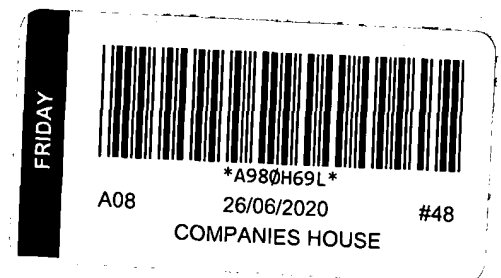


Registered number: 06620583

EIGER TRADING ADVISORS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**



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

CONTENTS

	Page
Strategic Report	1 - 5
Directors' Report	6 - 7
Independent Auditor's Report	8 - 10
Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 31

EIGER TRADING ADVISORS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

Introduction

The directors present their strategic report for Eiger Trading Advisors Limited ("the company" or "the firm") for the year ended 30 September 2019.

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 exceptional growth through the reporting period, above the long-term trend set over the last 5 years. The strategy set by the board of directors ("Board") remains that of organic growth. Revenue and profit growth were excellent with the addition of new clients and general growth in revenues from current clients. The directors expect revenue and profit to continue to grow in the next reporting period based on the current pipeline of clients.

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 a further 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 third year running, and also "Best Sharia'a Compliant Commodity Broker 2019" at the Global Islamic Finance Awards in Cape Town.

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, is still extending its functionality. 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 operational burdens of our clients.

The growth in turnover from \$4,465,253 to \$8,123,728 has resulted in an improved net profit before tax for the year of \$2,201,558, compared to \$622,021 in the prior year. The key performance indicators comprise turnover, overall costs, staff costs and net profit.

The company has achieved significant progress in this reporting period by extinguishing its previous accumulated losses and accruing distributable profits. This will enable the company to pay a dividend early in the next reporting period.

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 2019

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 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. The Board has appointed a committee that actively monitors the company's future foreign exchange requirements and has put in place a hedging strategy.

EIGER TRADING ADVISORS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

Financial risk management (continued)

f) Credit & Counterparty risk: The company has a strict and stringent client take on process to assess 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, with the exception of foreign exchange risk, whereupon the company hedges against the risk of significant fluctuations in the USD/GBP exchange rate.

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 2019 the firm maintained a net long position in GB sterling denominated balances of approximately \$1,060k (2018 - \$878k).

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 \$643k (2018 - \$517k) 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 2019**

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 2019 are summarised as follows:

	\$'000
Permanent equity capital	444
Share premium account	1,431
Audited reserves	<u>1,715</u>
Tier 1 capital before deduction	3,590
Fixed overhead requirement	<u>(643)</u>
Surplus of own funds	<u>2,947</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 \$221k at 30 September 2019 (2018 - \$92k).

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 \$3k at 30 September 2019 (2018 - \$2k).

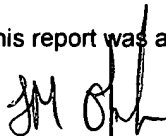
Exposures to interest rate risk in the non trading book

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 2019**

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



S Openshaw
Director

Date: 22 January 2020

EIGER TRADING ADVISORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their report and the financial statements of the company for the year ended 30 September 2019.

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 \$1,814,006 (2018 - \$499,998).

No dividend will be distributed for the year ended 30 September 2019 (2018 - \$Nil). A dividend of \$3 per share was declared after the year end.

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 2019**

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.

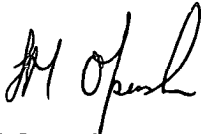
Post balance sheet events

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: 22 January 2020

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 2019, 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 2019 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 the 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

Kulwam 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

22 January 2020

EIGER TRADING ADVISORS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

		2019 \$	2018 \$
Turnover	4	8,123,728	4,465,253
Cost of sales		(2,209,466)	(1,232,930)
Gross profit		<u>5,914,262</u>	<u>3,232,323</u>
Administrative expenses		(3,786,582)	(2,610,324)
Fair value movements	12	50,977	-
Operating profit	5	<u>2,178,657</u>	621,999
Interest receivable and similar income	9	22,901	22
Profit before tax		<u>2,201,558</u>	622,021
Tax on profit	10	(387,552)	(122,023)
Profit for the financial year		<u>1,814,006</u>	<u>499,998</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>1,814,006</u>	<u>499,998</u>

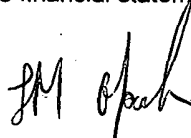
The notes on pages 15 to 31 form part of these financial statements.

EIGER TRADING ADVISORS LIMITED
REGISTERED NUMBER: 06620583

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 \$	2018 \$
Fixed assets			
Tangible assets	11	45,489	16,568
Investments	12	156,068	105,091
		<u>201,557</u>	<u>121,659</u>
Current assets			
Debtors	13	2,837,681	1,118,803
Cash at bank and in hand	14	2,536,184	1,135,388
		<u>5,373,865</u>	<u>2,254,191</u>
Creditors: amounts falling due within one year	15	(1,914,106)	(582,928)
Net current assets		<u>3,459,759</u>	<u>1,671,263</u>
Total assets less current liabilities		<u>3,661,316</u>	<u>1,792,922</u>
Provisions for liabilities			
Deferred tax	17	(2,442)	-
		<u>(2,442)</u>	<u>-</u>
Net assets		<u><u>3,658,874</u></u>	<u><u>1,792,922</u></u>
Capital and reserves			
Called up share capital	18	444,041	428,059
Share premium account	19	1,430,685	1,394,721
Fair value reserve	19	69,017	18,040
Profit and loss account	19	1,715,131	(47,898)
		<u>3,658,874</u>	<u>1,792,922</u>

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



S Openshaw
 Director

Date: 22 January 2020

The notes on pages 15 to 31 form part of these financial statements.

EIGER TRADING ADVISORS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital	Share premium account	Fair value reserve	Profit and loss account	Total equity
	\$	\$	\$	\$	\$
At 1 October 2018	428,059	1,394,721	18,040	(47,898)	1,792,922
Comprehensive income for the year					
Profit for the year	-	-	-	1,814,006	1,814,006
Total comprehensive income for the year	-	-	-	1,814,006	1,814,006
Shares issued during the year (Note 18)	15,982	35,964	-	-	51,946
Transfer of fair value movements to fair value reserve (Note 12)	-	-	50,977	(50,977)	-
At 30 September 2019	444,041	1,430,685	69,017	1,715,131	3,658,874

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

	Called up share capital	Share premium account	Fair value reserves	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	4,906	9,812	-	-	14,718
At 30 September 2018	428,059	1,394,721	18,040	(47,898)	1,792,922

The notes on pages 15 to 31 form part of these financial statements.

EIGER TRADING ADVISORS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	2019 \$	2018 \$
Cash flows from operating activities		
Profit for the financial year	1,814,006	499,998
Adjustments for:		
Depreciation of tangible assets	15,067	14,396
Interest received	(22,901)	(22)
Taxation charge	387,552	122,023
(Increase)/decrease in debtors	(1,719,211)	173,424
Increase/(decrease) in creditors	1,046,390	(8,229)
Net fair value gains recognised in P&L	(50,977)	-
Corporation tax (paid)	(99,989)	-
Net cash generated from operating activities	1,369,937	801,590
Cash flows from investing activities		
Purchase of tangible fixed assets	(43,988)	(7,257)
Purchase of unlisted and other investments	-	(15,437)
Interest received	22,901	22
Net cash used in investing activities	(21,087)	(22,672)
Cash flows from financing activities		
Issue of ordinary shares	51,946	14,718
Net cash generated from financing activities	51,946	14,718
Net increase in cash and cash equivalents	1,400,796	793,636
Cash and cash equivalents at beginning of year	1,135,388	341,752
Cash and cash equivalents at the end of year	2,536,184	1,135,388
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,536,184	1,135,388
	2,536,184	1,135,388

The notes on pages 15 to 31 form part of these financial statements.

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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 2019**

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 2019**

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 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 over the vesting period.

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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 2019**

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 2019**

4. Turnover

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

	2019	2018
	\$	\$
Commissions income	7,985,728	4,329,253
Trading platform sales income	138,000	136,000
	<u>8,123,728</u>	<u>4,465,253</u>

Analysis of turnover by country of destination:

	2019	2018
	\$	\$
United Kingdom	166,404	190,420
Rest of Europe	673,662	687,721
Rest of the world	7,283,662	3,587,112
	<u>8,123,728</u>	<u>4,465,253</u>

The methodology for determining the company's turnover by country of destination has been reviewed in the year and the prior year comparative figures have been restated on the same basis.

5. Operating profit

The operating profit is stated after charging:

	2019	2018
	\$	\$
Depreciation of tangible fixed assets	15,067	14,396
Exchange differences	43,787	17,604
Other operating lease rentals	135,893	131,901
	<u>194,747</u>	<u>263,901</u>

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

6. Auditor's remuneration

	2019	2018
	\$	\$
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>23,000</u>	<u>19,794</u>
Fees payable to the company's auditor in respect of:		
Taxation compliance services	3,250	3,000
Accountancy and other services	2,750	2,750
	<u>6,000</u>	<u>5,750</u>

7. Employees

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

	2019	2018
	\$	\$
Wages and salaries	1,357,295	1,175,111
Social security costs	175,305	151,946
Cost of defined contribution scheme (Note 21)	48,658	35,771
	<u>1,581,258</u>	<u>1,362,828</u>

Included in wages and salaries are share based payment charges of \$1,217 (2018 - \$Nil), refer Note 20 for further details.

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

	2019	2018
	No.	No.
Directors	3	3
Financial services	11	11
	<u>14</u>	<u>14</u>

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. Directors' remuneration

	2019	2018
	\$	\$
Directors' emoluments	316,400	223,847
Company contributions to defined contribution pension schemes	3,204	5,748
	<u>319,604</u>	<u>229,595</u>

During the year retirement benefits were accruing to 1 directors (2018 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of \$194,287 (2018 - \$185,667).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$NIL (2018 - \$NIL).

During the year no directors received shares under the long term incentive scheme (2018 - Nil).

In addition to the directors, key management personnel received remuneration of \$245,573 (2018 - \$391,536) during the year.

9. Interest receivable and similar income

	2019	2018
	\$	\$
Other interest receivable	22,901	22
	<u>22,901</u>	<u>22</u>

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

10. Taxation

	2019	2018
	\$	\$
Corporation tax		
Current tax on profits for the year	391,729	103,421
Adjustments in respect of previous periods	(6,952)	-
	<u>384,777</u>	<u>103,421</u>
Total current tax	<u>384,777</u>	<u>103,421</u>
Deferred tax		
Origination and reversal of timing differences (Note 17)	2,775	18,602
Total deferred tax	<u>2,775</u>	<u>18,602</u>
Taxation on profit on ordinary activities	<u>387,552</u>	<u>122,023</u>

EIGER TRADING ADVISORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19.0% (2018 - 19.0%). The differences are explained below:

	2019 \$	2018 \$
Profit on ordinary activities before tax	<u>2,201,558</u>	<u>622,021</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2018 - 19.0%)	418,296	118,184
Effects of:		
Expenses not deductible for tax purposes	7,617	10,040
Income not taxable for tax purposes	(9,686)	-
Adjustments to tax charge in respect of prior periods	(6,952)	-
Difference arising on movement between opening and closing spot rates	(21,723)	-
Deferred tax asset utilised at a higher rate than recognised	-	(6,201)
Total tax charge for the year	<u><u>387,552</u></u>	<u><u>122,023</u></u>

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

10. Taxation (continued)

Factors that may affect future tax charges

The company has approximately \$Nil (2018 - \$Nil) 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.

11. Tangible fixed assets

	Plant and machinery \$	Fixtures and fittings \$	Office equipment \$	Computer equipment \$	Total \$
Cost					
At 1 October 2018	99	16,854	1,287	141,532	159,772
Additions	-	27,613	-	16,375	43,988
Disposals	(99)	-	-	-	(99)
At 30 September 2019	-	44,467	1,287	157,907	203,661
Depreciation					
At 1 October 2018	99	15,656	1,287	126,162	143,204
Charge for the year on owned assets	-	3,000	-	12,067	15,067
Disposals	(99)	-	-	-	(99)
At 30 September 2019	-	18,656	1,287	138,229	158,172
Net book value					
At 30 September 2019	-	25,811	-	19,678	45,489
At 30 September 2018	-	1,198	-	15,370	16,568

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

12. Fixed asset investments

	Other fixed asset investments \$
Valuation	
At 1 October 2018	105,091
Revaluations	50,977
At 30 September 2019	156,068

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

13. Debtors

	2019 \$	2018 \$
Trade debtors	2,590,145	907,859
Other debtors	66,980	69,930
Prepayments and accrued income	180,556	140,681
Deferred taxation (Note 17)	-	333
	2,837,681	1,118,803

Included within other debtors is an amount due from S Openshaw of \$21,159 (2018 - \$8,651), and from T Openshaw of \$Nil (2018 - \$6,754), 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

	2019 \$	2018 \$
Cash at bank and in hand	2,536,184	1,135,388
	2,536,184	1,135,388

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

15. Creditors: Amounts falling due within one year

	2019	2018
	\$	\$
Trade creditors	657,275	180,785
Corporation tax	388,209	103,421
Other taxation and social security	69,618	52,164
Other creditors	556,105	118,188
Accruals and deferred income	242,899	128,370
	<u>1,914,106</u>	<u>582,928</u>

Included within other creditors is an amount due to S Openshaw of \$95 (2018 - \$12,530) and T Openshaw of \$5,209 (2018 - \$Nil). During the year the company was charged by T Openshaw \$69,531 (2018 - \$36,863) in relation to consultancy services undertaken.

16. Financial instruments

	2019	2018
	\$	\$
Financial assets		
Financial assets measured at fair value through profit or loss	2,692,252	1,240,479
Financial assets that are debt instruments measured at amortised cost	2,657,125	977,789
	<u>5,349,377</u>	<u>2,218,268</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,456,279)</u>	<u>(427,343)</u>

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.

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

17. Deferred taxation

	2019
	\$
At beginning of year	333
Charged to the Statement of Comprehensive Income (Note 10)	(2,775)
At end of year	(2,442)

The deferred taxation balance is made up as follows:

	2019	2018
	\$	\$
Accelerated capital allowances	(2,442)	3,398
Deferred tax on revaluations	-	(3,065)
	(2,442)	333

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

18. Share capital

	2019	2018
	\$	\$
Allotted, called up and fully paid		
444,041 (2018 - 428,059) Ordinary shares of \$1.00 each	<u>444,041</u>	<u>428,059</u>

During the year, the company issued 13,982 Ordinary \$1 shares at \$3 each and 2,000 Ordinary \$1 shares at \$5 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 2019**

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 2019 is shown below:

	<i>Weighted average exercise price (cents) 2019</i>	Number 2019	<i>Weighted average exercise price (cents) 2018</i>	<i>Number 2018</i>
Outstanding at the beginning of the year	5.79	71,226	5.84	76,132
Granted during the year	2.78	7,250	-	-
Exercised during the year	(0.15)	(15,982)	(0.05)	(4,906)
Outstanding at the end of the year	8.42	62,494	5.79	71,226

At the year end there were 62,494 exercisable share options at a weighted average price of \$8.42. 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. The share options issued in the year to 30 September 2019 can be exercised after 36 months.

Valuation of Employee Share Options

The company estimates the value of employee share options on the date of grant using the Black-Scholes valuation model ("the model"). This model was selected because it is better able to explicitly address the features of the Plan.

The company has attempted to reflect expected future changes in model inputs during the options contractual term. The inputs required by the model for the Plan include expected volatility, risk-free interest rate, risk adjusted share return and contractual term.

The following table presents the assumptions used in the model in relation to the share options issued under the Plan in the year:

Share price	2019 \$20
Exercise price	\$25
Expected volatility	5.94%
Risk-free interest rate	0.77%

EIGER TRADING ADVISORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

20. Share based payments (continued)

Accuracy of Fair Value Estimates

The company's ability to accurately estimate the fair value of share based payment awards at the grant date depends upon the accuracy of the model and the company's ability to accurately forecast model inputs as long as 10 years into the future. These inputs include, but are not limited to, expected share price volatility and risk free rate. Although the fair value of employee share options is determined in accordance with FRS 102 using an option pricing model, the estimates that are produced by this model may not be indicative of the fair value observed between a willing buyer and a willing seller. It is difficult to determine if this is the case, as markets do not currently exist that permit the active trading of employee share options and other share-based instruments.

During the year, options were issued in the Plan and the total charge for the year relating to share based remuneration included in these financial statements was \$1,217 (2018 - \$Nil).

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 \$48,658 (2018 - \$35,771). There were no outstanding contributions payable to the fund at the balance sheet date (2018 - \$Nil).

22. Commitments under operating leases

At 30 September 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	\$	\$
Not later than 1 year	70,276	72,904
Later than 1 year and not later than 5 years	-	6,808
	<u>70,276</u>	<u>79,712</u>

23. Related party transactions

Details of the transactions with related parties are disclosed in Notes 8,13 and 15. In addition, 1,000 share options were issued to close family members of S Openshaw in the year.

24. Controlling party

The company is jointly controlled by the directors.