not be able to carry out its business plan and desired strategy.

The Company considers that it has adequate capital to maintain the business at a viable level.

People Risk

The senior management team is well established and a broad range of strategic initiatives and projects are in progress. Whilst the Company recognises the risk arising out of recruitment as well as any failure to retain and develop its staff, it does not consider this risk to be significant.

Capital Management

The Company's objectives when managing capital are to safeguard the Company'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 Company 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 Company may issue new shares to its shareholders.

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

17. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary A shares shares of £0.01 each	19,367	194	19,367	194
Ordinary B shares shares of £0.01 each	6,804	68	6,804	68
Ordinary C shares shares of £0.01 each	500	5	500	5
	26,671	267	26,671	267

The Company is subject to externally imposed capital restrictions based on its regulatory status.

18. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

19. Client bank accounts

The Company operates 4 client bank accounts. At 31 March 2022 the total balance held in these accounts was £618,750 (2021: £468,066). The funds are not included on the Company's balance sheet as they do not belong to the Company.

20. MIFIDPRU 8 Disclosure

The Company was authorised and regulated by the FCA throughout the current and prior periods. The qualitative and quantitative disclosures to comply with MIFIDPRU 8 of the FCA Handbook will be available on the Company's website at uk.tigerwit.com.

21. Analysis of changes in net debt

	At 1 Apr 2021	Cash flows	At 31 Mar 22
	£	£	£
Cash at bank and in hand	2,003,852	(569,222)	1,434,630

22. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	83,853	83,853
Later than 1 year and not later than 5 years	13,976	83,853
	97,829	167,706

TigerWit Limited
Notes to the Financial Statements
Year ended 31 March 2022

23. Directors' advances, credit and guarantees

During the year the Directors entered into the following advances and credits with the Company:

	2022		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr S D Denham	(1,158)	–	(1,158)
Mr T D Hughes	73,507	(73,005)	502
	72,349	(73,005)	(656)

	2021		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr S D Denham	(2,843)	1,685	(1,158)
Mr T D Hughes	73,507	–	73,507
	72,349	–	72,349

24. Related party transactions

The Company paid Sensatus UK Limited, a company of which Mr S D Denham is a Director and shareholder, £120,000 (2021: £120,000) for provision of IT platforms and £nil (2021: £145,830) for IT consulting services. A £nil balance remained outstanding at 31 March 2022 (31 March 2021: £nil).

Turnover includes income of £1,597,649 (2021: £2,292,903) received from TigerWit Limited (a Bahamas entity) for professional and technological services, a company related by common shareholders. A £594,851 balance remained outstanding at 31 March 2022 (31 March 2021: £nil). During the year, interest free short term funding amounting to £928,850 was provided to the Bahamas entity – this was repaid within the period.

During the year, a Director's loan of £70,232 was cancelled by agreement of the Board. At the year end, the Company was owed £502 (2021: £73,507) by Mr T D Hughes, a Director and shareholder in the Company. No interest is charged by the Company on the outstanding balance. At the year end, the Company owed £1,158 (2021: £1,158) to Mr S D Denham, a Director of the Company.

25. Contingent liabilities

The Company is party to a small number of client claims. The Directors have assessed these claims at the balance sheet date and have determined that it is not considered probable that there will be an outflow of economic benefits as a consequence of these claims. On this basis, no provisions in respect of these claims have been reflected within the financial statements.

26. Controlling party

The ultimate controller is Mr T D Hughes by virtue of his majority ownership of the shares in the Company.