Trad-X (UK) Limited

Strategic report, Directors' report and statutory financial statements
31 March 2020
Registered no: 07712475

Contents

General information

Directors	M Anderson F Brisebois C Rutt W Wostyn
Secretary	M Lau
Registered office	Beaufort House 15 St. Botolph Street London EC3A 7QX
Auditors	Ernst & Young LLP 25 Churchill Place London E14 5EY
Bankers	NatWest 120 – 122 Fenchurch Street London EC3M 5AN
Registration Number	07712475

Strategic report

The Directors present their strategic report for the year ended 31 March 2020 for Trad-X (UK) Limited ("the Company"). The Company is a private limited company incorporated and registered in England and Wales.

Results and dividends

The Company has not carried out any trading activities during the year ended 31 March 2020.

The only transaction that occurred during the year was a share capital reduction from £3,000k to £200k by cancelling and extinguishing 2,800,000 of issued ordinary shares of £1 each in the Company.

Principal activities and review of the business

The Company was incorporated in order to undertake the provision of a hybrid trading platform (both voice and electronic) for OTC derivatives and other financial instruments, and is authorised and regulated by the Financial Conduct Authority. During the year the Company has not undertaken this principal activity as it is currently undertaken under the "Trad-X" branding by Tradition (UK) Limited (a fellow subsidiary undertaking of Compagnie Financiere Tradition SA ("CFT")), consistent with prior years.

The Company is related to a number of UK entities which comprises Tradition (UK) Limited, TFS Derivatives Limited, Tradition Financial Services Limited, Tradition London Clearing Limited and Tradition Management Services Limited. Whilst these entities do not all have the same immediate parent, for the purposes of these financial statements they are described as the "Tradition UK group".

Principal risks and uncertainties

Brexit

The United Kingdom left the European Union on 31 January 2020 and is now in a transitional period until 31 December 2020. At present it is unclear what the consequences of this will be, for example, the ability to service clients in the EU27 from the United Kingdom. The Tradition UK group has put into action contingency plans to aim to ensure as far as is possible continuity of service to clients. Significant uncertainty still exists around what Brexit will actually mean for the UK financial market; however a number of workstreams have been initiated to prepare for a range of outcomes which may include the need to transfer staff and certain operations within the EU27. The Board continues to actively monitor the situation.

Other risks

There is no doubt that electronic platforms are growing in importance however the default model would appear to be a hybrid model where the broker remains involved.

By order of the Board

C Rutt
Director
13 July 2020

Directors' report

The Directors present their report and financial statements for the year ended 31 March 2020.

Directors and their interests

The Directors who served during the year and up until the date of signing were as follows:

M Abbott	(resigned 25 February 2020)
M Anderson	
C Baillet	(resigned 25 February 2020)
F Brisebois	
H de Carmoy	(resigned 25 February 2020)
M Leibowitz	(resigned 25 February 2020)
D Marcus	(resigned 22 May 2020)
M McCaig	(resigned 25 February 2020)
C Rutt	(appointed 26 May 2020)
S Vjestica	(resigned 25 February 2020)
W Wostyn	

None of the Directors had any beneficial interest in the share capital of the Company at any time during the year.

Directors' liabilities

The Company has granted an indemnity to one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year.

Going concern

The Company has not traded during the year; and up until the date of signing continues to operate the business within Tradition (UK) Limited. The directors are satisfied that the Company has adequate net assets and confirm that the Company is a going concern. For this reason they continue to adopt the going concern basis in preparing these financial statements

Events after the balance sheet date

COVID-19 has been declared a global pandemic by the World Health Organisation and many governments are taking stringent steps in order to contain and/or delay the spread of the virus. Many of the actions taken in response to the spread COVID-19 have resulted in significant disruption to normal business operations and an increase in economic uncertainty which in turn impacts the estimation process inherent in financial reporting. See Note 13 for further details on the impact on the Company.

Future developments

The Directors ultimately expect that the "Trad-X" branded business will migrate to the Company with the agreement of Tradition (UK) Limited and other third parties; however the timing of this remains unknown.

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditor in office will be deemed to have been re-appointed pursuant to section 487(2) of the Companies Act 2006, unless the members or Directors resolve otherwise.

By order of the Board
C Rutt
Director
13 July 2020

Statement of Directors' responsibilities in respect of financial statements

The following statement, which should be read in conjunction with the independent auditors' report, is made by the Directors to explain their responsibilities in relation to the preparation of the Director's report, strategic report and financial statements.

The Directors are responsible for preparing the Director's report, strategic report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- Select suitable accounting policies in accordance with IAS 8: "Accounting policies, changes in accounting estimates and errors" and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- State that the Company had complied with FRS 101, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Trad-X (UK) Limited

Opinion

We have audited the financial statements of Trad-X (UK) Limited ("The Company") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework.

In our opinion, the financial statements:

- Give a true and fair view of the company's affairs as at 31 March 2020 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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and 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 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 as set out on page 7, 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.

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 https://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 three 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.

Ernst & Young LLP

Helen Joseph (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
14 July 2020

Statement of comprehensive income

For the year ended 31 March

	Notes	2020 £ '000	2019 £ '000
Turnover		-	-
Administrative expenses		-	-
Operating profit		-	-
Other income		-	-
Profit before interest and tax		-	-
Interest payable		-	-
Profit before tax		-	-
Tax on profit on ordinary activities		-	-
Profit for the year after tax		-	-

The notes on pages 14 to 22 form part of these financial statements.

Balance sheet

As at 31 March

	Notes	2020 £ '000	2019 £ '000
Current assets			
Trade and other receivables	5	200	3,000
Cash and cash equivalents	4	1	1
		201	**3,001**
Creditors: amounts falling due within one year			
Creditors: amounts falling due within one year	6	(1)	(1)
		(1)	**(1)**
Net current assets		200	3.000
Net assets		**200**	**3.000**
Capital and reserves			
Called up share capital	7	200	3,000
Retained earnings		-	-
Shareholders' funds		**200**	**3,000**

The notes on pages 14 to 22 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of Directors on 13 July 2020 and were signed on its behalf by:

C Rutt
Director

Trad-X (UK) Limited

Statement of changes in equity

For the year ended 31 March

	Share Capital £ '000	Retained earnings £ '000	Total Equity £ '000
At 1 April 2018	3,000	-	3,000
Profit for the year	-	-	-
At 31 March 2019	3,000	-	3,000
At 1 April 2019	3,000	-	3,000
Share capital reduction	(2,800)		(2,800)
Profit for the year	-	-	-
At 31 March 2020	**200**	**-**	**200**

During the year a share capital reduction from £3,000k to £200k was undertaken by cancelling and extinguishing 2,800,000 of issued ordinary shares of £1 each in the Company.

The notes on pages 14 to 22 form part of these financial statements

Notes to the financial statements

For the year ended 31 March 2020

1. Authorisation of financial statements

The financial statements of Trad-X (UK) Limited for the year ended 31 March 2020 were authorised for issue by the Board on 13 July 2020, and the Balance Sheet was signed on the Board's behalf by C Rutt. The Directors have the power to amend and reissue the financial statements.

2. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

New, revised or amended Accounting Standards and Interpretations adopted

The Company adopted the following standards as of 1 January 2019:

Standard	Name	Effective date
IFRS 16	'Leases'	1 January 2019

IFRS 16 'Leases' was applicable as of 1 January 2019 and requires lessees to account for all leases under a single on-balance sheet model. The Company does not have any ongoing lease contracts as at 31 December 2018 and thus there was no impact on its financial statements from the initial application of IFRS 16.

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and FRS 101 Reduced Disclosure Framework. The financial statements have been prepared on a going concern basis.

The Company's financial statements are presented in GBP and all values are rounded to the nearest one thousand pounds (£1k), except when otherwise stated.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions:

- Disclosure of comparatives for tangible and intangible fixed asset reconciliations;
- Presentation of a statement of cash flows;
- Disclosure of key management compensation; and
- Impairment of assets

Revenue Recognition

IFRS 15 "Revenue from Contracts with Customers" establishes a five-step model to account for revenue deriving from contracts with customers, where revenue is recognised as and when 'control' of the goods and services underlying a particular performance obligation is transferred to the customer. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. The Company does not currently have any business operations and a result does not recognise revenue.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of 3 months or less.

Consolidated financial statements

The Company has taken advantage of section 400 Companies Act 2006 allowing it not to publish consolidated financial statements.

Impairment

The carrying values of the fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is provided for in the current period profit and loss account when the carrying value of an asset exceeds its recoverable amount. The estimated recoverable amount is defined as the higher of the net realisable value and value in use. The value in use is determined by reference to estimated future discounted cash flows.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.
There are no accounting policies that are deemed critical to the Company's results and financial position, in terms of materiality of the items to which the policy is applied, which involve a high degree of judgement and estimation.

Financial instruments

IFRS 9 'Financial Instruments' was adopted with effect from 1 January 2018 and entailed a change in the way financial instruments are presented on the balance sheet.

i) Financial assets

Initial recognition and measurement
The classification of financial assets is based both on the business model within which the asset is held and the contractual cash flow characteristics of the asset. There are three principal classification categories for financial assets that are debt instruments (i) amortised cost, (ii) fair value through other comprehensive income ("FVOCI") and (iii) fair value through profit or loss ("FVTPL"). Equity investments in scope of IFRS 9 are measured at fair value with gains and losses recognised in profit or loss unless an irrevocable election is made to recognise gains or losses in other comprehensive income. Under IFRS 9, derivatives embedded in financial assets are not bifurcated but instead the whole hybrid contract is assessed for classification.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the transaction date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets include cash and short-term deposits, trade and other receivables and derivative financial instruments.

Receivables are initially measured at their transaction price if they do not contain a significant financial component. Other financial assets are initially measured at their transaction price if they do not contain a significant financial component. Other financial assets are initially measured at fair value; financial assets not measured at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition of the asset.

Subsequent measurement

All recognised financial assets are subsequently measured at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss.
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost

The amortised cost of a financial asset is the amount at which it is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Trade and other receivables are measured at amortised cost using the effective interest method minus impairment losses.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit of loss

A financial asset is measured at fair value through profit or loss, unless it is measured at amortised cost or at fair value through other comprehensive income.

Other equity instruments are measured at fair value through profit or loss as are derivative financial instruments except if the derivative instrument is designated as a hedging instrument.

ii) Impairment of financial assets

Under IFRS 9, impairment of a financial asset measured at amortised cost is calculated using the ECL model. The ECL allowance is based on the credit losses expected to arise over the life of the asset and are calculated based on either:

- 12 month ECLs: these are ECLs that result from expected default events within 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all expected default events over the expected life of a financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses for broking receivables which models lifetime expected loss allowance on a collective basis. A general approach is taken for assessing the ECL for all other financial asset types. The calculated ECL for broking receivables and other financial assets was deemed immaterial and has not been recognised.

Forward looking macroeconomic scenarios and their probability weightings are used to derive the economic inputs in the ECL models. Credit losses are measured as the present value of all cash shortfalls, representing the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and recognised in the P&L.

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified at fair value through profit and loss or amortised cost. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value; financial liabilities not measured at fair value through profit or losses are measured at fair value minus transaction costs directly attributable to the issue of that liability.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities at amortised cost

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

De-recognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

iv) Fair values

The fair value of financial instruments that are traded in active markets at the reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

3. Turnover and segmental reporting

The Company has not disclosed segmental information as it is out of scope of IFRS 8 and is included within the consolidated financial statements of its parent undertaking, which are publicly available as referred to in note 8 to these financial statements.

4. Cash and cash equivalents

Cash and cash equivalents comprise the following at 31 March:

	2020 £ '000	2019 £ '000
Cash at bank and in hand	1	1
	1	1

5. Trade and other receivables

	2020 £ '000	2019 £ '000
Amounts due from group undertakings	200	3,000
	200	3.000

The amounts due from group undertakings include a loan with Trad-X Holding SA Lausanne, its immediate parent company of £200k (March 2019: £3,000k). The loan is repayable on demand and is interest free.

6. Creditors: amounts falling due within one year

	2020 £ '000	2019 £ '000
Amounts due to group undertakings	1	1
	1	1

The amounts due to group undertakings include a loan with Tradition (UK) Limited, a fellow subsidiary undertaking within the Tradition UK Group of £1k (March 2019: £1k). The loan is payable on demand and is interest free.

7. Called up share capital

	2020 £ '000	2019 £ '000
Authorised, allotted and fully paid		
200,000 (2019: 3,000,000) ordinary shares of £1 each	200	3,000
	200	3,000

	Ordinary shares - £1 each Number of shares	Nominal Value £ '000
As at 1 April 2019	3,000,000	3,000
Issued during the year	-	-
Share capital reduction	(2,800,000)	(2,800)
	200,000	200

On 25 February 2020 the Directors approved a share capital reduction from £3,000k to £200k. The Company subsequently cancelled and extinguished 2,800,000 issued ordinary shares of £1 each in the Company.

8. Parent undertaking

The Company's parent undertaking is Trad-X Holding SA with a registered address of 11 rue de Langallerie, CH 1003 Lausanne, Switzerland. Trad-X Holding SA is a subsidiary of Compagnie Financiere Tradition SA, a company registered in Switzerland. Compagnie Financière Tradition SA has included the Company in its group accounts, copies of which are publicly available from their offices at Rue de Langallerie 11, Lausanne 1003.

In the Directors' opinion, the Company's ultimate parent company and controlling party is Viel et Compagnie Finance SE, which is incorporated in France. Copies of its group accounts, which include the Company, are publicly available from their offices at 9, PL Vendôme, Paris 75001.

9. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under FRS 101 Reduced Disclosure Framework paragraph 8 (K) not to disclose the amount of the related party transactions. The trading balances outstanding at 31 March with other related parties are as follows:

Related party	Amounts owed by related party £000	Amounts owed to related party £000
Joint ventures		
2020	-	-
2019	-	-
Shareholder and associated companies		
2020	200	1
2019	3,000	1

Receivables from shareholder and associated companies and payables to shareholder and associated companies include all receivables and payables due to or by VIEL et Compagnie-Finance, Paris, the ultimate majority shareholder and subsidiaries of that company.

Terms & Conditions
Outstanding balances with related parties are unsecured and interest free.

The Company has not provided or benefited from any guarantees or commitments for any related party receivables or payables. During the year ended 31 March 2020, the Company has not made any allowance for expected credit losses relating to amounts owed by related parties (2019: £nil).

10. Analysis of financial assets and liabilities by measurement basis

Financial assets and liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the balance sheet by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets and liabilities at amortised cost £'000	Total £'000
2020		
Assets		
Cash at bank and in hand	1	1
Amounts due from related parties	200	200
Total financial assets	201	201
Total non-financial assets		-
Total assets		**201**
Liabilities		
Amounts due to related parties	1	1
Total financial liabilities	1	1
Total non-financial liabilities		-
Total liabilities		**1**
2019		
Assets		
Cash at bank and in hand	1	1
Amounts due from related parties	3,000	3,000
Total financial assets	3,001	3,001
Total non-financial assets		-
Total assets		**3,001**
Liabilities		
Amounts due to related parties	1	1
Total financial liabilities	1	1
Total non-financial liabilities		-
Total liabilities		**1**

11. Capital Management

The responsibility for the Company's capital planning lies with the Board of Directors (the "Board"). Any changes to capital are proposed to the Board and also require the approval of Compagnie Financière Tradition SA (refer to note 8). Capital is generated from shareholder funds. Shareholder funds are in the form of share capital and retained earnings.

12. Other information

Fees payable to the Company's auditor for statutory audit of £12,375 (2019: £12,500) have been borne by a fellow group company.

The Company had no employees during the year (2019: none)

13. Events after the balance sheet date

The COVID-19 pandemic is resulting in significant volatility in financial markets as well as disruptions to people's lives as a result of preventative measures at a national and global level. As the Company does not carry out any trading activities it is not impacted by the global pandemic.