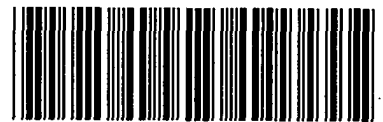


Registered no. 07101360

**ICM CAPITAL LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

SATURDAY



\*A36LCJOB\*

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26/04/2014

#172

COMPANIES HOUSE

**LUBBOCK FINE**  
**Chartered Accountants**  
**Russell Bedford House**  
**City Forum, 250 City Road**  
**London EC1V 2QQ**

ICM CAPITAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2 - 3
Independent auditor's report to the shareholders	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 -19
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	21
Notes to the detailed profit and loss account	22

**ICM CAPITAL LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	I Abedi S Abedi T Bui
<b>Company secretary</b>	S Abedi
<b>Registered office</b>	Level 36, One Canada Square, Canary Wharf, London E14 5AB
<b>Auditor</b>	Lubbock Fine Chartered Accountants & Statutory Auditor Russell Bedford House City Forum, 250 City Road London EC1V 2QQ
<b>Bankers</b>	HSBC Bank plc 75 Whitechapel Road London E1 1DU  Barclays Bank Plc P.O. Box 299 Birmingham B1 3PF  DBS Bank 6 Shenton Way DBS Building Singapore  Emirates NBD Bank P.O. Box 777 Baniyas Square, Deira Dubai, UAE  Arab African International Bank 3 Hasan Sabry St., Zamalek, Cairo, Egypt  National Bank of Kuwait S.A.K Head Office Branch P.O.Box 95 – Safat -13001 Kuwait  ABC Banking Corporation Suite 3B, 3rd Floor Raffles Tower, 19 Cybercity, Ebene, Mauritius

**ICM CAPITAL LIMITED**

**THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2013**

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The directors present their report and the financial statements of the company for the year ended 31 December 2013.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was that of market making services in spot foreign exchange and contracts for difference. The company has shown significant growth during the year having recorded a profit on ordinary activities before taxation of £2,185,996 (2012: £17,798) and a profit of £1,742,496 (2012: £11,848) for the year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk facing the company would be the removal of brokerage income which is primarily driven by market conditions. The company continually reviews this risk and takes any action deemed necessary. However at present, the company does not foresee any uncertainties over its income in the near future.

**KEY PERFORMANCE INDICATORS**

The company considers turnover and profit to be its key performance indicators where it achieved turnover of £5,093,550 (2012: £1,311,534) and a profit on ordinary activities before taxation of £2,185,996 (2012: £17,798) for the year.

**DIVIDENDS**

The directors have not recommended the payment of a dividend for the year.

**FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

The company's overall risk framework is established by the Board of Directors through instructions set out in the company's compliance regulations manual. The Board determines that the responsibility for overseeing risk management and assessment rests with the three directors.

Details of the company's financial risk management objectives and policies are included in note 20 to the financial statements.

**DIRECTORS**

The directors who served the company during the year were as follows:

I Abedi  
S Abedi  
T Bui

**ICM CAPITAL LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2013**

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**DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

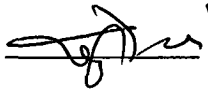
**AUDITOR**

Lubbock Fine are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed by order of the directors

**T Bui**  
Director

Approved by the directors on

  
25 April 2014

**ICM CAPITAL LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ICM CAPITAL LIMITED**

**YEAR ENDED 31 DECEMBER 2013**

---

We have audited the financial statements of ICM Capital Limited for the year ended 31 December 2013. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (*United Kingdom Generally Accepted Accounting Practice*).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**ICM CAPITAL LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ICM CAPITAL LIMITED**

*(continued)*

**YEAR ENDED 31 DECEMBER 2013**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where 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.



**Stephen Banks** (Senior Statutory Auditor)  
For and on behalf of  
**Lubbock Fine**  
Chartered Accountants & Statutory Auditor

Russell Bedford House  
City Forum, 250 City Road  
London EC1V 2QQ

Date: 25 April 2014

ICM CAPITAL LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
<b>TURNOVER</b>	<b>2</b>	5,093,550	1,311,534
Cost of sales		(1,191,807)	(468,127)
<b>GROSS PROFIT</b>		<u>3,901,743</u>	<u>843,407</u>
Administrative expenses		(1,727,593)	(826,280)
Other operating income		10,608	-
<b>OPERATING PROFIT</b>	<b>3</b>	<u>2,184,758</u>	<u>17,127</u>
Interest receivable		1,238	671
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>2,185,996</u>	<u>17,798</u>
Tax on profit on ordinary activities	<b>6</b>	(443,500)	(5,950)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>1,742,496</u>	<u>11,848</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 19 form part of these financial statements.



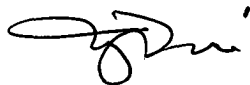
ICM CAPITAL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Note	2013		2012	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		408,186		82,433
Investments	8		60		60
			<u>408,246</u>		<u>82,493</u>
<b>CURRENT ASSETS</b>					
Debtors	9	383,115		63,074	
Cash at bank and in hand		<u>3,005,907</u>		<u>1,210,646</u>	
		3,389,022		1,273,720	
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(1,230,768)</u>		<u>(612,209)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,158,254</u>		<u>661,511</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,566,500</u>		<u>744,004</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation	11		<u>(93,345)</u>		<u>(13,345)</u>
			<u>2,473,155</u>		<u>730,659</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	14		1,099,713		1,099,713
Profit and loss account	15		<u>1,373,442</u>		<u>(369,054)</u>
<b>SHAREHOLDERS' FUNDS</b>	16		<u>2,473,155</u>		<u>730,659</u>

These financial statements were approved by the directors and authorised for issue on 25 April 2014 and are signed on their behalf by:



T Bui  
Director

Company Registration Number: 07101360

The notes on pages 9 to 19 form part of these financial statements.

ICM CAPITAL LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2013

	Note	2013		2012	
		£	£	£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	17		2,150,827		340,681
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	17		1,238		671
<b>CAPITAL EXPENDITURE</b>					
Payments to acquire tangible fixed assets		(356,804)		(63,406)	
Receipts from sale of fixed assets		-		366	
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>			(356,804)		(63,040)
<b>ACQUISITIONS AND DISPOSALS</b>					
Acquisition of shares in group undertakings		-		(60)	
<b>NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS</b>			-		(60)
<b>CASH INFLOW BEFORE FINANCING</b>			1,795,261		278,252
<b>FINANCING</b>					
Issue of equity share capital		-		200,000	
<b>NET CASH INFLOW FROM FINANCING</b>			-		200,000
<b>INCREASE IN CASH</b>	17		1,795,261		478,252

The notes on pages 9 to 19 form part of these financial statements.

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified for the revaluation of open trading positions as described below.

**Consolidation**

The company and its subsidiary undertaking comprise a small group. The company has therefore taken advantage of the exemption provided by Section 399 of the Companies Act 2006 not to prepare group accounts.

**Turnover**

Turnover is made up of market-making profits earned from trading in spot foreign exchange and contracts for difference. Gains and losses are recognised on closed positions as they occur and on open positions using a mark-to-market valuation.

**Cost of sales**

Cost of sales is made up of commissions payable to brokers and referring parties. Commissions are recognised on the day trades are executed.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	- 20% straight line
Fixtures, Fittings and Equipment	- 20% straight line
Software	- 20% straight line

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Deferred taxation**

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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1. ACCOUNTING POLICIES *(continued)*

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Financial assets**

*Trade debtors*

Trade debtors comprise amounts due from clients and brokers arising from trading activities and open positions. All debtors except for trading positions are categorised as loans and receivables and initially measured at cost and are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Trading positions are stated at the market bid or offer price and are classified as at Fair Value Through Profit and Loss (FVTPL). A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking, or
- it is a derivative that is not designated and effective as a hedging instrument. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

*Cash at bank and in hand*

Cash at bank and in hand consist of the company's cash on hand and on short-term bank deposits with an original maturity of three months or less and therefore are subject to an insignificant risk of changes in value. Cash at bank includes client monies that are segregated from company's own monies and are maintained on client bank accounts.

**Financial liabilities**

*Trade creditors*

Trade creditors comprise amounts due to clients and brokers from trading activities and open positions. Trading positions are stated at the market bid or offer price and are classified as at FVTPL. Trade creditors except for trading positions are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Trading positions are measured at fair value subsequent to initial measurement.

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2013	2012
	£	£
Depreciation of owned fixed assets	31,051	15,758
Loss on disposal of fixed assets	-	63
Auditor's remuneration		
- as auditor	4,030	11,400
- for other services	-	4,414
Net (gain) / loss on foreign currency translation	<u>(13,017)</u>	<u>15,661</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the year amounted to:

	2013	2012
	No	No
Number of administrative staff	<u>28</u>	<u>21</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	680,459	432,351
Social security costs	16,721	13,020
	<u>697,180</u>	<u>445,371</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Aggregate remuneration	<u>72,584</u>	<u>71,232</u>

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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6. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2013 £	2012 £
Deferred tax:		
Origination and reversal of timing differences (note 11)		
Capital allowances	<u>80,000</u>	<u>5,950</u>

A deferred tax asset of £nil (2012 - £82,343) existed at the balance sheet date in relation to tax losses carried forward. This was not been recognised in the financial statements of 2012 due to uncertainty of the company's future profits.

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.30% (2012 - 20%).

	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	<u>2,185,996</u>	<u>17,798</u>
Profit/(loss) on ordinary activities by rate of tax	509,247	3,560
Expenses not deductible for tax purposes	-	1,862
Capital allowances in excess of depreciation	(50,875)	(6,315)
Utilisation of tax losses	(94,872)	-
Tax loss carried forward	-	893
Total current tax	<u>363,500</u>	<u>-</u>

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

7. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Fixtures, fittings and equipment £	Software £	Total £
<b>COST</b>				
At 1 January 2013	850	55,893	44,142	100,885
Additions	-	356,804	-	356,804
<b>At 31 December 2013</b>	<u>850</u>	<u>412,697</u>	<u>44,142</u>	<u>457,689</u>
<b>DEPRECIATION</b>				
At 1 January 2013	168	11,094	7,190	18,452
Charge for the year	144	22,078	8,829	31,051
<b>At 31 December 2013</b>	<u>312</u>	<u>33,172</u>	<u>16,019</u>	<u>49,503</u>
<b>NET BOOK VALUE</b>				
<b>At 31 December 2013</b>	<u>538</u>	<u>379,525</u>	<u>28,123</u>	<u>408,186</u>
At 31 December 2012	<u>682</u>	<u>44,799</u>	<u>36,952</u>	<u>82,433</u>

8. INVESTMENTS

	Subsidiary Undertaking £
<b>COST</b>	
<b>At 31 December 2013</b>	<u>60</u>
At 31 December 2012	<u>60</u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2013</b>	<u>60</u>
At 31 December 2012	<u>60</u>

During 2012 the company acquired 100% of the issued ordinary share capital in ICM Capital PTE Limited, a company incorporated in Singapore. ICM Capital PTE Limited was dormant throughout the year.

9. DEBTORS

	2013 £	2012 £
Other debtors	132,339	39,350
Prepayments	250,776	23,724
	<u>383,115</u>	<u>63,074</u>

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

10. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	719,050	339,780
Other creditors including taxation and social security:		
Taxation provision	362,183	-
PAYE and social security	8,742	4,602
Other creditors	18,127	10,471
Directors current accounts	45,908	245,893
	<u>1,154,010</u>	<u>600,746</u>
Accruals and deferred income	76,758	11,463
	<u>1,230,768</u>	<u>612,209</u>

11. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2013 £	2012 £
Provision brought forward	13,345	7,395
Profit and loss account movement arising during the year	80,000	5,950
Provision carried forward	<u>93,345</u>	<u>13,345</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	93,345	13,345
	<u>93,345</u>	<u>13,345</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2013 £	2012 £
Operating leases which expire:		
Within 1 year	<u>103,200</u>	<u>37,478</u>

13. RELATED PARTY TRANSACTIONS

Included in creditors are directors' loans relating to S Abedi of £45,467 (2012 - £245,467) and I Abedi of £441 (2012 - £426). These balances are unsecured, interest free and repayable on demand.



ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

14. SHARE CAPITAL

Allotted and called up:

	2013		2012	
	No	£	No	£
1,730,174 Ordinary shares of US\$1 each	<u>1,730,174</u>	<u>1,099,713</u>	<u>1,730,174</u>	<u>1,099,713</u>

15. PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
Balance brought forward	(369,054)	(380,902)
Profit for the year	1,742,496	11,848
Balance carried forward	<u>1,373,442</u>	<u>(369,054)</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the year	1,742,496	11,848
New ordinary share capital subscribed	-	200,000
Net addition to shareholders' funds	1,742,496	211,848
Opening shareholders' funds	730,659	518,811
Closing shareholders' funds	<u>2,473,155</u>	<u>730,659</u>

17. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	2,184,758	17,127
Unrealised gains	-	(1,010,846)
Depreciation	31,051	15,758
Loss on disposal of fixed assets	-	63
(Increase)/decrease in debtors	(320,041)	168,386
Increase in creditors	255,059	1,150,193
Net cash inflow from operating activities	<u>2,150,827</u>	<u>340,681</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2013	2012
	£	£
Interest received	<u>1,238</u>	<u>365</u>
Net cash inflow from returns on investments and servicing of finance	<u>1,238</u>	<u>365</u>

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

17. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013 £	2012 £
Increase in cash in the period	1,795,261	478,252
Movement in net funds in the period	<u>1,795,261</u>	<u>478,252</u>
Net funds at 1 January 2013	1,210,646	732,394
Net funds at 31 December 2013	<u>3,005,907</u>	<u>1,210,646</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2013 £	Cash flows £	At 31 Dec 2013 £
Net cash:			
Cash in hand and at bank	<u>1,210,646</u>	<u>1,795,261</u>	<u>3,005,907</u>
Net funds	<u>1,210,646</u>	<u>1,795,261</u>	<u>3,005,907</u>

18. REGULATORY DISCLOSURE AND CAPITAL RISK MANAGEMENT

The company manages its capital in accordance with the Capital Requirements Directive and Financial Conduct Authority (FCA) rules relating thereto. As a part of the latter the company has instituted an Internal Capital Adequacy Assessment Process (ICAAP) by which its capital adequacy is managed.

During the years ended 31 December 2013 and 2012 capital has been maintained at a level above minimum FCA requirements.

The company's regulatory capital position was as follows:

	2013 £	2012 £
<b>Capital Resources</b>		
Tier 1		
Share capital	1,099,713	1,099,713
Profit & Loss account	1,373,442	(369,054)
Tier 2	-	-
Tier 3	-	-
<b>Deductions of illiquid assets</b>		
Fixed assets	(408,186)	(82,433)
Prepayments	(250,776)	(23,724)
Deposits	(38,936)	(19,286)
<b>Total Capital Resources</b>	<u>1,775,257</u>	<u>605,216</u>
<b>Capital Requirement</b>	<u>(611,595)</u>	<u>(596,702)</u>
Excess Capital	<u>1,163,662</u>	<u>8,514</u>
Solvency Ratio	<u>290%</u>	<u>99%</u>

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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19. FINANCIAL INSTRUMENTS

The table below sets out the classification of each class of financial assets and liabilities and their fair values.

Cash at bank and in hand represents cash held on demand and on deposit with financial institutions.

Closed positions with clients and brokers are disclosed as loans and debtors.

Trade creditors represent balances where the combination of clients' cash held on account and the valuation of financial derivatives open positions results in an amount payable by the company.

	2013	2012
	£	£
<b>Financial assets</b>		
Loans and receivables		
Other debtors - loans and receivables	132,339	39,350
Cash at bank and in hand	3,005,907	1,210,646
	<u>3,138,246</u>	<u>1,249,996</u>
Non financial assets	659,022	106,217
Total assets	<u>3,797,268</u>	<u>1,356,213</u>
<b>Financial liabilities</b>		
Trade creditors and accruals	719,933	364,594
Trade creditors – FVTPL	102,744	1,722
	<u>822,677</u>	<u>366,316</u>
Non financial liabilities	501,436	259,238
Total liabilities	<u>1,324,113</u>	<u>625,554</u>

The directors believe that the carrying value of the company's financial instruments approximates to their fair value. All financial assets and liabilities are due to mature within a year.

# ICM CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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### 19. FINANCIAL INSTRUMENTS *(continued)*

#### Fair value measurements recognised in the balance sheet

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability. For example, where an active market does not exist for an identical financial instrument to the product offered by the company to its client or used by the company to hedge its market risk.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or the liability that are not based on observable market data.

	2013			Total
	Level 1	Level 2	Level 3	
Trade debtors	-	-	-	-
Trade creditors	616,306	-	-	616,306

	2012			Total
	Level 1	Level 2	Level 3	
Trade debtors	-	-	-	-
Trade creditors	338,058	-	-	338,058

### 20. FINANCIAL RISK MANAGEMENT

The company's activities expose it to a number of financial risks. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles of the use of financial derivatives to manage these risks.

#### *Market risk*

Market risk is the risk of potential loss due to changes in market prices. The company takes positions and these give rise to market risk in the event of price movement. Such risks are monitored and controlled by the setting of limits and the use of hedging where appropriate. The company therefore has exposure to market risk to the extent that it has a residual un-hedged position. No sensitivity analysis has been performed as the net market risk is the sum of unconnected positions across a range of different markets.

In the directors' opinion, as a result of hedging undertaken by the company, market risk is not significant and no sensitivity analysis is presented as the impact of reasonably possible market movements are immaterial.

#### *Interest rate risk*

The company is not exposed to interest rate risk. Interest bearing assets and liabilities are held at a fixed rate to ensure certainty of cash flows

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

20. FINANCIAL RISK MANAGEMENT *(continued)*

*Foreign currency risk*

The company undertakes transactions denominated in foreign currencies and therefore exposures to exchange rate fluctuations arise. At the year end the carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities are as follows.

	2013		
	Liabilities £	Assets £	Net £
US Dollar	(630,226)	2,436,386	1,806,160
United Arab Emirate Dirham	(98,937)	300,194	201,257
Euro	-	7,105	7,105
Singapore Dollar	-	154,870	154,870

	2012		
	Liabilities £	Assets £	Net £
US Dollar	(333,994)	930,034	596,040
United Arab Emirate Dirham	(97,084)	90,448	(6,636)
Euro	(193)	1,337	1,144
Singapore Dollar	-	20,919	20,919

The above analysis shows that the company has mismatches in its currency assets and liabilities and therefore the movement in exchange rates will have an effect on the profitability of the company. This risk is constantly monitored and action to reduce the risk is taken when deemed necessary. The directors believe that there is no significant foreign exchange risk exposure.

*Credit risk*

The company's principal financial assets are bank balances and cash, other debtors. The company has no significant concentration of credit risk.

*Liquidity risk*

The company is regulated in the UK by the Financial Conduct Authority. The company manages the liquidity structure of its assets and liabilities so that cash flows are appropriately balanced to ensure that all funding obligations are met when due. All the financial assets and liabilities at the yearend are repayable on demand.

21. CLIENT MONEY

The company holds client money in accordance with client money regulations of the Financial Conduct Authority. Such money and corresponding liabilities are shown in the balance sheet as cash at bank and trade creditors respectively.

22. ULTIMATE CONTROLLING PARTY

The company is under the control of its directors S. Abedi and I. Abedi who hold 100% of the issued share capital of the company.