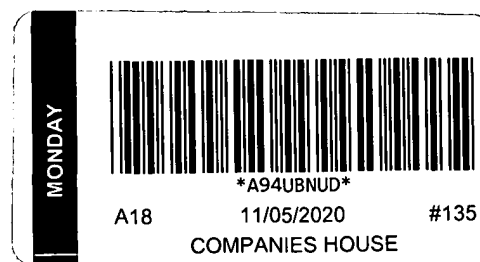


Financial Statements

ADVANCED MARKETS (UK)

LIMITED

For the Year Ended 31 December 2019



Registered number: 10671764

ADVANCED MARKETS (UK) LIMITED

Company Information

| | |
|----------------------------|---|
| Directors | Farmiena Baksh Anthony Peter Brocco Geoffrey Gooch Natallia Hunik (appointed 4 October 2019) |
| Registered number | 10671764 |
| Registered office | 10 John Street London United Kingdom WC1N 2EB |
| Independent auditor | Grant Thornton (NI) LLP Chartered Accountants & Statutory Auditors 12 - 15 Donegall Square West Belfast BT1 6JH |
| Bankers | Standard Chartered Bank 1 Basinghall Avenue London United Kingdom Barclays Bank PLC PO Box 299 Birmingham B1 3PF |
| Solicitors | Oury Clarke 10 John Street London WC1N 2EB |

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Strategic Report

For the Year Ended 31 December 2019

Introduction

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Business review

The results for the period as set out on page 9 were in line with the expectations of the directors. The combination of changes in regulation and historical lows in the volatility of the markets slowed the initial growth pattern that they were expecting. However, their long term commitment remains. Fiscal year 2020 has started well and the directors continue to expect positive returns moving forward.

Principal activity

The principal activity of the company during the year was foreign currency trade operations.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company to be financial risks.

The company's operations exposes it to a variety of financial risks that includes foreign exchange risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarized below: The company does not hold any market risk as it operates strictly in an agency relationship model. Any risks associated with liquidity or foreign exchange, due to market movement are directly proportional to clients positions and equity. In this model a trade does not exist against the company's clients unless it has been already covered with one of the company's counterparties. Therefore, the company never has a position of their own in the market.

Foreign exchange risk

Foreign exchange risk is negligible as the company does not take or hold any positions in the market.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The company policy throughout the year has been to ensure continuity of funding by matching the source of funds to the intended use of those funds. Short-term flexibility is achieved through the company's cash reserves. The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage liquidity and other financial risk. All key financial figures are monitored on an ongoing basis.

Financial key performance indicators

We consider that our key performance indicators are those that communicate the financial performance and strength of the company, being turnover and net profit. These are the key performance indicators that are most effective in assessing the progress against our objectives and strategy and measure the performance of the entity.

| | 2019 | 2018 |
|------------|-----------|-----------|
| | \$ | \$ |
| Turnover | 637,070 | 310,715 |
| Net profit | (302,872) | (429,558) |

Other key performance indicators

The directors do not consider any non-financial key performance indicators to be appropriate.

ADVANCED MARKETS (UK) LIMITED

Strategic Report (continued)

For the Year Ended 31 December 2019

This report was approved by the board on 17 April 2020 and signed on its behalf.



Geoffrey Gooch
Director

Directors' Report

For the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make 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 Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Results and dividends

The loss for the year, after taxation, amounted to \$302,872 (2018 - loss \$429,558).

The directors do not recommend the payment of a final dividend (2018 - \$nil)

Directors

The directors who served during the year were:

Farmiena Baksh
Anthony Peter Brocco
Geoffrey Gooch
Natallia Hunik (appointed 4 October 2019)

Future developments

The entity plans to continue its present activities and ongoing growth strategies.

ADVANCED MARKETS (UK) LIMITED

Directors' Report (continued)

For the Year Ended 31 December 2019

Matters covered in the strategic report

Under Schedule 7.1A of "Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008" the company has elected to disclose the following directors report information in the strategic report:

- Business review and future developments
- Principal risks and uncertainties

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


Post balance sheet events

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

Auditor

The auditor, Grant Thornton (NI) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 April 2020 and signed on its behalf.



Geoffrey Gooch
Director

Independent Auditor's Report to the Members of ADVANCED MARKETS (UK) LIMITED

Opinion

We have audited the financial statements of ADVANCED MARKETS (UK) LIMITED, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity for the financial year ended 31 December 2019, and the related 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, ADVANCED MARKETS (UK) LIMITED's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company as at 31 December 2019 and of its financial performance and cash flows for the year then ended; 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') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor 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 United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our 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 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

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

Independent Auditor's Report to the Members of ADVANCED MARKETS (UK) LIMITED (continued)

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 in the financial statements, 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.

Matters on which we are required to report by exception

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 management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report to the Members of ADVANCED MARKETS (UK) LIMITED (continued)

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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.

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

The purpose of our audit work and to whom we owe our responsibilities

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.



Independent Auditor's Report to the Members of ADVANCED MARKETS (UK) LIMITED (continued)

Neal Taylor

Neal Taylor (Senior Statutory Auditor)

for and on behalf of

Grant Thornton (NI) LLP

Chartered Accountants

Statutory Auditors

Belfast

17 April 2020

Statement of Comprehensive Income

For the Year Ended 31 December 2019

| | Note | 2019 \$ | 2018 \$ |
|--|------|------------------|------------------|
| Turnover | 4 | 637,070 | 310,715 |
| Gross profit | | <u>637,070</u> | <u>310,715</u> |
| Administrative expenses | | (1,052,560) | (787,967) |
| Operating loss | 5 | <u>(415,490)</u> | <u>(477,252)</u> |
| Interest receivable and similar income | 9 | 113,574 | 47,695 |
| Interest payable and expenses | 10 | (956) | (1) |
| Loss before tax | | <u>(302,872)</u> | <u>(429,558)</u> |
| Loss for the financial year | | <u>(302,872)</u> | <u>(429,558)</u> |
| Other comprehensive income for the year | | | |
| Total comprehensive income for the year | | <u>(302,872)</u> | <u>(429,558)</u> |

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

ADVANCED MARKETS (UK) LIMITED
Registered number:10671764

Balance Sheet

As at 31 December 2019

| | Note | 2019 \$ | As restated 2018 \$ |
|--|------|-----------------------|---------------------------|
| Current assets | | | |
| Deposits held with counterparty brokers | | 5,551,914 | 7,318,861 |
| Debtors: amounts falling due within one year | 12 | 41,154 | 28,775 |
| Cash at bank and in hand | 13 | 1,675,251 | 3,294,002 |
| | | <u>7,268,319</u> | <u>10,641,638</u> |
| Creditors: amounts falling due within one year | 15 | (6,690,853) | (10,613,971) |
| Net current assets | | <u>577,466</u> | <u>27,667</u> |
| Total assets less current liabilities | | <u>577,466</u> | <u>27,667</u> |
| Net assets | | <u><u>577,466</u></u> | <u><u>27,667</u></u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 4 | 3 |
| Share premium account | 18 | 1,309,892 | 457,222 |
| Profit and loss account | 18 | (732,430) | (429,558) |
| | | <u>577,466</u> | <u>27,667</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 April 2020.


Geoffrey Gooch
 Director

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

Statement of Changes in Equity

For the Year Ended 31 December 2019

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|----------------|
| | \$ | \$ | \$ | \$ |
| As restated 1 January 2019 | 3 | 457,222 | (429,558) | 27,667 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (302,872) | (302,872) |
| Shares issued during the year | 1 | 852,670 | - | 852,671 |
| At 31 December 2019 | 4 | 1,309,892 | (732,430) | 577,466 |

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

Statement of Changes in Equity

For the Year Ended 31 December 2018

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|---------------|
| | \$ | \$ | \$ | \$ |
| At 1 January 2018 | 1 | - | - | 1 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (429,558) | (429,558) |
| Shares issued during the year | 2 | 457,222 | - | 457,224 |
| As restated 31 December 2018 | <u>3</u> | <u>457,222</u> | <u>(429,558)</u> | <u>27,667</u> |

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

Statement of Cash Flows

For the Year Ended 31 December 2019

| | 2019 \$ | As restated 2018 \$ |
|--|--------------------|---------------------------|
| Cash flows from operating activities | | |
| Loss for the financial year | (302,872) | (429,558) |
| Adjustments for: | | |
| Decrease/(increase) in deposits held with counterparty brokers | 1,766,946 | (7,318,861) |
| Interest paid | 956 | 1 |
| Interest received | (113,574) | (47,695) |
| (Increase) in debtors | (12,377) | (28,775) |
| Decrease in amounts owed by groups | - | 1 |
| (Decrease)/increase in creditors | (3,080,254) | 5,985,787 |
| Net cash generated from operating activities | (1,741,175) | (1,839,100) |
| Cash flows from investing activities | | |
| Interest received | 113,574 | 47,695 |
| Net cash from investing activities | 113,574 | 47,695 |
| Cash flows from financing activities | | |
| Issue of ordinary shares | 1,246,212 | 63,683 |
| New loans from group companies | - | 5,021,725 |
| Loans from group companies repaid | (1,236,446) | - |
| Interest paid | (956) | (1) |
| Net cash used in financing activities | 8,810 | 5,085,407 |
| Net (decrease)/increase in cash and cash equivalents | (1,618,791) | 3,294,002 |
| Cash and cash equivalents at beginning of year | 3,294,002 | - |
| Cash and cash equivalents at the end of year | 1,675,211 | 3,294,002 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 1,675,251 | 3,294,002 |
| Bank overdrafts | (40) | - |
| | 1,675,211 | 3,294,002 |

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

Analysis of Net Debt

For the Year Ended 31 December 2019

| | At 1 January 2019 \$ | Cash flows \$ | At 31 December 2019 \$ |
|--------------------------|----------------------------|------------------|---------------------------------|
| Cash at bank and in hand | 3,294,002 | (1,618,751) | 1,675,251 |
| Bank overdrafts | - | (40) | (40) |
| Debt due within 1 year | (4,628,184) | 1,236,446 | (3,391,738) |
| | <u>(1,334,182)</u> | <u>(382,345)</u> | <u>(1,716,527)</u> |

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

Notes to the Financial Statements

For the Year Ended 31 December 2019

1. General information

Advanced Markets UK Limited is a private company limited by shares, and incorporated in the United Kingdom. The registered office is 10 John Street, London, WC1N 2EB. The principal activity of the company is foreign currency trade operations.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Commission and fees revenue and the related expenses are recognised on a trade-date basis. Gains and losses open foreign currency positions are recognised using closing settlement prices. Interest revenue is recognised as interest earned while cash is being held in certain banking institutions.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

In the directors' opinions, there are no significant judgements, estimates and assumptions made about the recognition of assets, liabilities, income and expenses, other than those included within the accounting policies noted at 2 above.

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2019 \$ | 2018 \$ |
|-----------------------|----------------|----------------|
| Rendering of services | 637,070 | 310,715 |
| | <u>637,070</u> | <u>310,715</u> |
| | | |
| | 2019 \$ | 2018 \$ |
| United Kingdom | 637,070 | 310,715 |
| | <u>637,070</u> | <u>310,715</u> |

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

| | 2019 \$ | 2018 \$ |
|----------------------|----------------|---------------|
| Exchange differences | (8,307) | 33,236 |
| | <u>(8,307)</u> | <u>33,236</u> |

Notes to the Financial Statements

For the Year Ended 31 December 2019

6. Auditor's remuneration

| | 2019 \$ | 2018 \$ |
|---|---------------|---------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | <u>27,500</u> | <u>27,500</u> |
| Fees payable to the Company's auditor and its associates in respect of: | | |
| Audit-related assurance services | <u>27,500</u> | <u>27,500</u> |
| | <u>27,500</u> | <u>27,500</u> |

7. Employees

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

| | 2019 \$ | 2018 \$ |
|-------------------------------------|----------------|----------------|
| Wages and salaries | 260,121 | 164,441 |
| Social security costs | 33,753 | 18,251 |
| Cost of defined contribution scheme | 1,986 | 618 |
| | <u>295,860</u> | <u>183,310</u> |

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

| | 2019 No. | 2018 No. |
|----------------------|-------------|-------------|
| Administrative staff | 1 | 1 |
| Directors | 1 | 1 |
| | <u>2</u> | <u>2</u> |

8. Directors' remuneration

| | 2019 \$ | 2018 \$ |
|-----------------------|----------------|---------------|
| Directors' emoluments | 186,729 | 82,790 |
| | <u>186,729</u> | <u>82,790</u> |

Notes to the Financial Statements

For the Year Ended 31 December 2019

9. Interest receivable

| | 2019 \$ | 2018 \$ |
|---------------------------|----------------|---------------|
| Other interest receivable | 113,574 | 47,695 |
| | <u>113,574</u> | <u>47,695</u> |

10. Interest payable and similar expenses

| | 2019 \$ | 2018 \$ |
|------------------------|------------|------------|
| Other interest payable | 956 | 1 |
| | <u>956</u> | <u>1</u> |

11. Taxation

| | 2019 \$ | 2018 \$ |
|---|------------|------------|
| Total current tax | - | - |
| Deferred tax | - | - |
| Total deferred tax | - | - |
| Taxation on profit on ordinary activities | - | - |

Notes to the Financial Statements

For the Year Ended 31 December 2019

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

| | 2019 \$ | 2018 \$ |
|--|------------------|------------------|
| Loss on ordinary activities before tax | <u>(302,872)</u> | <u>(429,558)</u> |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | (57,546) | (81,616) |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | - | 311 |
| Unrelieved tax losses carried forward | <u>57,546</u> | <u>81,305</u> |
| Total tax charge for the year | <u>-</u> | <u>-</u> |

Notes to the Financial Statements

For the Year Ended 31 December 2019

12. Debtors

| | 2019 | As restated 2018 |
|--------------------------------|---------------|---------------------|
| | \$ | \$ |
| Trade debtors | 16,596 | 2,217 |
| Other debtors | 18,895 | 24,817 |
| Prepayments and accrued income | 5,663 | 1,741 |
| | <u>41,154</u> | <u>28,775</u> |

13. Cash and cash equivalents

| | 2019 | As restated 2018 |
|--------------------------|------------------|---------------------|
| | \$ | \$ |
| Cash at bank and in hand | 1,675,251 | 3,294,002 |
| Less: bank overdrafts | (40) | - |
| | <u>1,675,211</u> | <u>3,294,002</u> |

14. Deposits with counterparty brokers

| | 2019 | As restated 2018 |
|------------------------------------|------------------|---------------------|
| | \$ | \$ |
| Deposits with counterparty brokers | 5,551,915 | 7,318,861 |
| | <u>5,551,915</u> | <u>7,318,861</u> |

Deposits with counterparty brokers include cash on deposit and the value of open foreign currency cash contracts held for the benefit of customers and for the company, including gains and losses on open trades.

Notes to the Financial Statements

For the Year Ended 31 December 2019

15. Creditors: Amounts falling due within one year

| | 2019 | As restated 2018 |
|------------------------------------|------------------|---------------------|
| | \$ | \$ |
| Bank overdrafts | 40 | - |
| Amounts owed to group undertakings | 3,785,280 | 4,628,184 |
| Customer deposits payable | 2,752,906 | 5,930,975 |
| Other creditors | 87,190 | 2,493 |
| Accruals and deferred income | 65,437 | 52,319 |
| | <u>6,690,853</u> | <u>10,613,971</u> |

Trade and other creditors are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Corporation tax and other taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

16. Financial instruments

| | 2019 | As restated 2018 |
|---|--------------------|---------------------|
| | \$ | \$ |
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | <u>7,262,617</u> | <u>10,639,897</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(6,625,375)</u> | <u>(10,955,193)</u> |

Financial assets that are debt instruments measured at amortised cost comprise of amounts owed by group undertakings, trade debtors, other debtors, deposits held with counterparty brokers and cash in hand.

Financial liabilities measured at amortised cost comprise of other creditors, amounts owed to group undertaking and customer deposits payable.

17. Share capital

| | 2019 | As restated 2018 |
|--|----------|---------------------|
| | \$ | \$ |
| Allotted, called up and fully paid | | |
| 4 (2018 - 3) Ordinary shares shares of \$1.00 each | <u>4</u> | <u>3</u> |

Notes to the Financial Statements

For the Year Ended 31 December 2019

17. Share capital (continued)

During the year, 2 ordinary shares were issued at a consideration of \$1,246,212. The nominal value of each of these shares was \$1 and the ordinary share capital of the company increased by \$2 and the share premium has increased by \$1,246,210.

18. Reserves

Share premium account

This includes any premiums received on issue of share capital.

Profit and loss account

This includes all current period retained profits and losses.

19. Prior year adjustment

In the previous year ended 31 December 2018 the share premium account totalled \$5,019,101. An amount of this balance \$4,625,560 was in relation to a related party loan from Advanced Markets Holdings LLC. The Directors considered this related party loan to be a capital injection in the company. Included within ordinary share capital was an amount of \$63,682 which should have been treated as a share premium. The balance sheet has been restated for these items and there is no impact on the loss for the period.

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to \$1,986 (2018 - \$618).

21. Related party transactions

The company has taken advantage of the exemption in FRS102 Section 33 and not disclosed related party transactions that are with its parent company who wholly owns the company.

22. Controlling party

The ultimate parent undertaking is Advanced Market Holdings LLC.