Company Registration No. 00228785

DD&Co Limited

Annual Report and Financial Statements

31 March 2021

DD&Co Limited

Report and financial statements

Contents

DD&Co Limited

Report and financial statements

Officers and professional advisers

Directors

M A Spencer
S A Cox
L P Oliver
D Testa
M Harris
D Gelber
N Morse

Secretaries

N Morse
A Betkowski

Registered Office

36 Shad Thames
Butler's Wharf Building
London
SE1 2YE

Bankers

National Westminster Bank Plc
Piccadilly and New Bond Street
63-65 Piccadilly
London
W1J 0AJ

Solicitors

Squire Patton Boggs (UK) LLP
Premier Place
2 & A Half Devonshire Square
London
EC2M 4UJ

Norton Rose Fulbright LLP
3 More London Riverside
London
SE1 2AQ

Auditor

Deloitte LLP
London

Directors' report

The directors present their annual report and the audited financial statements of DD&Co Limited ("the Company" or "DD&Co") for the year ended 31 March 2021.

Principal activities

The principal activity of the Company is to intermediate for physical commodity and asset-based transactions.

The Company is an Associate Trade Member of the London Metal Exchange and an Affiliate Member of the London Platinum and Palladium Market.

Results

The results for the year are set out on page 14.

Future Developments

Future developments are set out in the strategic report on page 5.

Dividend

Dividend of £5,000,000 was paid during the year (2020: £5,000,000).

Directors

The directors who have served during the year and up to the date of signing are as follows:

M A Spencer
S A Cox
D Testa
M Harris
L P Oliver
D Gelber
N Morse (Appointed 4 January 2021)

Directors' indemnities

During the year, the Company made qualifying third-party indemnity provisions for the benefit of its directors. These remain in force at the date of this report.

Donations

During the year, DDCAP Group made charitable donations of £41,846 (2020: £39,292), these donations were made by DDGI Limited.

Going concern basis

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out within the subsequent events of the Directors report and in the Strategic report on page 5. The directors have made an assessment of going concern, taking into account both current performance and the Company's outlook, which considered the impact of the COVID-19 pandemic. Whilst the COVID-19 pandemic has had an impact the Company's client base, the directors do not expect for the Company to experience difficulties in satisfying its liabilities as they fall due.

The Company has considerable financial resources and retains good levels of working capital to provide for its envisaged expenditure. Additionally, its established business and long-term relationships with institutional clients across different geographical areas, combined with DD&Co's ability to provide its clients with robust, fully automated services through its proprietary trade and post trade platform, ETHOS AFP™, and through partner integrations, support the continuation of its business. Well supported by DDCAP Limited ("the Group"), the Company continues to closely monitor the ongoing developments related to the global spread of COVID-19 and its impact on economies worldwide. The directors frequently review the Group's business process and procedures, financial technology solutions and systems infrastructure and update them to suit market needs and best practice. The Group's staff in London have

Directors' report

successfully been working remotely since 18th March 2020 apart from a brief return to the office in September 2020, halted by subsequent government recommendations as the second wave of COVID-19 began to impact the UK. Thereafter the Group's staff have continued to work fully remotely apart from a number of its officers and key executives who have worked in accordance with Company COVID-19 prevention protocols and policy when the situation has permitted. A rotational return to working from the office is expected to commence from June 2021. The Group's staff in Dubai and Kuala Lumpur have worked physically and remotely throughout the period determined by local circumstance. The directors believe that the 15 month period completed by the Company since invoking remote business operations worldwide, supported by policies, procedures and permissions conducive to ensuring the Company's effective ongoing activities during a protracted and unprecedented global situation caused by COVID-19, has enabled the Company to prove both its business model and its technology. The reliable and efficient performance of the Company's technology offerings, including ETHOS AFP™, has also supported the business continuity requirements of its clients, some of whom have been caused to require access to the Company's automated systems and related support services to a greater extent than before. The Company's successful Business Continuity Plan has elevated its market reputation and client reviews continue to be consistently positive. The Company has onboarded new clients across its operational footprint, extended transactional arrangements with existing clients and created new opportunity to integrate DD&Co's technology with third parties alongside the continual enhancements of its proprietary offering. The Company's success in doing so is evidenced by its recent momentum with new financial sector disruptors as well as established financial institutions. It has also recently announced the platform integration of ETHOS AFP™ with Murex MX.3 for Islamic Finance.

The Company's directors have continued to consider the results of financial stress testing, based upon different financial scenarios, the results of which have demonstrated that the Company has sufficient capital and liquidity to fund its balance sheet in all reasonable scenarios. As a result of the financial stress testing review and assessment, the directors believe that the Company is well placed to manage its business risks successfully, notwithstanding the significant challenges that have been presented to the global financial community by COVID-19 and which are likely to be an ongoing consideration for the foreseeable future. Accordingly, in the directors' opinion it is appropriate to adopt the going concern basis of accounting in preparing the Company's financial statements for at least twelve months from their date of approval.

Covid-19

Whilst the Company has seen the impact of the global pandemic have a negative impact on almost all of the economies in which it operates and some downward pressure on the service fees it charges, management are confident that positive growth will return during late 2021 and 2022. After a hiatus in a number of bank merger situations within the GCC, arrangements are now resuming to conclusion and management expectation is for business flows to elevate as the banks complete their internal reorganisations. Although there continues to be market dislocations caused by ongoing waves of COVID-19 with reimposed movement control orders caused by worsening situations in certain countries, the vaccine roll out is well underway in the Company's core markets of the Middle East and South-East Asia and also in the UK.

Complementing DD&Co's business and systems review has been the updated modelling by senior management of various different financial scenarios that were envisaged as a possible result of COVID-19 related business patterns and trends. Within its modelling, the Company has stress tested its future financial projections to ensure that it has sufficient capital and liquidity to continue through a range of different scenarios. Management has considered implications for DD&Co's supply chain by working closely with third party suppliers and vendors to review their ongoing plans for COVID-19 risk mitigation and business continuity and regularly updated enquiries to ensure that suppliers and vendors remain well positioned to fully support the Company in accordance with existing contractual arrangements. There have been no breaches to date. High levels of cash coverage of operating costs are maintained to protect DD&Co against any unforeseen situation including possible COVID-19 impacts and cost control remains subject to ongoing review.

After due consideration of the financial modelling, supported by indicators taken from ongoing business performance and cash flow generation during several waves of the global pandemic, the directors have concluded that the likely financial implications for DD&Co have already been factored into future operating forecasts. The directors are satisfied that DD&Co have adequate capital resources and are confident of the Company's ability to continue its business activities as a fully operational concern, based upon the strength of its technology, dependable supply chain, liquidity and its financial performance through more than a full year of operations impacted globally by COVID-19.

Directors' report

Subsequent events

There have been no events subsequent to the balance sheet date that would require adjustment to or disclosure in the financial statements.

Financial risk management objectives

The Company regards the monitoring and controlling of risk as a fundamental part of its management process and therefore constantly monitors risk, within strictly defined guidelines. The evaluation of risks, and the setting of policies, is carried out and approved 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 discussed in Note 2 to the accounts.

Auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken in their capacity as a director in order to make themself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Lawrence Oliver
Director

2 July 2021

DD&Co Limited

Strategic report

Business Overview and Recent Developments

DD&Co Limited (the "Company") is a wholly owned subsidiary of DDCAP Limited (the "Group"). The directors are pleased to report another year of solid profitability that is reflected in profit after tax of £3.8m (2020: £5.9m). Although the profits have decreased compared to 2020, the directors consider the performance to be positive in the current environment due to the pandemic. The Group has continued with its recurrent strategy of investing in its entities and in its products and services. The Group has continued, as a priority, to invest in the financial technology solutions that are available to its clients through ETHOS AFP™, the Group's multiple award-winning trade execution and post-trade services platform. Various functionality enhancements were released to clients during the year. The Group has also continued to enhance its internal systems infrastructure development programme. Both initiatives remain a major, strategic focus for the Group.

The Group continues to expand its global client base and enjoyed strong flows of business throughout the financial period from a number of core markets in South-East Asia and the Middle East. Whilst continuing to develop its established institutional client base, the rapid emergence and growth of Islamic fintech disruptors was also apparent and they represent an increasing percentage of the Group's client base.

Within its core business focus on ETHOS AFP™ and its other financial technology and systems solutions, the Group continues to explore integration and partnership opportunities with various third parties, having previously partnered with the Refinitiv Eikon Open Platform to develop the Islamic Deal Connector. On 11th March 2021, the Group announced its partnership with Murex, the global leader in trading, risk management and processing solutions for capital markets. The resultant integration of ETHOS AFP™ with Murex MX.3 for Islamic Finance automates post trade business processes and will streamline booking and processing of Sharia'a compliant transactional institutions worldwide.

The Group places strategic importance on sustainable and responsible actions ("SRA"), both in its business and operations and in its approach to corporate and social responsibility. In the past financial year, the Group has continued its efforts to include an SRA clause, reflecting the Group's values, in its documented agreements with clients and vendors. In addition, SRA considerations are now included in the due diligence procedures for new clients and vendors. Existing vendors are being requested to provide this information as well and it is envisioned that these considerations will inform the renewal and continuation of vendor and service provider relationships going forward. The Group is proud to have been the first Islamic financial sector intermediary firm approved as a signatory to the United Nations supported Principles for Responsible Investment. In April 2020, the Group was accepted as a stakeholder endorser of the UNEP Finance Initiative, Principles for Responsible Banking.

During the year, the Group has again received independent acknowledgement, winning awards for its Market Leadership, CSR programme and for its Intermediary Services, the latter through a process of market poll. In addition, the Group won industry awards for Best Fintech Company with ETHOS AFP™ being recognised separately by the Global Islamic Finance Awards as Best Islamic Finance Technology Product 2020 and Best Islamic Fintech Solutions Provider by MEA Finance 2020. Most recently, ETHOS AFP™ was awarded Best Islamic Fintech Systems Integration Provider at the MEA Finance Banking Technology Summit and Awards 2021.

Core Business Review

Although transacting as a market intermediary across most continents, the core regional markets for the Company continue to be the Middle East and Asia. Within these regions, different points in economic cycles offered business opportunities as well as individual market challenges presented by both economic and political influences as well as the consequences of the protracted global pandemic. The Group endeavours to ensure its agility and ability to respond to all situations that impact its business and the Group's operating subsidiaries were, again, well positioned to adapt to new requirements and take advantage of market opportunities.

The strong and ongoing uptake of ETHOS AFP™, by DD&Co's existing clients and by the wider market, has been reported before as a key factor in the Company's ability to respond efficiently to clients seeking to expand their own product offering and automate their businesses. Not only has this afforded the Company's clients far greater flexibility in managing their transactional requirements, it has had a positive impact on clients' cost management initiatives, consequently supporting higher transactional volumes and attracting additional customers for DD&Co. Furthermore, the operational efficiencies afforded by ETHOS AFP™ have been very much appreciated by the Company's clients and counter-parties as they worked to address the challenges and accommodate the changes to business environment and practice that have resulted from the impact of COVID-19 on the financial marketplace. The rapid emergence and expansion of numerous new Islamic fintech was also a feature of the financial period, presenting the Group with opportunity for investment, partnership and collaboration, as well as expanding its client base. The Group considers the functionality of ETHOS AFP™ and its partner offerings as core business.

DD&Co is a business that offers trade execution, post-trade services and systems technology to the institutional marketplace. The directors are of the opinion that revenue and operating profit are Company's key performance indicators and these are disclosed in the income statement which reflects the Company's solid performance in both during the financial year despite the ongoing global pandemic. In accordance with the strategy set by the Board, the directors have continued to steadily build the Company's business for its long-term success through continued investment in its own automated systems infrastructure and in relevant, third party financial technology through direct investment or partnerships. Ongoing expansion of the Group's overseas footprint in core market locations has also been a strategic success. Despite the challenges faced by the Company during the year, which will be discussed individually in the commentary that follows, it is expected that the Company will maintain its profitability during the next financial year.

The Company has no indebtedness or bank borrowings and has therefore avoided any negative effect from constraints in availability of bank credit or other forms of liquidity. The Company also has no direct credit risk exposure, other than to fees and payments due from its customers in respect of its services. The Company has not required access to any of the financial easing measures introduced by government in response to the COVID-19 pandemic to support business.

In the opinion of its directors, given the specific business requirements and aspirations of its clients, the Company continues to be well placed within the key markets and sectors in which it operates, as well as within those where it prospectively seeks to do business. Through the positioning of the Group's head office in London, its office in Dubai and its representation in Kuala Lumpur, the Company has assured its connectivity to the core regions relevant to its marketplace and the physical presence of its clients. This continues to be especially important during the unprecedented changes to financial market practice experienced during the financial reporting period as a consequence of the impact of the COVID-19 pandemic. The Group's technology provides a continued and seamless automated service to its clients, no matter what time zone they operate in.

Sustainable and Responsible Actions ("SRA") Review

The Company is active in a competitive market environment and, as a result of the actions of third-party providers and peers in certain parts of its business, often experiences market and client pressure to improve the commercial competitiveness of its services. The Group aspires to connect the Islamic financial market responsibly and, whilst recognising that its clients operate in similarly competitive environments, the Group upholds the importance of maintaining substance as well as transparency throughout its transactional services, technology and business culture. Over the past financial year, the Group has observed that new and existing clients are taking note of its SRA commitments as a differentiating factor from its competitors.

The Group has made a long-term commitment to upholding its principles through voluntarily implementing various measures to ensure the review and independent validation of its business and services. There is a financial cost incurred by the Group as a result of these actions which can have impact on its commercial competitiveness, but the directors consider that this is an unavoidable expense that is incurred through the Group's commitment to SRA and in the interests of sustaining the confidence of the market and of its clients. By example, in addition to its annual financial audit, since 2013 the Group has retained its own Sharia'a Supervisory Board ("SSB"), whose members are drawn from the GCC and South-East Asia. The SSB consists of five members, three from Saudi Arabia, one from Kuwait and one from Malaysia, and meets regularly to review the transactions that the Group's operating entities conclude with its clients. During the period of review Professor Dr. Mohamad Akram Laldin was appointed SRA Champion within the Group's SSB in March 2020. The Group was granted membership of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in September 2020.

Strategic report

Additionally, the Group retains a major professional financial advisory firm to review its transactional services. The review encompasses sampling of various of the Group's transactions that are requested at the discretion of the SSB and that are then reviewed in parallel with the International Standard on Related Services 4400 published by the International Auditing and Assurance Standard Board. The Group understands that it is currently the only firm in its market sector to adopt such a combined approach to ensuring that extensive, third party validation procedures are in place to support its business and services offering and underline its commitment to transactional substance as well as to form.

The Group places strategic importance on SRA, both in its business and operations and in its approach to corporate and social responsibility. References to sustainable and responsible financing and investment principles and actions are increasingly embedded in the Group's daily business operations, including within the ETHOS AFP™ functionality, and its approach to SRA is now formally documented within Group policy and procedure. During the financial year the Group has moved to include an SRA clause, reflecting the Group's values in documented agreements with clients and vendors. SRA considerations have now been included in the due diligence procedures for new clients and vendors. Existing vendors are being requested to provide this information as well and it is envisioned that these considerations will inform the renewal and continuation vendor and service provider relationships going forward. The Company's commodity counterparties also undergo a periodic process to ensure that their corporate actions and those of their listed brands complement the Group's corporate values as embedded in its SRA commitment.

The Group is proud to have been the first Islamic financial sector intermediary firm approved as a signatory to the United Nations' Principles for Responsible Investment and is also a member of the RFI Foundation. In 2020, DDCAP was accepted as a stakeholder endorser of the UNEP Finance Initiative Principles for Responsible Banking ("UN PRB").

In May 2020, DDCAP published its Case Study on the Group's responsible business journey. Group executives and relationship managers have engaged with clients and counterparties surrounding its release and used this as a tool to differentiate DDCAP from its competitors. As part of this initiative, Group executives and senior management have spoken regularly on topic, promoting the Group's thought-leadership and proactive stance on ESG issues. Since the release of the Case Study, the Group has engaged with the London Metal Exchange as they begin to explore expanding their considerations from responsible sourcing under the OECD guidelines to increased focus on sustainability. In addition, DDCAP signed on to the "Investor Statement on Water Management in Mining" through the PRI community, joining global investors to call for greater environmental responsibly by the mining industry. The Group's engagement with the LME and support of the Investor Statement were communicated to clients and counterparties.

Over this financial year, the Group undertook the exercise to review SRA considerations and its position as a risk pillar on Risk committees and the business strategy at the Executive Committee and Board of Directors. As part of this process, the Terms of Reference for all committees and working groups embed relevant SRA considerations as a standing agenda item for each. Any new working group or committee formed subsequently has adopted the same protocol. The intention is for SRA considerations to continue to become a greater part of the working culture and commercial and operational considerations of the Group globally. In December 2020, the Group's Board approved the utilisation of sustainable deposit accounts for Group liquidity.

The United Nations' 17 Sustainable Development Goals ("SDGs") came into effect in January 2016 and set targets to address social and economic development issues. They will guide the United Nations Development Programme ("UNDP") policy and funding until 2030 through its work in some 170 countries and territories. As stated by the UNDP, achieving the SDGs requires the partnership of governments, private sector, civil society and citizens alike to make sure a better planet is left for future generations. Through the Group's business activity and services, its corporate infrastructure, policies and social responsibility programme, the Group strongly identifies with the targets and objectives set for SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 9 (Industry, Innovation and Infrastructure) and SDG 17 (Partnerships for the Goals) and is working in support of the international initiative to achieve them. In support of the SDGs and alongside the other actions described in the Business and SRA reviews, the Group has continued its commitment as a Patron of The Prince's Trust and its Mosaic Programme, to the Tim Parry Johnathan Ball Peace Foundation and as a proactive sponsor of the Lord Mayor's City Giving Day. During this financial year, the Group recognised the continuing pressures on families in need and donated to charities addressing food

Strategic report

insecurity in the areas local to the Group's offices: Social Kitchen in London (as part of the Mayor's Fund for London) and The Lost Food Project in Malaysia.

Further in support of the SDGs, in December 2020, DDCAP was invited to join the newly established UKIFC SDG Global Taskforce ("SDG Taskforce") which was formed to promote engagement with and adoption of the SDGs by Islamic finance institutions globally. Over the past financial year, the SDG Taskforce has continued its development as an important forum for the Islamic Finance industry. The Group has a representative participating in two working groups formed by the SDG Taskforce: the Education and Awareness Working Group and the Disclosure and Reporting Working Group. As a Stakeholder Endorser of the UN PRB, DDCAP made a commitment to promote the Principles for Responsible Banking within its networks, support the implementation of the Principles for Responsible Banking, and/or encourage banks to become signatories. The Group's engagement with the Disclosure and Reporting Working Group provides a key opportunity to further this commitment.

The Group is a signatory to HM Treasury's Women in Finance Charter ("WIFC") and has committed to work with other firms to build a balanced and fair financial services industry. As part of its commitment under the WIFC, the Group published its gender targets on its website in September 2020 and will publish its achievements against those targets in September 2021. In December 2020, the Group's Head of Corporate Responsibility was invited to join the Women in Finance Charter Board to focus on engagement of signatories designated as "Fintech, SME or Other" (of which DDCAP is one). In 2019, the Group funded a bursary to support the professional education of a woman listed within the Woman*i* 300 List. Woman*i* 300 is an independent initiative to create and elevate awareness of the roles and impact of women working within the global Islamic financial sector. The DDCAP Bursary facilitated the individual's participation at the annual Cambridge Islamic Finance Leadership Programme organised by Cambridge IFA and hosted at Clare College, Cambridge. Due to the pandemic, Cambridge IFA was not held in 2020 or 2021 but the Group's directors have confirmed that the Group will continue its commitment when the programme is able to resume. DDCAP is a corporate sponsor of the Women in Islamic and Ethical Finance Forum ("WIEFF").

Principal Risks and Uncertainties

The potential risks and uncertainties faced by the Company have historically been principally related to the political and economic environments in which the Company's clients operate. Adverse conditions in clients' domestic or regional business environment, as well as the global marketplace, could have a material impact on the Company's long-term performance and could cause actual results to differ materially from expected and historical results. During the period under review, the Company has operated for a full year amidst the specific and unprecedented demands of a global health pandemic. It has impacted every one of the Company's client markets to varying degrees with varying intensity and at different times. The directors consider that the ability of the Company to operate continually and effectively across its footprint throughout that time supports their belief that its extensive diverse client base serves as a risk mitigant. The Company's risk management policies and procedures are discussed in Note 2 to the accounts.

As previously anticipated, the effect of the United Kingdom's (UK) departure from the European Union (EU) (commonly referred to as Brexit) has had no material impact on the company's business operations and financial results.

As predicted and as a consequence of COVID-19 during the financial year the Company saw a contraction of business volume within certain of the geographies in which it operates as well as in certain of its clients' product and service offerings, impacting its own related volumes during the second half of the period. However, there were also some increases in transactional turnover as a consequence of the situation. The Company maintained all its major clients during the period under review and added numerous others across its geography. The Group's proprietary and partnership technology-based services are now a leading feature of its business and their capacity and capability has contributed significantly to the Company's performance during the period.

The Group has continually monitored developments related to the global outbreak and spread of COVID-19 since it entered public awareness and will continue to do so. At the forefront of planning throughout the past 18 months has been the wellbeing of the Group's staff and the Group moved seamlessly to remote working practices worldwide on 18th March 2020. As a business providing services to the global financial marketplace, the Group's Business Continuity Plan ("BCP") is long-established, but testing since early 2020 has also been modelled specifically on what the Group's directors and management perceived would be the likely long-term challenges of COVID-19 for it, for its business and for its staff. All Group personnel have been successfully working remotely and safely and the Group has taken steps to

Strategic report

support and promote the physical and mental wellbeing of its staff throughout this period. The Group prioritises its ability to efficiently move between remote and physical operations worldwide.

Complementing the Group's business and systems review has been the modelling by senior management of various different financial scenarios that were envisaged as a possible result of changing, COVID-19 related business patterns and trends. Within its modelling, the Group has also stress tested its future financial projections to ensure that it has sufficient capital and liquidity to continue through the range of different scenarios. Management has considered implications for the Group's supply chain by working closely with third party suppliers and vendors to review their own plans for COVID-19 risk mitigation and continuity, to ensure that they remain well positioned to fully support the Group in accordance with existing contractual arrangements. To date none of the terms and conditions of those agreements have been breached or broken.

As a result of the reviews, procedures and actions taken before and since the pandemic was declared, the directors are satisfied that the Company has adequate financial resources, a robust systems infrastructure and effective automated services solutions supported by its committed employees. Accordingly, DD&Co's directors are fully confident of the Company's ability to continue its business activities as a fully operational concern, notwithstanding the significant challenges presented to the global financial community by COVID-19.

Approved by the Board of Directors
and signed on behalf of the Board

Lawrence Oliver
Director
2 July 2021

DD&Co Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 (referred to as 'IASs' or 'IFRSs'). Under company law the directors must not approve the accounts 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- 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 in IFRSs are insufficient to enable users to understand the impact of transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

Independent auditor's report to the members of DD&Co Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of DD&Co Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent auditor's report to the members of DD&Co Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and UK Corporation Tax Act 2010; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included Anti-Money Laundering and fraud legislation.

We discussed among the audit engagement team including IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Accuracy of revenue from trades executed outside the core IT platform:
- Tested a sample of trades by agreement to underlying invoice and bank statement
- Recalculated the revenue recorded for each sample by reference to the underlying contract or fee letter.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

Independent auditor's report to the members of DD&Co Limited (continued)

• reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

• performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

• enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

• reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Christopher Mather

Christopher Mather FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

2 July 2021

DD&Co Limited

Statement of comprehensive income
Year ended 31 March 2021

	Notes	2021 £	2020 £
Revenue	3	12,501,222	15,989,972
Cost of sales		(1,207,389)	(1,243,265)
Gross profit		11,293,834	14,746,707
Administrative expenses		(6,675,995)	(7,455,525)
Operating profit	4	4,617,839	7,291,182
Other income	5	121,632	17,966
Profit and total comprehensive income before tax		4,739,470	7,309,148
Tax	7	(900,499)	(1,388,253)
Profit and total comprehensive income after tax		3,838,971	5,920,895

All results derive from continuing operations.

The notes on pages 18 to 30 form part of the financial statements

Balance sheet
31 March 2021

	Notes	2021 £	2020 £
Assets			
Current assets			
Trade and other receivables	9	2,815,852	3,276,424
Cash and cash equivalents	13	4,343,491	6,178,540
		7,159,343	9,454,964
Total assets		7,159,343	9,454,964
Equity and liabilities			
Current liabilities			
Trade and other payables	10	282,890	1,070,038
Corporation tax payable		205,437	552,881
Total current liabilities		488,327	1,622,919
Equity attributable to equity holders of the Company			
Share capital	11	2,000,000	2,000,000
Other reserve	11	400,000	400,000
Retained earnings		4,271,016	5,432,045
Total equity		6,671,016	7,832,045
Total equity and liabilities		7,159,343	9,454,964

The notes on pages 18 to 30 form part of the financial statements

The financial statements of DD&Co Limited (registered number 00228785) were approved and authorised for issue by the Board of Directors on 2 July 2021.

Signed on behalf of the Board of Directors

L.Oliver
Director

D Gelber
Director

Statement of changes in equity
Year ended 31 March 2021

	Notes	Share capital £	Other reserve £	Retained earnings £	Total equity £
Balance at 31 March 2019		2,000,000	400,000	4,511,150	6,911,150
Total comprehensive income for the period		-	-	5,920,895	5,920,895
Dividends paid	8	-	-	(5,000,000)	(5,000,000)
Balance at 31 March 2020		2,000,000	400,000	5,432,045	7,832,045
Total comprehensive income for the period		-	-	3,838,971	3,838,971
Dividends paid	8	-	-	(5,000,000)	(5,000,000)
Balance at 31 March 2021		2,000,000	400,000	4,271,016	6,671,016

DD&Co Limited

Cash flow statement
Year ended 31 March 2021

	Notes	2021 £	2020 £
Net cash from operating activities	12	3,043,320	5,951,123
Investing activities			
Investment income		121,633	17,966
Net cash from investing activities		121,633	17,966
Financing activities			
Equity dividends paid		(5,000,000)	(5,000,000)
Net cash used in financing activities		(5,000,000)	(5,000,000)
Net (decrease)/increase in cash and cash equivalents		(1,835,048)	969,089
Cash and cash equivalents at the beginning of the year	13	6,178,540	5,209,451
Cash and cash equivalents at the end of the year	13	4,343,491	6,178,540

The notes on pages 18 to 30 form part of the financial statements

Notes to the accounts
Year ended 31 March 2021

1. Accounting policies

DD&Co Limited (the "Company") is a private company, limited by shares and registered in England and Wales. The registered address is stated on page 1, the principal activities are stated on page 2.

Basis of accounting

The financial statements have been prepared in accordance with the International accounting standards in conformity with the requirements of the Companies Act 2006 (referred to as 'IASs' or 'IFRSs') and in accordance with the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments which are recognised at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

Amendments to IBOR reform Phase 2 (Effective January 2021)
Amendments to IFRS 16 – Covid-19 Related Rent Concessions (Effective April 2021)
Amendments to IFRS 3 – Updating a reference to the Conceptual Framework (Effective January 2022)
Amendments to IAS 37 regarding onerous contracts (Effective January 2022)
Annual improvements to IFRS Standards 2018-2020 (January 2022)
Amendments to IAS 16 regarding proceeds before intended use (Effective January 2022)
IFRS 17 Insurance Contracts and related amendments (Effective January 2023)
Amendments to IAS 8 on accounting estimates (Effective January 2023)
Amendments on disclosure of accounting policies (January 2023)
Amendments to IAS 12 on deferred tax (Effective January 2023)
Amendments to IAS 1 on classification of liabilities (Effective January 2023)
The directors anticipate that the adoption of these Standards and Interpretations in future periods will not have a material impact on the financial statements of the Company.

During the year the following Standards and Interpretations became effective:

Amendments to IFRS 3 'Definition of a Business' (Effective January 2020)
Amendments to References to the Conceptual Framework in IFRS Standards (Effective January 2020)
Amendments to IAS 1 and IAS 8 - Definition of Material (Effective January 2020)
Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform Phase 1 (Effective January 2020)

None of the standards which became effective during the year have had a material impact on the financial statements.

Notes to the accounts
Year ended 31 March 2021

1. Accounting policies (continued)

Going concern

The Company has considerable financial resources together with long term relationships with a number of customers and suppliers across different geographic areas and industries. As a consequence and after taking into account the ongoing impact of the COVID-19 pandemic, the directors believe that the Company is well placed to manage its business risks successfully

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for for at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Accounting convention

The current year amounts are for the year ended 31 March 2021. The comparatives are for the year to 31 March 2020. The accounting policies have been applied consistently in the current and previous year.

Revenue Recognition

IFRS 15 requires that revenue should be recognised depicting the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Standard introduces a five-step approach to revenue recognition, which is to:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, revenue is recognised as and when 'control' of the goods or 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.

Revenue consists of commodity facilitation fees, which are recognised on a trade date basis.

Revenue is measured at the fair value of the consideration received or receivable and represents the invoiced value, net of Value Added Tax where applicable, of commissions received from the provision and arranging of facilitation services for commodity transactions, trade and asset finance, and is recognised on an accrual basis.

1. **Accounting policies (continued)**

Foreign currency translation

(a) Functional currency

Items included in the financial statements are measured using sterling, the currency of the primary economic environment in which the entity operates ("the functional currency").

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the average monthly exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Financial assets

Financial assets are classified in the following categories, as determined at initial recognition:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where the cash flows solely represent payments of principal and interest ('SPPI') and not designated at fair value through profit and loss ('FVTPL'), are measured at amortised cost. The carrying amount of these assets are adjusted by any credit loss allowances recognised.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as amortised cost, and are measured using the effective interest method, less any impairment.

Business model: The business model reflects how the assets are managed to generate cash flows. That is, if the objective is solely to collect contractual cash flows from the assets or collect both contractual cash flows and cash flows arising from the sale of assets.

(b) Fair value through profit and loss

The following table shows the measurement categories under IFRS 9 for the company's following financial assets.

	IFRS 9 Measurement Category
Trade and other receivables	Amortised Cost
Amounts due from related parties	Amortised Cost
Cash and cash equivalents	Amortised Cost

The Company applies the simplified impairment approach and recognizes lifetime ECL for these assets.

The Company enters into foreign exchange spot and forward contracts to manage its exposure to foreign exchange rate risk. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately. The foreign exchange forward contracts fall within Level 2 of the fair value hierarchy below.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets,

1. **Accounting policies (continued)**

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data (unobservable inputs).

Impairment of financial assets

The Company assesses on a forward-looking basis the Expected Credit Loss ("ECL") associated with its financial assets carried at amortised cost. The measurement of ECL reflects:

- The unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes
- The time value of money
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The company applies the simplified impairment approach and recognises lifetime ECL for these assets.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered. Financial liabilities are measured at amortised cost using the effective interest rate method.

Netting of financial instruments

Financial assets and liabilities with the same counterparty are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Cash and cash equivalents

These comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as more likely than not they will be recovered. Deferred tax is measured on a non-discounted basis.

Interest income and expense

Interest income and expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts and payments over the expected life of the financial asset and financial liability to that asset's and liability's net carrying amount.

Notes to the accounts
Year ended 31 March 2021

1. Accounting policies (continued)

Critical judgments in applying the Company's accounting policies

There are no critical judgments that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Financial instruments and risk management

Capital risk management

The Company's primary objective in managing capital 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 (Note 11)

Other reserve

Retained earnings

Externally imposed capital requirement

The Company is not subject to externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the accounts.

Financial risk management objectives

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

Notes to the accounts
Year ended 31 March 2021

2. Financial instruments and risk management (continued)

Market risk management

Market risk is the vulnerability of the Company to movements in the current market value of financial instruments. Market risk comprises currency risk, interest rate risk and other price risk.

The Company engages in the purchase and sale of physical commodities. However, the Company is not involved in exchange-traded commodity dealings, and it does not engage in commodity market speculation, futures or options trading.

The Company has established a Market Risk Management Committee, chaired by a director and including other, relevant senior personnel, which meets regularly and ensures ongoing monitoring and control of market risk.

Foreign currency risk management

The Company has a sterling denominated balance sheet and cost base, but a significant percentage of its revenue is derived in US dollars. The Company enters into spot and forward foreign exchange arrangements with international banks to hedge its exposures. The Company does not trade in financial derivatives for commercial purposes but utilises hedging strategies to afford maximum protection against actual currency exposures. A budget is established for each financial year with a target rate of exchange that is approved by the Board of Directors. Hedging policies to mitigate currency risk on an ongoing basis are agreed at the beginning of every financial year and reviewed and adjusted, where relevant, at quarterly Board Meetings.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Foreign currency sensitivity analysis

The Company is mainly exposed to the US dollar currency.

	2021		2020	
	Assets	Liabilities	Assets	Liabilities
	£	£	£	£
US dollar	2,241,041	(245,781)	3,226,043	(276,566)

2. Financial instruments and risk management (continued)

Foreign currency risk management (continued)

The following table details the Company's sensitivity to a 10% increase and decrease in sterling against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A negative number below indicates an increase in profit where sterling strengthens 10% against the relevant currency. For a 10% weakening of sterling against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

	US dollar currency impact	
	2021	2020
	£	£
Loss impact	181,387	268,134

Reasons for foreign currency impacts shown above:

The Company's sensitivity to foreign currency has been managed during the current period as it has maintained a policy of selling the majority of its dollar-based cash flows, retaining amounts required for contractual hedging and third-party payment commitments.

Interest rate risk management

Interest rate risk represents the sensitivity of the Company to changes in interest rates.

The Company does not have long-term borrowings or loans and therefore is not overly exposed to interest rate risk.

Credit risk management

Credit risk is the risk of financial loss to the Company if a client or counterparty fails to settle its contractual obligations to the Company.

As an intermediary in much of its business, the Company does not expect to assume significant credit risk but, where appropriate, the Company assesses the creditworthiness of each counterparty prior to entering a new relationship. The Company's exposure and the credit standing of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed regularly. The Company has established a Market Risk Management Committee, chaired by an Executive Director and including other, relevant senior personnel, which meets regularly to ensure ongoing monitoring and control of counterparty relationships.

The Company usually has surplus cash balances that are placed with bank counterparties of appropriate rating, as approved by the Board. For such purpose, the Company only engages with a core group of internationally recognised UK and international banks located in London that report to the Bank of England and are regulated by the FCA.

The Company has no significant concentration of customer credit risk outside of fees. None of the financial assets of the Company were past due or impaired during the current and the previous year and the directors have assessed the expected credit losses as £nil (2020: £nil).

Notes to the accounts
Year ended 31 March 2021

2. Financial instruments and risk management (continued)

Credit risk management (continued)

Maximum exposure to credit risk

The table below represents the Company's "on balance sheet" credit risk exposure as at 31 March 2021 and 2020.

Credit risk relating to on-balance sheet exposures

	2021	2020
	£	£
Cash and cash equivalents	4,343,491	6,178,540
Trade and other receivables	1,999,302	2,635,796
Amounts due from related parties	816,550	640,628
	7,159,343	9,454,964

Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. It is inherent in every business's operation and covers a wide spectrum of potential issues. The Company manages this risk by operating a control-based environment in which processes are documented, authorisation is independent and transactions are recorded and monitored.

The Company also has an Operational Risk Management Committee that is chaired by a director.

Liquidity risk

Liquidity risk refers to the risk that the Company is unable to meet the obligations associated with financial liabilities as they fall due owing to insufficient financial resources.

The Company manages liquidity risk by maintaining adequate reserves and cash and by continuously monitoring forecast and actual cash flows. Its position is overseen by the Financial Controller reporting to the Executive Directors.

Amounts owed to related parties are due on demand, all other exposures are due within 1 year.

Equity risk

Equity risk exposure is deemed to be immaterial.

3. Revenue

	2021	2020
	£	£
Commodity and asset facilitation and trade intermediation	12,501,222	15,989,972

Revenue is derived from the Middle East 74%, Asia 7% and the Rest of the World 19% (2020: Middle East 81%. Asia 5% and Rest of the World 14%). The directors consider commodity and asset facilitation and trade and asset financing intermediation to be a single trading activity.

4. Operating profit

Operating profit is stated after charging:

	2021 £	2020 £
Management fees payable to both Group entities (DDGI Limited & DDCAP Limited)	6,349,362	7,286,120
Fees payable to the Company's auditors for the audit of the annual accounts	37,100	27,832
Foreign exchange losses	253,803	111,530

No amounts were paid to the Company's auditors for non audit services

5. Investment income

	2021 £	2020 £
Income received from third party banks	1,495	17,966
Gain on sale of land	120,136	-

6. Information regarding directors and employees

The Company did not have any employees in the current or prior periods.

The directors did not receive emoluments for their services from the Company during the current or prior year as they were paid by other Group companies. The amounts paid to the directors for their services to the DDCAP Limited group were as follows.

	2021 £	2020 £
Salaries, fees, bonuses and benefits in kind/Short-term benefits	1,716,422	1,417,678
Pension contributions	5,252	3,947
Post-employment benefits	-	-
	1,721,674	1,421,625

The emoluments of the highest paid director were £770,606 for the year ended 31 March 2021 (2020: £654,000).

7. Tax

Analysis of tax charge

	2021 £	2020 £
UK corporation tax at 19% (2020: 19%)	(900,499)	(1,388,738)
Prior year corporation tax adjustment	-	485
Total current tax	(900,499)	(1,388,223)

Notes to the accounts
Year ended 31 March 2021

7. Tax (continued)

Tax charge on profit

Factors affecting current tax charge for the current year

	2021 £	2020 £
Profit before tax	4,739,470	7,903,148
Total tax at 19%	(900,499)	(1,388,738)
Prior year corporation tax adjustment	-	485
Total tax	(900,499)	(1,388,223)

8. Dividends

	2021 £	2020 £
Dividends paid on ordinary shares – 250p per share (2020: 250p per share)	5,000,000	5,000,000

9. Trade and other receivables

	2021 £	2020 £
Trade and other receivables	1,994,159	2,635,796
Amounts receivable from related parties (see note 14)	816,550	640,628
Fair value of foreign exchange forward contracts	5,143	-
	2,815,852	3,276,424

At the balance sheet date there were amounts receivable from group companies of £816,549 (2020: £640,628). The carrying amount of all these assets approximates to their fair value. There were immaterial past due or impaired receivable balances (2020: £ nil).

Notes to the accounts
Year ended 31 March 2021

10. Trade and other payables

	2021 £	2020 £
Amounts owed to related parties	-	593,869
Fair value of foreign exchange forward contracts	-	171,771
Trade payables	245,790	276,566
Accruals and deferred income	37,100	27,832
	282,890	1,070,038

The carrying amount of trade and other payables approximates their fair value.

11. Called up share capital and other reserve

	2021 £	2020 £
Called up, allotted and fully paid		
2,000,000 (2020: 2,000,000) ordinary shares of £1 each	2,000,000	2,000,000

The other reserve is a merger reserve in respect of historical activities of the company.

Notes to the accounts
Year ended 31 March 2021

12. Notes to the cash flow statement

	2021 £	2020 £
Profit for the year	3,838,971	5,920,895
Adjustments for:		
Investment income	(121,632)	(17,966)
Income tax expense	900,499	1,388,253
Operating cash flows before movement in working capital	4,617,839	7,291,182
(Increase) in receivables	(133,298)	(746,003)
(Decrease)/Increase in payables	(193,278)	512,028
Cash generated by operations	4,291,263	7,057,207
Income taxes paid	(1,247,943)	(1,106,084)
Net cash from operating activities	3,043,320	5,951,123

13. Cash and cash equivalents

	1 April 2020 £	Cash flow £	31 March 2021 £
Bank balance	6,178,540	(1,835,048)	4,343,491
	6,178,540	(1,835,048)	4,343,491

Notes to the accounts
Year ended 31 March 2021

14. Related party transactions

During the year, the Company entered into the following transactions with related parties:

£6,349,362 (2020: £7,286,120) of administrative expenses related to management fees charged by DDGI Limited (a fellow subsidiary) and DDCAP Limited (the Parent Company together with the Company, the 'Company').

The following amounts were outstanding as at the balance sheet date:

	Amount owed by/(to) related parties	
	2021	2020
	£	£
DDGI Limited	138,268	(593,869)
DDCAP Limited	678,281	640,628
IPGL (Holdings) Limited	-	-

Dividends are mentioned separately in Note 8.

The amounts are receivable from DDCAP (the Parent) and DDGI arising in the normal course of business and settled on an ongoing basis. The amounts outstanding are unsecured, interest free and will be settled in cash, payable on demand. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by the related parties.

15. Third party transactions

On occasion, customers of the Company are required to introduce third party companies from outside the Company into their transactional arrangements. Such parties are included at the sole discretion of those customers in accordance with their individual terms and conditions of business. One such counterparty is Condor Trade Ltd ('Condor'), a company which is one hundred percent owned by Grooveflower Limited whose sole shareholder is the spouse of one of the Company's directors. Condor is managed completely independently of the Company. Grooveflower Limited has no involvement in the day to day management and business of Condor and there are no shareholders common to both the Company and Grooveflower. Outside of and separate to Condor's trading arrangements with its own customers, the Company maintains a trading relationship with Condor in the ordinary course of its business.

16. Events after the balance sheet date

There are no matters which require adjustment to the financial statements.

17. Ultimate parent Company and controlling Company

The immediate parent Company is DDCAP Limited, a company incorporated in Great Britain and registered in England and Wales. Company consolidated financial statements of DDCAP Limited, which is the parent of the smallest Group for which consolidated accounts are prepared, can be obtained from the company's registered office, DDCAP Limited, 36 Shad Thames, Butlers Wharf Building, London, SE1 2YE. IPGL (Holdings) Limited is the ultimate parent company and controlling party, which is incorporated in Great Britain and registered in England and Wales. Company consolidated financial statements of IPGL (Holdings) Limited, which is the parent of the largest Group for which consolidated accounts are prepared, can be obtained from the company's registered office, IPGL (Holdings) Limited, 3rd Floor, 39 Sloane Street, Knightsbridge, London, SW1X 9LP.