

Registered number: 07101360

ICM CAPITAL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016



LUBBOCK FINE
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

ICM CAPITAL LIMITED

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ICM CAPITAL LIMITED

COMPANY INFORMATION

Directors

I Abedi
S Abedi
T Bui

Company secretary

S Abedi

Registered number

07101360

Registered office

Dauntsey House
4B Frederick's Place
London
EC2R 8AB

Independent auditors

Lubbock Fine
Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Bankers

Barclays Bank PLC
1 Churchill Place
London
United Kingdom
E14 5HP

DBS Bank
40-02 DBS Asia Central
MBFC Tower 3
12 Marina Boulevard
Singapore

Emirates NBD Bank
GHO, Baniyas Road
P.O. Box 777
Dubai, United Arab Emirates

ICM CAPITAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report on the company for the year ended 31 December 2016.

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 is authorised and regulated by the Financial Conduct Authority (FCA) within the United Kingdom, where the principal activities of the business are conducted.

RESULTS AND PERFORMANCE

The company has recorded a profit on ordinary activities before taxation of £7,282,536 (2015: £575,660) and a profit of £6,115,368 (2015: £532,276) for the year. The directors are of the opinion that the future prospects of the company remain positive and it will continue as a going concern.

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.

BUSINESS ENVIRONMENT AND FUTURE DEVELOPMENTS

The company operates within the financial sector with its main focus being in UK and Asia.

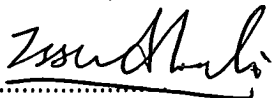
Brexit impact has been reviewed by the directors and is not expected to have any significant impact on the business.

The success of the company will rely on the ability to attract more clients. Due to the ever changing economic landscape, with recovery and growth expected in the market, the company's position is expected to grow further.

Financial key performance indicators

The company considers turnover and profit to be its key performance indicators where it achieved turnover of £13,863,434 (2015: £5,764,986) and a profit on ordinary activities before taxation of £7,282,536 (2015: £575,660) for the year.

This report was approved by the board and signed on its behalf.



.....
I Abedi
Director

Date:

24-09-2017

ICM CAPITAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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.

Results and dividends

The profit for the year, after taxation, amounted to £6,115,368 (2015 - £532,276).

No dividends were declared during the year.

Directors

The directors who served during the year were:

I Abedi
S Abedi
T Bui

Financial instruments and 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 21 to the financial statements.

Matters covered in the strategic report

In accordance with section 414C(11) of the Companies Act 2006, the company has chosen to include information in relation to future developments in the company's strategic report.

ICM CAPITAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:


- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Lubbock Fine, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

I Abedi
Director



Date:

24-04-2017

We have audited the financial statements of ICM Capital Limited for the year ended 31 December 2016, set out on pages 7 to 29. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 Auditors

As explained more fully in the Directors' Responsibilities Statement 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 Financial Reporting Council'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 Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its profit or loss 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 matter 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 Auditors

Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

25 April 2017

ICM CAPITAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover		13,863,434	5,764,986
Cost of sales		(3,695,412)	(1,649,835)
Gross profit		<u>10,168,022</u>	<u>4,115,151</u>
Administrative expenses		(4,281,450)	(3,547,098)
Other operating income		1,388,998	4,519
Operating profit		<u>7,275,570</u>	<u>572,572</u>
Interest receivable and similar income		6,966	3,088
Profit before tax		<u>7,282,536</u>	<u>575,660</u>
Tax on profit	7	(1,167,168)	(43,384)
Profit for the year		<u><u>6,115,368</u></u>	<u><u>532,276</u></u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account.


The notes on pages 12 to 29 form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	8	1,023,813	498,704
Tangible assets	9	145,330	335,351
Investments	10	-	60
		<u>1,169,143</u>	<u>834,115</u>
Current assets			
Debtors: amounts falling due within one year	11	3,792,572	1,304,215
Cash at bank and in hand	12	15,077,766	4,149,454
		<u>18,870,338</u>	<u>5,453,669</u>
Creditors: amounts falling due within one year	13	(9,874,628)	(2,383,651)
Net current assets		<u>8,995,710</u>	<u>3,070,018</u>
Total assets less current liabilities		<u>10,164,853</u>	<u>3,904,133</u>
Provisions for liabilities			
Deferred tax	14	(181,538)	(36,186)
		<u>(181,538)</u>	<u>(36,186)</u>
Net assets		<u><u>9,983,315</u></u>	<u><u>3,867,947</u></u>
Capital and reserves			
Called up share capital	18	1,099,713	1,099,713
Profit and loss account		8,883,602	2,768,234
		<u>9,983,315</u>	<u>3,867,947</u>

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



I Abedi
Director

29-09-2017

Date:

The notes on pages 12 to 29 form part of these financial statements.

ICM CAPITAL LIMITED

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	1,099,713	2,768,234	3,867,947
Comprehensive income for the year			
Profit for the year	-	6,115,368	6,115,368
Total comprehensive income for the year	-	6,115,368	6,115,368
At 31 December 2016	<u>1,099,713</u>	<u>8,883,602</u>	<u>9,983,315</u>

The notes on pages 12 to 29 form part of these financial statements.

ICM CAPITAL LIMITED

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	1,099,713	2,235,958	3,335,671
Comprehensive income for the year			
Profit for the year	-	532,276	532,276
Total comprehensive income for the year	-	532,276	532,276
At 31 December 2015	1,099,713	2,768,234	3,867,947

The notes on pages 12 to 29 form part of these financial statements.

ICM CAPITAL LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	£	£
Cash flows from operating activities		
Profit for the financial year	6,115,368	532,276
Adjustments for:		
Amortisation of intangible assets	99,741	-
Depreciation of tangible assets	104,036	90,136
Loss on disposal of tangible assets	177,755	-
Interest received	(6,966)	(3,088)
Taxation	1,167,168	43,384
Increase in debtors	(2,488,357)	(17,986)
Increase in creditors	6,524,134	192,080
Corporation tax	(54,972)	(259,900)
Net cash generated from operating activities	<u>11,637,907</u>	<u>576,902</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(624,850)	(498,704)
Purchase of tangible fixed assets	(91,771)	(79,161)
Disposal of fixed asset investments	60	-
Interest received	6,966	3,088
Net cash from investing activities	<u>(709,595)</u>	<u>(574,777)</u>
Net increase in cash and cash equivalents	10,928,312	2,125
Cash and cash equivalents at beginning of year	4,149,454	4,147,329
Cash and cash equivalents at the end of year	<u>15,077,766</u>	<u>4,149,454</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	15,077,766	4,149,454
	<u>15,077,766</u>	<u>4,149,454</u>

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Consolidation

The company has taken an exemption to not produce consolidated accounts in accordance with Section 402 of the Companies Act 2006 due to its only subsidiary being dormant and being immaterial to the financial statements.

1.3 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.

1.4 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.

1.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the revaluation model, intangible assets shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated amortisation and subsequent impairment losses - provided that the fair value can be determined by reference to an active market.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the balance sheet date.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1. Accounting policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Depreciation is provided on the following basis:

Motor vehicles	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

1.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1. Accounting policies (continued)

1.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1. Accounting policies (continued)

1.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'administrative expenses'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

1.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.15 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

1. Accounting policies (continued)

1.16 Provisions for liabilities

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

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

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

1.17 Current and deferred taxation

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

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

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

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

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

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no key sources of estimation uncertainty.

Judgements made by management that have significant effect on the financial statements and estimates with a significant risk of material adjustment comprise of estimation of residual value and useful lives of tangible assets and intangible assets.

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

3. Turnover

The whole of the turnover is attributable to the principal activity of the company.

4. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	104,036	90,136
Amortisation of intangible assets, including goodwill	99,741	-
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	28,000	9,000
Exchange differences	(657,681)	(153,482)
Defined contribution pension cost	2,076	-
	<u>2,076</u>	<u>-</u>

5. Employees

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

	2016	2015
	£	£
Wages and salaries	2,023,193	1,551,893
Social security costs	70,291	48,689
Cost of defined contribution scheme	2,076	-
	<u>2,095,560</u>	<u>1,600,582</u>

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

	2016	2015
	No.	No.
Number of employees	<u>56</u>	<u>50</u>

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

6. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	332,090	76,074

The highest paid director received remuneration of £160,000 (2015 - £60,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £278 (2015 - £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 December 2016 amounted to £502 (2015 - £NIL).

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

7. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	1,160,517	138,701
Adjustments in respect of previous periods	(138,701)	(38,158)
Total current tax	<u>1,021,816</u>	<u>100,543</u>
Deferred tax		
Origination and reversal of timing differences	130,492	(57,159)
Adjustments in respect of previous periods	14,860	-
Total deferred tax	<u>145,352</u>	<u>(57,159)</u>
Taxation on profit on ordinary activities	<u>1,167,168</u>	<u>43,384</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>7,282,536</u>	<u>575,660</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	1,456,507	116,571
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	19,264	6,075
Capital allowances for year in excess of depreciation	1,004	16,055
Utilisation and movement on tax losses	(88,742)	-
Adjustments to tax charge in respect of prior periods	(123,841)	(38,158)
Short term timing difference leading to a increase/ decrease in taxation	130,492	(57,159)
Other fixed asset timing differences	(69,117)	-
Research and development uplift	(158,399)	-
Total tax charge for the year	<u>1,167,168</u>	<u>43,384</u>

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

7. Taxation (continued)

Factors that may affect future tax charges

There are no factors affecting future tax charges.

8. Intangible assets

	Software Assets £
Cost	
At 1 January 2016	498,704
Additions	624,850
At 31 December 2016	<u>1,123,554</u>
Amortisation	
Charge for the year	99,741
At 31 December 2016	<u>99,741</u>
Net book value	
At 31 December 2016	<u>1,023,813</u>
At 31 December 2015	<u>498,704</u>

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

9. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2016	850	511,862	44,142	556,854
Additions	-	91,771	-	91,771
Disposals	(850)	(429,867)	-	(430,717)
At 31 December 2016	-	173,766	44,142	217,908
Depreciation				
At 1 January 2016	601	188,550	32,352	221,503
Charge for the period on owned assets	144	96,388	7,504	104,036
Disposals	(745)	(252,217)	-	(252,962)
At 31 December 2016	-	32,721	39,856	72,577
Net book value				
At 31 December 2016	-	141,045	4,286	145,331
At 31 December 2015	249	323,312	11,790	335,351

10. Fixed asset investments

	Investments in subsidiary companies £
At 1 January 2016	60
Disposals	(60)
At 31 December 2016	-
At 31 December 2015	60

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 liquidated on 4 July 2016. The loss on disposal is recognised in the profit and loss statement.

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FOR THE YEAR ENDED 31 DECEMBER 2016

11. Debtors

	2016 £	2015 £
Other debtors	3,419,811	903,014
Prepayments and accrued income	372,761	401,201
	<u>3,792,572</u>	<u>1,304,215</u>

12. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and at hand	7,254,097	2,142,442
Segregated client funds	7,823,669	2,007,012
	<u>15,077,766</u>	<u>4,149,454</u>

The company holds money on behalf of clients in accordance with the client asset rules of the FCA. This money is included within cash and cash equivalents on the Balance Sheet and the corresponding liability to the clients is included within 'Creditors - amounts due to clients'.

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts due to clients	7,618,022	2,131,180
Corporation tax	1,105,545	138,701
Taxation and social security	27,353	20,290
Other creditors	687,544	45,539
Accruals and deferred income	436,165	47,941
	<u>9,874,629</u>	<u>2,383,651</u>

14. Deferred taxation

	2016 £	2015 £
At the beginning of year	(36,186)	(93,345)
Charged to the profit or loss	(145,352)	57,159
At the end of year	<u>(181,538)</u>	<u>(36,186)</u>

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14. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	(181,538)	(36,186)
	<u>(181,538)</u>	<u>(36,186)</u>

15. Pension commitments

The company operates a defined contribution pension scheme, during the year the company contributed £2,076 (2015 - £nil) to the plan. There was no outstanding balance payable at 31 December 2016.

16. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Within one year	54,408	365,473
Between two and five years	152,491	182,157
Total	<u>206,899</u>	<u>547,630</u>

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17. Related party transactions

During the period the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	2016	2015
	£	£
Amounts due from shareholder	107,820	-
Amounts due to shareholder	-	42,180
	<u>107,820</u>	<u>42,180</u>

Terms and conditions of transactions with related parties

Transactions with related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and repayable on demand.

Key management personnel includes those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including directors. Total amounts paid to key management personnel during the year was £332,090 (2015 - £76,074).

18. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
1,730,174 Ordinary shares of \$1 each	<u>1,099,713</u>	<u>1,099,713</u>

ICM CAPITAL LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2016

19. 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 implemented an Internal Capital Adequacy Assessment Process (ICAAP) by which its capital adequacy is managed.

During the years ended 31 December 2016 and 2015 capital has been maintained at a level above minimum FCA requirements.

The company's regulatory capital position was as follows:

	2016	2015
	£	£
Capital Resources		
Tier 1		
Share Capital	1,099,713	1,099,713
Profit and Loss account	8,883,602	2,768,234
Tier 2	-	-
Tier 3	-	-
Deductions of illiquid assets		
Fixed assets	(145,330)	(335,351)
Prepayments	(372,761)	(401,201)
Deposits	(66,856)	(53,890)
	<u>9,398,368</u>	<u>3,077,505</u>
Capital Requirement	(2,046,157)	(537,318)
Excess Capital	<u><u>7,352,211</u></u>	<u><u>2,540,187</u></u>

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FOR THE YEAR ENDED 31 DECEMBER 2016

20. 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.

Amounts due to clients 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.

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,419,811	903,014
	<u>3,419,811</u>	<u>903,014</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(8,741,730)	(2,224,660)
	<u>(8,741,730)</u>	<u>(2,224,660)</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.

Financial assets measured at amortised cost comprise of other debtors.

Financial liabilities measured at amortised cost comprise of amounts due to clients, other creditors and accruals and deferred income.

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FOR THE YEAR ENDED 31 DECEMBER 2016

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.

	2016	2016	2016	2016
	Level 1	Level 2	Level 3	Total
Trade and other debtors	3,161,733	-	-	3,161,733
Amounts due to clients	7,618,022	-	-	7,618,022

	2015	2015	2015	2015
	Level 1	Level 2	Level 3	Total
Trade and other debtors	804,142	-	-	804,142
Amounts due to clients	2,131,180	-	-	2,131,180

21. 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

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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.

	Liabilities	2016 Assets	Net
	£	£	£
US Dollar	(8,183,098)	13,089,281	4,906,183
United Arab Emirates Dirhams	(273,431)	3,700,249	3,426,818
Euro	(37,194)	41,273	4,079
Singapore Dollar	(20,769)	284,703	263,934
Mauritian Rupee	(87)	18,192	18,105
Kuwaiti Dinar	-	88,518	88,518
Chinese Yuan	(56)	23,447	23,391
Great British Pound	(254,488)	1,598,660	1,344,212
Saudi Arabian Riyal	-	23,840	23,840

	Liabilities	2015 Assets	Net
	£	£	£
US Dollar	(2,005,933)	4,299,094	2,293,161
United Arab Emirates Dirhams	(42,761)	54,312	11,551
Euro	(42,757)	65,045	22,288
Singapore Dollar	(63,289)	294,443	231,154
Mauritian Rupee	-	21,052	21,052
Kuwaiti Dinar	-	30,838	30,838
Chinese Yuan	-	23,447	23,447

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, cash and 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 year-end are repayable on demand.

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22. Ultimate controlling party

The company is under the control of ICM Holding SARL by virtue of its 100% shareholding.