Registered no. 07101360

ICM CAPITAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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

CONTENTS

ICM CAPITAL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	I Abedi S Abedi T Bui
Company secretary	S Abedi
Registered office	61 Cheapside London EC2V 6AX
Auditor	Lubbock Fine Chartered Accountants & Statutory Auditor Russell Bedford House City Forum, 250 City Road London EC1V 2QQ
Bankers	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

ICM CAPITAL LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The dırectors present theır report and the financıal statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The prıncıpal actıvıty of the company durıng the year was that of market makıng servıces ın spot foreıgn exchange and contracts for dıfference

The company recorded a profit of £11,848 (2011 - £240,407 loss) for the year

PRINCIPAL RISKS AND UNCERTAINTIES

The prıncıpal rısk facıng the company would be the removal of brokerage ıncome which ıs prımarıly drıven by market condıtıons The company contınually revıews thıs rısk and takes any actıon deemed necessary However at present, the company does not foresee any uncertaıntıes over ıts ıncome ın the near future

KEY PERFORMANCE INDICATORS

The company consıders turnover and profit to be ıts key performance ındıcators where ıt achıeved turnover of £1,311,534 (2011 - £412,666) and profıt of £11,848 (2011 loss of £240,407) for the year

DIVIDENDS

The dırectors have not recommended the payment of a dıvıdend for the year

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The company's overall rısk framework ıs establıshed by the Board of Dırectors through ınstructıons set out ın the company's complıance regulatıons manual The Board determınes that the responsıbılıty for overseeıng rısk management and assessment rests wıth the three dırectors

Detaıls of the company's financıal rısk management objectıves and polıcıes are ıncluded ın note 20 and 21 to the financıal statements

DIRECTORS

The dırectors who served the company durıng the year were as follows

I Abedı
S Abedı
T Buı

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

S Abedi
Company Secretary

Approved by the directors on

23 April 2013

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

YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of ICM Capital Limited for the year ended 31 December 2012 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 2012 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

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

Lubbock Fine

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 24 April 2013

ICM CAPITAL LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
TURNOVER	2	1,311,534	412,666
Cost of sales		(468,127)	(196,200)
GROSS PROFIT		843,407	216,466
Administrative expenses		(826,280)	(449,478)
OPERATING PROFIT/(LOSS)	3	17,127	(233,012)
Interest receivable		671	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		17,798	(233,012)
Tax on profit/(loss) on ordinary activities	6	(5,950)	(7,395)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		11,848	(240,407)

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 2012

	Note	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Tangible assets	7		82,433		35,214
Investments	8		60		–
			82,493		35,214
CURRENT ASSETS					
Debtors	9	63,074		231,460	
Cash at bank and in hand		1,210,646		732,394	
		1,273,720		963,854	
CREDITORS: Amounts falling due within one year	10	(612,209)		(472,862)	
NET CURRENT ASSETS			661,511		490,992
TOTAL ASSETS LESS CURRENT LIABILITIES			744,004		526,206
PROVISIONS FOR LIABILITIES					
Deferred taxation	11		(13,345)		(7,395)
			730,659		518,811
CAPITAL AND RESERVES					
Called-up equity share capital	14		1,099,713		899,713
Profit and loss account	15		(369,054)		(380,902)
SHAREHOLDERS' FUNDS	16		730,659		518,811

These financial statements were approved by the directors and authorised for issue on 23 April 2013 and are signed on their behalf by

S Abedi
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 2012

	Note	2012 £	2012 £	2011 £	2011 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	17		340,681		(6,312)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	17		671		-
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(63,406)		(33,055)	
Receipts from sale of fixed assets		366		-	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(63,040)		(33,055)
ACQUISITIONS AND DISPOSALS					
Acquisition of shares in group undertakings		(60)		-	
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS			(60)		-
CASH INFLOW/(OUTFLOW) BEFORE FINANCING			278,252		(39,367)
FINANCING					
Issue of equity share capital		200,000		612,128	
NET CASH INFLOW FROM FINANCING			200,000		612,128
INCREASE IN CASH	17		478,252		572,761

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

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

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/(LOSS)

Operating profit/(loss) is stated after charging

	2012	2011
	£	£
Depreciation of owned fixed assets	15,758	1,990
Loss on disposal of fixed assets	63	–
Auditor's remuneration		
- as auditor	11,400	7,000
- for other services	4,414	1,980
Net loss on foreign currency translation	15,661	785

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	2012	2011
	£	£
Audit	11,400	7,000
Accountancy	4,414	–
Taxation	–	1,980
	15,814	8,980

4 PARTICULARS OF EMPLOYEES

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

	2012	2011
	No	No
Number of administrative staff	21	8

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	432,351	159,385
Social security costs	13,020	11,930
	445,371	171,315

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Aggregate remuneration	71,232	60,000

6 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2012 £	2011 £
Deferred tax		
Origination and reversal of timing differences (note 11)		
Capital allowances	5,950	7,395

There is no charge for corporation tax due to available tax losses brought forward from previous periods

A deferred tax asset of £82,343 (2011 - £85,522) existed at the balance sheet date in relation to tax losses carried forward This has not been recognised in the financial statements 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 20% (2011 - 20%)

	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation	17,798	(233,012)
Profit/(loss) on ordinary activities by rate of tax	3,560	(46,602)
Expenses not deductible for tax purposes	1,862	165
Capital allowances in excess of depreciation	(6,315)	(6,213)
Tax loss carried forward	893	52,650
Total current tax	-	-

7 TANGIBLE FIXED ASSETS

	Motor Vehicles £	Fixtures, fittings and equipment £	Software £	Total £
COST				
At 1 January 2012	850	37,074	–	37,924
Additions	–	19,264	44,142	63,406
Disposals	–	(445)	–	(445)
At 31 December 2012	850	55,893	44,142	100,885
DEPRECIATION				
At 1 January 2012	24	2,686	–	2,710
Charge for the year	144	8,424	7,190	15,758
On disposals	–	(16)	–	(16)
At 31 December 2012	168	11,094	7,190	18,452
NET BOOK VALUE				
At 31 December 2012	682	44,799	36,952	82,433
At 31 December 2011	826	34,388	–	35,214

8. INVESTMENTS

	Subsidiary Undertaking £
COST	
Additions	60
At 31 December 2012	60
NET BOOK VALUE	
At 31 December 2012	60
At 31 December 2011	-

During the year 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 period

9. DEBTORS

	2012 £	2011 £
Trade debtors	–	199,339
Other debtors	39,350	10,857
Prepayments and accrued income	23,724	21,264
	63,074	231,460

10. CREDITORS Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	339,780	61,183
Other creditors including taxation and social security		
PAYE and social security	4,602	3,572
Other creditors	10,471	–
Directors current accounts	245,893	388,270
	600,746	453,025
Accruals and deferred income	11,463	19,837
	612,209	472,862

11. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2012	2011
	£	£
Provision brought forward	7,395	-
Profit and loss account movement arising during the year	5,950	7,395
Provision carried forward	13,345	7,395

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

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	13,345	7,395
	13,345	7,395

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 1 year	37,478	45,074

13 RELATED PARTY TRANSACTIONS

Included in creditors are directors' loans relating to S Abedi of £245,467 (2011 - £363,939) and I Abedi of £426 (2011 - £24,331) These balances are unsecured, interest free and repayable on demand

14. SHARE CAPITAL

Allotted and called up

	2012 No	2012 £	2011 No	2011 £
1,730,174 Ordinary shares of US$1 each	1,730,174	1,099,713	1,423,674	899,713

During the year the company issued 306,500 shares of US$1 each for a consideration of £200,000

15 PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
Balance brought forward	(380,902)	(140,495)
Profit/(loss) for the financial year	11,848	(240,407)
Balance carried forward	(369,054)	(380,902)

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit/(Loss) for the financial year	11,848	(240,407)
New ordinary share capital subscribed	200,000	612,128
Net addition to shareholders' funds	211,848	371,721
Opening shareholders' funds	518,811	147,090
Closing shareholders' funds	730,659	518,811

17. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit/(loss)	17,127	(233,012)
Unrealised gains	(1,010,846)	(412,666)
Depreciation	15,758	1,990
Loss on disposal of fixed assets	63	–
Decrease/(increase) in debtors	168,386	(226,165)
Increase in creditors	1,150,193	863,541
Net cash inflow/(outflow) from operating activities	340,681	(6,312)

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012 £	2011 £
Interest received	671	–
Net cash inflow from returns on investments and servicing of finance	671	–

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012 £	2011 £
Increase in cash in the period	478,252	572,761
Movement in net funds in the period	478,252	572,761
Net funds at 1 January 2012	732,394	159,633
Net funds at 31 December 2012	1,210,646	732,394

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2012 £	Cash flows £	At 31 Dec 2012 £
Net cash			
Cash in hand and at bank	732,394	478,252	1,210,646
Net funds	732,394	478,252	1,210,646

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 2012 and 2011 capital has been maintained at a level above minimum FCA requirements

The company's regulatory capital position was as follows

	2012 £	2011 £
Capital Resources		
Tier 1		
Share capital	1,099,713	899,713
Profit & Loss account	(369,054)	(380,902)
Tier 2	-	-
Tier 3	-	-
Deductions of illiquid assets		
Fixed assets	(82,433)	(35,214)
Prepayments	(23,724)	(21,264)
Deposits	(19,286)	(15,529)
Total Capital Resources	605,216	446,804
Capital Requirement	(596,702)	(104,749)
Excess Capital	8,514	342,055
Solvency Ratio	99%	427%

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

Trade debtors represent balances owed to the company by brokers and clients Open positions with clients and brokers that are neither past due nor impaired are disclosed as Fair Value Through Profit and Loss (FVTPL) Closed positions with clients and brokers are disclosed as loans and debtors

Trade creditors represents 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

	2012 £	2011 £
Financial assets		
Loans and receivables		
Trade debtors - loans and receivables	39,350	10,857
Trade debtors - FVTPL	-	199,339
Cash at bank and in hand	1,210,646	732,394
	1,249,996	942,590
Non financial assets	106,217	56,478
Total assets	1,356,213	999,068
Financial liabilities		
Trade creditors and accruals	364,594	23,409
Trade creditors - FVTPL	1,722	61,183
	366,316	84,592
Non financial liabilities	259,238	395,665
Total liabilities	625,554	480,257

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

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

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

		2011		
	Level 1	**Level 2**	**Level 3**	**Total**
Trade debtors	199,339	-	-	199,339
Trade creditors	-	-	-	-

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

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

		2012	
	Liabilities	**Assets**	**Net**
	£	**£**	**£**
US Dollar	(333,994)	930,034	595,040
United Arab Emirate Dirham	(97,084)	90,448	(6,636)
Euro	(193)	1,337	1,144
Singapore Dollar	-	20,919	20,919

		2011	
	Liabilities	**Assets**	**Net**
	£	**£**	**£**
US Dollar	(483,206)	351,673	(131,533)
United Arab Emirate Dirham	(16,214)	47,666	31,452
Euro	-	-	-
Singapore Dollar	-	-	-

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

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

Credit risk

The company's principal financial assets are bank balances and cash, trade and other debtors The company's credit risk is primarily attributable to its trade debtors The amounts presented in the balance sheet are net of allowances for doubtful debts The company had 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

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