
EIGER TRADING ADVISORS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018



EIGER TRADING ADVISORS LIMITED

COMPANY INFORMATION

Directors	S Openshaw D A Lawson B Collins
Registered number	06620583
Registered office	Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ
Independent auditor	Rawlinson & Hunter Audit LLP Statutory Auditor & Chartered Accountants Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ
Bankers	Barclays Plc 93 Baker Street London W1A 4SD

EIGER TRADING ADVISORS LIMITED

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EIGER TRADING ADVISORS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

Introduction

The directors present their strategic report for Eiger Trading Advisors Limited ("the company" or "the firm") for the year ended 30 September 2018.

Principal activities

The principal activity of the company in the year under review was that of facilitating physical commodity transactions by providing professional, fintech and automation services.

Business review

The company's business exhibited steady growth through the reporting period in line with the long-term strategy of organic growth set by the board of directors ("Board"). Revenue and profit growth was solid with the addition of new clients and general growth in revenues from current clients. The directors expect revenue and profit growth to trend higher in the next reporting period based on the current pipeline of clients.

Geo-political headwinds are still evident within parts of the Islamic world: Qatar is still in dispute with Saudi Arabia, Bahrain and the United Arab Emirates; Saudi Arabia and the United Arab Emirates continue to be involved in the Yemen conflict; and Syria, Iraq, Libya and Iran – whether through conflict or sanctions – offer few or no business opportunities. However, prospects in new markets such as Turkey, Morocco, the ex USSR states, Africa and South-East Asia provide new challenges. Most of the company's core Islamic economies are performing well and the global Islamic finance industry is forecast to expand at near-double-digit rates over the next 5 years. In our core regions the Islamic finance industry continues to take a larger slice of the overall finance industry.

We have been recognized by the Islamic finance industry with three awards during the past year, picking up Islamic Business and Finance's "Best Islamic Fintech company" in both South-East Asia and the GCC for the second year running, and also awarded "Best Shari'a Compliant Commodity Broker 2018" at the Global Islamic Finance Awards in Sarajevo.

We have expanded the functionality of the award-winning Eiger Trading Platform ("ETP"), the first such platform amongst our peers and still acknowledged by our clients as the most efficient and user-friendly. We continue to automate our clients' processes wherever possible and offer "straight-through processing" ("STP") to a number of clients, enabling them to trade with no human intervention. The coming reporting period will see further developments and enhancements across the ETP to further ease the procedural burdens of our clients.

Although costs have increased, the corresponding growth in turnover has resulted in an improved net profit before tax for the year of \$622,021 compared to \$478,258 in the prior year. Turnover, overall costs, staff costs and net profit comprise the key performance indicators.

The overall costs of the business have increased by 10.6% on last year (2017 - 34.8%). The company continues to apply stringent cost controls in its expenditures, but realises that costs must increase in order to grow the business. Staff costs have increased by 15.9% (2017 - 23.3%) due to extra staff and higher discretionary bonuses related to the improved company performance in 2017 and 2018.

The directors believe that the company has made significant progress in this reporting period towards achieving the significant milestone of reducing its accumulated losses to zero. At the end of the reporting period, the deficit on the profit and loss account stood at only \$47,898. Assuming the company meets its financial targets in the coming year, the directors would expect to be in a position to consider declaring a dividend.

The directors have considered the possible implications of Brexit and are of the opinion that it is unlikely to have any appreciable negative impact on the activities or business of the company.

EIGER TRADING ADVISORS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Business Review (continued)

Principal risks and uncertainties

There are a number of potential risks and uncertainties, which could have an impact of the company's long term performance and could cause actual results to differ materially from expected and historical results. The company's risk management policies and procedures are discussed below.

Geo-political risk

Adverse political conditions affecting the business environment in any of the company's core countries in which its clients operate could have a material impact on the company's performance. The company actively looks to diversify its client base across multiple jurisdictions to mitigate this risk.

Competition

The number of other companies in the company's peer group has continued to grow and now numbers at least 17 competitors offering services similar to those offered by the company, although many of these are small or local businesses servicing a single jurisdiction. Competition is starting to lower client fee rates to a level where some companies may start to experience difficulty. The company continues to offer a value-added service and expand its client base to mitigate this risk.

Financial risk management

The company regards the monitoring and controlling of financial risks as a fundamental part of its management process and therefore constantly monitors these risks, within strictly defined guidelines. The evaluation of risks and the setting of policies is approved by the Board and carried out by the relevant risk management committee under authority delegated by the Board.

The principal risks and uncertainties facing the company and the strategy for managing these risks are:

a) Capital risk management: The company's primary objective is to ensure that it has capital which is permanent and which is able to absorb any losses arising from an extreme event. The company's capital is made up of the following:

- Share capital
- Share premium
- Profit and Loss Account

As part of the company's Part IV permission with the Financial Conduct Authority ("FCA") we are bound by the capital adequacy rules for a BIPRU €50k company.

b) Market risk: The company presently does not hold or trade any financial instruments and is therefore not exposed to any market risk.

c) Interest rate risk: The company does not have significant long term borrowings and therefore is not overly exposed to interest rate risk.

d) Liquidity risk: Cash is monitored on a daily basis and is closely monitored to ensure that all payment obligations are met in a timely manner. The Board meets regularly to review cash flow projections and future capital requirements.

e) Foreign exchange risk: The functional currency of the company's trading activities is the USD. At present foreign exchange risk arises on the translation of our GBP Sterling overheads into USD. It is the view of the Board that a hedging strategy will be implemented to cover our Sterling exposure when deemed appropriate.

EIGER TRADING ADVISORS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Financial risk management (continued)

f) Credit & Counterparty risk: The company has a strict and stringent client take on process to access the appropriateness and quality of its clients. At present there is no significant credit risk.

Financial risk management objectives and policies

The objective of financial risk management is to plan, organise and perform sufficient actions to provide reasonable assurance that the firm's overall objectives and goals are met and to limit the risk of adverse events occurring to a level that is acceptable to the directors. The firm identifies and manages its key financial risks by means of a risk management policy that is appropriate to its size while preserving its effectiveness. Key parts of the policy to manage financial risk, including operational risk are:

- regular management meetings
- regular review of management information
- regular compliance and monitoring
- annual risk assessments as part of the firm's ICAAP process

The firm does not hedge any of its financial risks.

Exposure to price risk

The firm does not take positions itself and hence does not expose itself to price risk, except to the extent that balances are maintained in foreign currencies where required for the proper operation of the business. Any foreign exchange risk arising out of this is monitored by senior management and regulatory capital is maintained to cover the assessed risk of adverse changes in rates. At 30 September 2018 the firm maintained a net long position in GB sterling denominated balances of approximately \$878k (2017 - \$514k).

Exposure to credit risk

The firm does not generally extend credit to its clients or counterparties, although exposure does arise when performance fees or commissions become payable. Adherence to agreed credit terms is monitored closely by senior management and regulatory capital is maintained to cover assessed risk of default. At present the firm has extended no credit terms. The firm also maintains an exposure in connection with funds held on current and deposit accounts with its bankers.

Exposure to liquidity risk

The firm assesses its exposure to liquidity risk as part of its ICAAP process and maintains regulatory capital to cover the assessed risk of adverse changes in the value of the firm's assets.

Exposure to cash flow risk

The firm seeks to maintain at all times sufficient funds in readily accessible accounts with its bankers to meet its liabilities when they fall due. In addition, in accordance with the FCA rules the firm maintains capital equivalent to the greater of one quarter of its estimated projected annual fixed overhead expenditure or \$517k (2017 - \$499k) to ensure that the firm's affairs could be wound up in an orderly manner should the need arise. There is no current intention or expectation for such an eventuality. The relevant figure to be maintained is kept under regular review.

EIGER TRADING ADVISORS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Financial risk management (continued)

Capital resources

The firm's capital resources are comprised only of core tier one capital, specifically equity share capital, share premium account and audited retained earnings. The firm's tier one capital and deductions made there from in accordance with the FCA's rules at 30 September 2018 are summarised as follows:

	\$'000
Permanent equity capital	428
Share premium account	1,395
Audited reserves	<u>(48)</u>
Tier 1 capital before deduction	1,775
Fixed overhead requirement	<u>(517)</u>
Surplus of own funds	<u>1,258</u>

Compliance with BIPRU 3, 4, 6, 7 and 10:

As a limited licence firm, the firm is required to hold minimum capital computed as the higher of;

- its fixed overhead requirement and
- the sum of its credit risk and market risk requirements.

There is no requirement for the firm to hold any capital in respect of operational risk.

However, the firm reviews the adequacy of its capital, taking into account its capital resources requirements and its current and future activities at least annually. The firm has decided that it is prudent to hold capital in excess of its capital resources requirements in respect to certain risks.

Credit risk

The firm employs the standardised approach to credit risk. The firm has a capital resources requirement in relation to credit risk of \$92k at 30 September 2018 (2017 - \$114k).

Risk weighted exposure amounts in accordance with the standardised approach

The firm employs the simplified method of assessing risk weighted exposure amounts and does not employ ratings agencies in connection with this exercise.

Market risk

The firm has a capital resource requirement in respect of its foreign currency position risk requirement of \$2k at 30 September 2018 (2017 - \$1k).

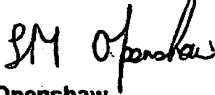
Exposures to interest rate risk in the non trading book

The firm is exposed to interest-rate risk in relation to monies held on interest bearing deposits with the firm's bankers, although the risk involved is considered negligible and accordingly a detailed measurement of interest-rate risk has not been undertaken.

EIGER TRADING ADVISORS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

This report was approved by the Board of directors and signed on its behalf.



S Openshaw
Director

Date: 10/11/2019

EIGER TRADING ADVISORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their report and the financial statements of the company for the year ended 30 September 2018.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements of the company for each financial year. Under that law the directors have elected to prepare the financial statements of the company 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 of the company 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 of the company, 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 of the company 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 of the company 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.

Results and dividends

The profit for the year, after taxation, amounted to \$499,998 (2017 - \$389,193).

No dividend will be distributed for the year ended 30 September 2018 (2017 - \$Nil).

Directors

The directors who served during the year were:

S Openshaw
D A Lawson
B Collins

Principal risks and uncertainties

The directors' assessment of the principal risks and uncertainties, key performance indicators and a business review is set out in the Strategic Report.

EIGER TRADING ADVISORS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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.

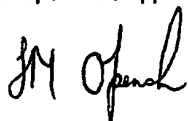
Post balance sheet events

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

Auditor

Under section 487(2) of the Companies Act 2006, Rawlinson & Hunter Audit LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the Board of directors and signed on its behalf.



S Openshaw
Director

Date: 10/11/2019

EIGER TRADING ADVISORS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EIGER TRADING ADVISORS LIMITED

Opinion

We have audited the financial statements of Eiger Trading Advisors Limited ("the company") for the year ended 30 September 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

EIGER TRADING ADVISORS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EIGER TRADING ADVISORS LIMITED (CONTINUED)

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 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.

EIGER TRADING ADVISORS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EIGER TRADING ADVISORS LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

Rawlinson & Hunter Audit LLP

Kulwarn Nagra (Senior Statutory Auditor)

for and on behalf of

Rawlinson & Hunter Audit LLP

Statutory Auditor

Chartered Accountants

Eighth Floor

6 New Street Square

New Fetter Lane

London

EC4A 3AQ

Date: *10 January 2019*

EIGER TRADING ADVISORS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

		2018 \$	2017 \$
Turnover	4	4,465,253	3,934,647
Cost of sales		(1,232,930)	(1,128,160)
Gross profit		<u>3,232,323</u>	<u>2,806,487</u>
Administrative expenses		(2,610,324)	(2,347,000)
Fair value movements		-	18,040
Operating profit	5	<u>621,999</u>	<u>477,527</u>
Interest receivable and similar income	9	22	731
Profit before tax		<u>622,021</u>	<u>478,258</u>
Tax on profit	10	(122,023)	(89,065)
Profit for the financial year		<u>499,998</u>	<u>389,193</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>499,998</u>	<u>389,193</u>

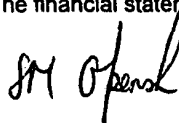
The notes on pages 15 to 29 form part of these financial statements.

EIGER TRADING ADVISORS LIMITED
REGISTERED NUMBER: 06620583

BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Note	2018 \$	2017 \$
Fixed assets			
Tangible assets	11	16,568	23,707
Investments	12	105,091	89,654
		121,659	113,361
Current assets			
Debtors	13	1,118,803	1,310,829
Cash at bank and in hand	14	1,135,388	341,752
		2,254,191	1,652,581
Creditors: amounts falling due within one year	15	(582,928)	(487,736)
Net current assets		1,671,263	1,164,845
Total assets less current liabilities		1,792,922	1,278,206
Net assets		1,792,922	1,278,206
Capital and reserves			
Called up share capital	18	428,059	423,153
Share premium account	19	1,394,721	1,384,909
Fair value reserve	19	18,040	18,040
Profit and loss account	19	(47,898)	(547,896)
		1,792,922	1,278,206

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



S Openshaw
 Director

Date: **10 JAN 2019**

The notes on pages 15 to 29 form part of these financial statements.

EIGER TRADING ADVISORS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Called up share capital	Share premium account	Fair value reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2017	423,153	1,384,909	18,040	(547,896)	1,278,206
Comprehensive income for the year					
Profit for the year	-	-	-	499,998	499,998
Total comprehensive income for the year	-	-	-	499,998	499,998
Shares issued during the year (Note 18)	4,906	9,812	-	-	14,718
At 30 September 2018	428,059	1,394,721	18,040	(47,898)	1,792,922

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital	Share premium account	Fair value reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2016	423,153	1,384,909	-	(919,049)	889,013
Comprehensive income for the year					
Profit for the year	-	-	-	389,193	389,193
Total comprehensive income for the year	-	-	-	389,193	389,193
Transfer of fair value movements to fair value reserve	-	-	18,040	(18,040)	-
At 30 September 2017	423,153	1,384,909	18,040	(547,896)	1,278,206

The notes on pages 15 to 29 form part of these financial statements.

EIGER TRADING ADVISORS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	2018 \$	2017 \$
Cash flows from operating activities		
Profit for the financial year	499,998	389,193
Adjustments for:		
Depreciation of tangible assets	14,396	12,252
Interest received	(22)	(731)
Taxation charge	122,023	89,065
Decrease/(increase) in debtors	173,424	(653,146)
(Decrease)/increase in creditors	(8,229)	268,468
Net fair value gains recognised in P&L	-	(18,040)
Net cash generated from operating activities	801,590	87,061
Cash flows from investing activities		
Purchase of tangible fixed assets	(7,257)	(14,771)
Purchase of unlisted and other investments	(15,437)	(71,614)
Interest received	22	731
Net cash used in investing activities	(22,672)	(85,654)
Cash flows from financing activities		
Issue of ordinary shares	14,718	-
Net cash generated from financing activities	14,718	-
Net increase in cash and cash equivalents	793,636	1,407
Cash and cash equivalents at beginning of year	341,752	340,345
Cash and cash equivalents at the end of year	1,135,388	341,752
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,135,388	341,752
	1,135,388	341,752

The notes on pages 15 to 29 form part of these financial statements.

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. General information

Eiger Trading Advisors Limited ("the company") is a company limited by shares and is incorporated and domiciled in England and Wales. The address of the registered office is Eighth Floor, 6 New Street Square, New Fetter Lane, London, EC4A 3AQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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

The directors consider the going concern basis to be appropriate because, having reviewed the company's cashflow requirements for the forthcoming year, in the opinion of the Board, the company will be able to pay its debts as they arise from its continued improved trading.

2.3 Turnover

Turnover represents net invoiced sales of services, excluding value added tax. Turnover is recognised when the company has fulfilled its service obligations to its customers and obtained the rights to consideration and collection is probable.

2.4 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 33% on cost
Fixtures and fittings	- 20% on cost
Office equipment	- 33% on cost
Computer equipment	- 33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.5 Valuation of investments

Investments where market value can be reliably determined are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income.

2.6 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.

2.7 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.

2.8 Financial instruments

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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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, 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.

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.8 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 Statement of Comprehensive Income in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

The company does not enter into derivatives for speculative purposes.

2.9 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.

2.10 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 'Interest payable and similar expenses'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'Administrative expenses'.

2.11 Share based payments

The company has issued equity settled share-based incentives to certain employees. The fair value for the equity settled share awards is measured at the grant date using the Black-Scholes valuation method. This fair value is charged as an expense in the Statement of Comprehensive Income as it arises as the company does not have any specific vesting conditions.

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.12 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 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.

2.14 Interest income

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

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax charge for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

In preparing the financial statements, management has to make judgments on how to apply the company's accounting policies and make estimates about the future. The critical judgments that have been made in arriving at the amounts recognised in the financial statements and the key areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year, are discussed below:

Impairment of trade and other debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the credit rating of the debtor, the ageing profile of the debtor and historical experience. See Note 13 for the carrying amount of debtors.

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

4. Turnover

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

	2018 \$	2017 \$
Commissions income	4,329,253	3,818,647
Trading platform sales income	136,000	116,000
	<u>4,465,253</u>	<u>3,934,647</u>

Analysis of turnover by country of destination:

	2018 \$	2017 \$
United Kingdom	22,570	10,266
Rest of the world	4,442,683	3,924,381
	<u>4,465,253</u>	<u>3,934,647</u>

5. Operating profit

The operating profit is stated after charging / (crediting):

	2018 \$	2017 \$
Depreciation of tangible fixed assets	14,396	12,252
Exchange differences	17,604	(36,787)
Other operating lease rentals	131,901	121,164
	<u>143,901</u>	<u>96,629</u>

6. Auditor's remuneration

	2018 \$	2017 \$
Fees payable to the company's auditor for the audit of the company's annual financial statements	19,794	15,275
Fees payable to the company's auditor in respect of:		
Taxation compliance services	3,000	2,725
Accountancy and other services	2,750	2,720
	<u>5,750</u>	<u>5,445</u>

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

7. Employees

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

	2018 \$	2017 \$
Wages and salaries	1,175,111	1,038,744
Social security costs	151,946	119,690
Cost of defined contribution scheme (Note 21)	35,771	17,000
	<u>1,362,828</u>	<u>1,175,434</u>

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

	2018 No.	2017 No.
Directors	3	3
Trading and support services	11	10
	<u>14</u>	<u>13</u>

8. Directors' remuneration

	2018 \$	2017 \$
Directors' emoluments	223,847	196,184
Company contributions to defined contribution pension schemes	5,748	1,521
	<u>229,595</u>	<u>197,705</u>

During the year retirement benefits were accruing to 1 director (2017 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of \$185,667 (2017 - \$163,742).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$5,748 (2017 - \$1,521).

During the year no directors received shares under the long term incentive scheme (2017 - Nil).

In addition to the directors, key management personnel received remuneration of \$391,536 (2017 - \$256,897) during the year.

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

9. Interest receivable and similar income

	2018	2017
	\$	\$
Other interest receivable	22	731
	<u>22</u>	<u>731</u>

10. Taxation

	2018	2017
	\$	\$
Corporation tax		
Current tax on profits for the year	103,421	-
	<u>103,421</u>	<u>-</u>
Total current tax	<u>103,421</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences (Note 17)	18,602	89,065
	<u>18,602</u>	<u>89,065</u>
Total deferred tax	<u>18,602</u>	<u>89,065</u>
Taxation on profit on ordinary activities	<u>122,023</u>	<u>89,065</u>

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19.0% (2017 - 19.5%). The differences are explained below:

	2018 \$	2017 \$
Profit on ordinary activities before tax	<u>622,021</u>	<u>478,258</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 - 19.5%)	118,184	93,260
Effects of:		
Expenses not deductible for tax purposes	10,040	9,284
Deferred tax asset utilised at a higher rate than recognised	(6,201)	(13,479)
Total tax charge for the year	<u>122,023</u>	<u>89,065</u>

Factors that may affect future tax charges

The company has approximately \$Nil (2017 - \$110,000) of losses available for offset against future trading profits of the company. The substantively enacted main rate of corporation tax includes reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

11. Tangible fixed assets

	Plant and machinery \$	Fixtures and fittings \$	Office equipment \$	Computer equipment \$	Total \$
Cost					
At 1 October 2017	99	16,854	1,287	134,275	152,515
Additions	-	-	-	7,257	7,257
At 30 September 2018	<u>99</u>	<u>16,854</u>	<u>1,287</u>	<u>141,532</u>	<u>159,772</u>
Depreciation					
At 1 October 2017	98	13,336	1,060	114,314	128,808
Charge for the year on owned assets	1	2,320	227	11,848	14,396
At 30 September 2018	<u>99</u>	<u>15,656</u>	<u>1,287</u>	<u>126,162</u>	<u>143,204</u>
Net book value					
At 30 September 2018	<u>-</u>	<u>1,198</u>	<u>-</u>	<u>15,370</u>	<u>16,568</u>
At 30 September 2017	<u>1</u>	<u>3,518</u>	<u>227</u>	<u>19,961</u>	<u>23,707</u>

12. Fixed asset investments

	Other fixed asset investments \$
Valuation	
At 1 October 2017	89,654
Additions	15,437
At 30 September 2018	<u>105,091</u>

Other fixed asset investments relate to palladium and platinum which is revalued to fair value at the Balance Sheet date.

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

13. Debtors

	2018 \$	2017 \$
Trade debtors	907,859	1,184,971
Other debtors	69,930	61,452
Prepayments and accrued income	140,681	45,471
Deferred taxation (Note 17)	333	18,935
	<u>1,118,803</u>	<u>1,310,829</u>

Included within other debtors is an amount due from S Openshaw of \$8,651 (2017 - \$Nil), and from T Openshaw of \$6,754 (2017 - \$Nil), who is considered to be a related party by virtue of his relationship to S Openshaw, a director of the company.

14. Cash and cash equivalents

	2018 \$	2017 \$
Cash at bank and in hand	1,135,388	341,752
	<u>1,135,388</u>	<u>341,752</u>

15. Creditors: Amounts falling due within one year

	2018 \$	2017 \$
Trade creditors	180,785	188,306
Corporation tax	103,421	-
Other taxation and social security	52,164	38,895
Other creditors	118,188	166,655
Accruals and deferred income	128,370	93,880
	<u>582,928</u>	<u>487,736</u>

Included within other creditors is an amount due to S Openshaw of \$12,530 (2017 - \$3,008) and T Openshaw of \$Nil (2017 - \$3,731).

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

16. Financial instruments

	2018	2017
	\$	\$
Financial assets		
Financial assets measured at fair value through profit or loss	1,240,479	431,406
Financial assets that are debt instruments measured at amortised cost	977,789	1,246,423
	2,218,268	1,677,829
	2,218,268	1,677,829
Financial liabilities		
Financial liabilities measured at amortised cost	(427,343)	(448,841)
	(427,343)	(448,841)
	(427,343)	(448,841)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand and fixed asset investments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

17. Deferred taxation

	2018
	\$
At beginning of year	18,935
Charged to the Statement of Comprehensive Income (Note 10)	(18,602)
At end of year (Note 13)	333
	333

The deferred tax asset is made up as follows:

	2018	2017
	\$	\$
Accelerated capital allowances	3,398	3,300
Tax losses carried forward	-	18,700
Deferred tax on revaluations	(3,065)	(3,065)
	333	18,935
	333	18,935

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

18. Share capital

	2018	2017
	\$	\$
Allotted, called up and fully paid		
428,059 (2017 - 423,153) Ordinary shares of \$1 each	<u>428,059</u>	<u>423,153</u>

On 15 August 2018 the company allotted 4,906 Ordinary \$1 shares at \$3 each for cash consideration.

19. Reserves

Share premium account

The Share premium account represents the premium on shares issued above their par value.

Fair value reserve

The fair value reserve represents the difference between cost and the fair value of certain items measured at fair value.

Profit and loss account

The Profit and loss account represents cumulative profits and losses for the year and prior periods.

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

20. Share based payments

The company has a share-based incentive plan ("the Plan") that provides its board of directors discretion in creating employee share option incentives.

A reconciliation of share option movements in respect of the company's employees over the year to 30 September 2018 is shown below:

	<i>Weighted average exercise price (cents) 2018</i>	<i>Number 2018</i>	<i>Weighted average exercise price (cents) 2017</i>	<i>Number 2017</i>
Outstanding at the beginning of the year	5.84	76,132	5.84	76,132
Exercised during the year	0.05	4,906	-	-
Outstanding at the end of the year	5.79	71,226	5.84	76,132

At the year end there were 71,226 exercisable share options at a weighted average price of \$5.79. No share options expired during the year.

The share options issued under the Plan have no specific vesting requirements, and expire ten years after the grant date. The share options issued in the period up to 30 September 2015 can be exercised after 12 months. The share options issued in the year to 30 September 2016 can be exercised after 60 months.

No share options were issued in the Plan in the year and the total charge for the year relating to share based remuneration included in these financial statements was \$Nil (2017 - \$Nil). The company estimates the value of the employee share options on the date of grant using the Black-Scholes valuation model. This model was selected because it is better able to explicitly address the features of the Plan.

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

21. 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 \$35,771 (2017 - \$17,000). There were no outstanding contributions payable to the fund at the balance sheet date (2017 - \$Nil).

22. Commitments under operating leases

At 30 September 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 \$	2017 \$
Not later than 1 year	72,904	73,359
Later than 1 year and not later than 5 years	6,808	14,644
	<u>79,712</u>	<u>88,003</u>

23. Related party transactions

Details of the transactions with related parties are disclosed in Notes 8,13 and 15.

24. Controlling party

The company is jointly controlled by the directors.