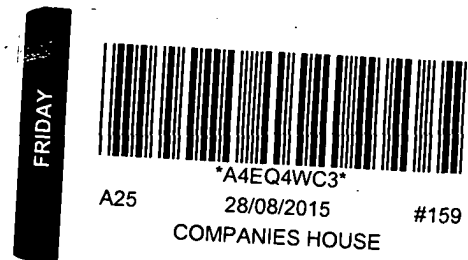


Registered no. 07101360

ICM CAPITAL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014



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

ICM CAPITAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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ICM CAPITAL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	I Abedi S Abedi T Bui
Company secretary	S Abedi
Registered office	Level 36, One Canada Square Canary Wharf London E14 5AB
Auditor	Lubbock Fine Chartered Accountants & Statutory Auditor Paternoster House 65 St Paul's Churchyard London EC4M 8AB
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 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

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report on the company for the year ended 31 December 2014.

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 £1,203,278 (2013: £2,185,996) and a profit of £912,516 (2013: £1,742,496) 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.

Although the growth of the UK economy strengthened in 2014, the risks to UK economic growth remain significant and future prospects may be influenced by developments in the Eurozone.

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 £4,241,883 (2013: £5,093,550) and a profit on ordinary activities before taxation of £1,203,278 (2013: £2,185,996) for the year.

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



T Bui
Director

Date:

27/4/2015

ICM CAPITAL LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £912,516 (2013: £1,742,496).

A dividend of £50,000 was declared and paid during 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

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.

ICM CAPITAL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

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.

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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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

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

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



T Bui
Director

Date: 27/4/2015

ICM CAPITAL LIMITED

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

YEAR ENDED 31 DECEMBER 2014

We have audited the financial statements of ICM Capital Limited for the year ended 31 December 2014. 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 4, 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 2014 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

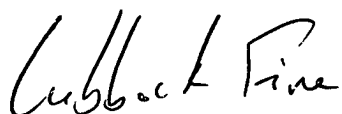
(continued)

YEAR ENDED 31 DECEMBER 2014

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

Paternoster House

65 St Paul's Churchyard

London EC4M 8AB

Date:

27 April 2015

ICM CAPITAL LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
TURNOVER	2	4,241,883	5,093,550
Cost of sales		(1,014,559)	(1,191,807)
GROSS PROFIT		<u>3,227,324</u>	<u>3,901,743</u>
Administrative expenses		(2,024,800)	(1,727,593)
Other operating income		683	10,608
OPERATING PROFIT	3	<u>1,203,207</u>	<u>2,184,758</u>
Interest receivable		71	1,238
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,203,278</u>	<u>2,185,996</u>
Tax on profit on ordinary activities	6	(290,762)	(443,500)
PROFIT FOR THE FINANCIAL YEAR		<u>912,516</u>	<u>1,742,496</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 10 to 20 form part of these financial statements.

ICM CAPITAL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		346,326		408,186
Investments	8		60		60
			<u>346,386</u>		<u>408,246</u>
CURRENT ASSETS					
Debtors	9	1,033,379		383,115	
Cash at bank and in hand		<u>4,400,179</u>		<u>3,005,907</u>	
		5,433,558		3,389,022	
CREDITORS: Amounts falling due within one year	10	<u>(2,350,928)</u>		<u>(1,230,768)</u>	
NET CURRENT ASSETS			<u>3,082,630</u>		<u>2,158,254</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,429,016</u>		<u>2,566,500</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	11		<u>(93,345)</u>		<u>(93,345)</u>
			<u>3,335,671</u>		<u>2,473,155</u>
CAPITAL AND RESERVES					
Called-up equity share capital	14		1,099,713		1,099,713
Profit and loss account	15		<u>2,235,958</u>		<u>1,373,442</u>
SHAREHOLDERS' FUNDS	16		<u>3,335,671</u>		<u>2,473,155</u>

These financial statements were approved by the directors and authorised for issue on 27/4/2015 and are signed on their behalf by:

T Bui
Director



Company Registration Number: 07101360

The notes on pages 10 to 20 form part of these financial statements.

ICM CAPITAL LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 DECEMBER 2014**

		2014		2013	
	Notes	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	17		1,464,205		2,150,827
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	17		71		1,238
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(20,004)		(356,804)	
Receipts from sale of fixed assets		-		-	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(20,004)		(356,804)
CASH INFLOW BEFORE FINANCING			1,444,272		1,795,261
FINANCING					
Payment of dividend		(50,000)		-	
NET CASH FLOW USED IN FINANCING			(50,000)		-
INCREASE IN CASH	17		1,394,272		1,795,261

The notes on pages 10 to 20 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.

ICM CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2014**

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:

	2014	2013
	£	£
Depreciation of owned fixed assets	81,864	31,051
Loss on disposal of fixed assets	-	-
Auditor's remuneration		
- as auditor	4,300	4,030
- for other services	-	-
Net (gain) on foreign currency translation	<u>(170,034)</u>	<u>(13,017)</u>

4. PARTICULARS OF EMPLOYEES

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

	2014	2013
	No.	No.
Number of administrative staff	<u>37</u>	<u>28</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	923,876	680,459
Social security costs	35,564	16,721
	<u>959,440</u>	<u>697,180</u>

5. DIRECTORS' REMUNERATION

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

	2014	2013
	£	£
Aggregate remuneration	<u>75,610</u>	<u>72,584</u>

ICM CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2014**

6. TAXATION ON ORDINARY ACTIVITIES**Analysis of charge in the year**

	2014 £	2013 £
Deferred tax:		
Origination and reversal of timing differences (note 11)		
Capital allowances	<u>-</u>	<u>80,000</u>

A deferred tax asset of £nil (2013 - £nil) existed at the balance sheet date in relation to tax losses carried forward.

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 21.5% (2013 – 23.30%).

	2014 £	2013 £
Profit/(loss) on ordinary activities before taxation	<u>1,203,278</u>	<u>2,185,996</u>
Profit/(loss) on ordinary activities by rate of tax	258,622	509,247
Expenses not deductible for tax purposes	32,140	-
Capital allowances in excess of depreciation	-	(50,875)
Utilisation of tax losses	-	(94,872)
Tax loss carried forward	-	-
Total current tax	<u>290,762</u>	<u>363,500</u>

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

7. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Fixtures, fittings and equipment £	Software £	Total £
COST				
At 1 January 2014	850	412,697	44,142	457,689
Additions	-	20,004	-	20,004
At 31 December 2014	<u>850</u>	<u>432,701</u>	<u>44,142</u>	<u>477,693</u>
DEPRECIATION				
At 1 January 2014	312	33,172	16,019	49,503
Charge for the year	144	72,891	8,829	81,864
At 31 December 2014	<u>456</u>	<u>106,063</u>	<u>24,848</u>	<u>131,367</u>
NET BOOK VALUE				
At 31 December 2014	<u>394</u>	<u>326,638</u>	<u>19,294</u>	<u>346,326</u>
At 31 December 2013	<u>538</u>	<u>379,525</u>	<u>28,123</u>	<u>408,186</u>

8. INVESTMENTS

	Subsidiary Undertaking £
COST	
At 31 December 2014	<u>60</u>
At 31 December 2013	<u>60</u>
NET BOOK VALUE	
At 31 December 2014	<u>60</u>
At 31 December 2013	<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

	2014 £	2013 £
Other debtors	865,961	132,339
Prepayments	167,418	250,776
	<u>1,033,379</u>	<u>383,115</u>

ICM CAPITAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2014****10. CREDITORS: Amounts falling due within one year**

	2014	2013
	£	£
Trade creditors	1,844,129	616,306
Other creditors including taxation and social security:		
Taxation provision	298,058	362,183
PAYE and social security	12,794	8,742
Other creditors	103,544	120,871
Directors current accounts	45,908	45,908
	<u>2,304,433</u>	<u>1,154,010</u>
Accruals and deferred income	46,495	76,758
	<u>2,350,928</u>	<u>1,230,768</u>

11. DEFERRED TAXATION

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

	2014	2013
	£	£
Provision brought forward	93,345	13,345
Profit and loss account movement arising during the year	-	80,000
Provision carried forward	<u>93,345</u>	<u>93,345</u>

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

	2014	2013
	£	£
Excess of taxation allowances over depreciation on fixed assets	93,345	93,345
	<u>93,345</u>	<u>93,345</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and building	
	2014	2013
	£	£
Operating leases which expire:		
Within 1 year	<u>103,200</u>	<u>103,200</u>

13. RELATED PARTY TRANSACTIONS

Included in creditors are directors' loans relating to S Abedi of £45,467 (2013 - £45,467) and I Abedi of £441 (2013 - £441). These balances are unsecured, interest free and repayable on demand.

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

14. SHARE CAPITAL

Allotted and called up:

	2014		2013	
	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

	2014	2013
	£	£
Balance brought forward	1,373,442	(369,054)
Profit for the year	912,516	1,742,496
Dividend declared and paid for the year	(50,000)	-
Balance carried forward	<u>2,235,958</u>	<u>1,373,442</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the year	912,516	1,742,496
New ordinary share capital subscribed	-	-
Net addition to shareholders' funds	912,516	1,742,496
Opening shareholders' funds	2,473,155	730,659
Dividend declared and paid for the year	(50,000)	-
Closing shareholders' funds	<u>3,335,671</u>	<u>2,473,155</u>

17. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating profit	1,203,207	2,184,758
Unrealised gains	-	-
Depreciation	81,864	31,051
Loss on disposal of fixed assets	-	-
(Increase) in debtors	(650,264)	(320,041)
Increase in creditors	829,398	255,059
Net cash inflow from operating activities	<u>1,464,205</u>	<u>2,150,827</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014	2013
	£	£
Interest received	71	1,238
Net cash inflow from returns on investments and servicing of finance	<u>71</u>	<u>1,238</u>

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2014 £	2013 £
Increase in cash in the period	1,394,272	1,795,261
Movement in net funds in the period	1,394,272	1,795,261
Net funds at 1 January	3,005,907	1,210,646
Net funds at 31 December	4,400,179	3,005,907

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2014 £	Cash flows £	At 31 Dec 2014 £
Net cash:			
Cash in hand and at bank	3,005,907	1,394,272	4,400,179
Net funds	3,005,907	1,394,272	4,400,179

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 2014 and 2013 capital has been maintained at a level above minimum FCA requirements.

The company's regulatory capital position was as follows:

	2014 £	2013 £
Capital Resources		
Tier 1		
Share capital	1,099,713	1,099,713
Profit & Loss account	2,235,958	1,373,442
Tier 2	-	-
Tier 3	-	-
Deductions of illiquid assets		
Fixed assets	(346,326)	(408,186)
Prepayments	(167,418)	(250,776)
Deposits	(32,697)	(38,936)
Total Capital Resources	2,789,230	1,775,257
Capital Requirement	(571,250)	(611,595)
Excess Capital	2,217,980	1,163,662
Solvency Ratio	488%	290%

ICM CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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.

	2014	2013
	£	£
Financial assets		
Loans and receivables		
Other debtors - loans and receivables	865,961	132,339
Cash at bank and in hand	4,400,179	3,005,907
	<u>5,266,140</u>	<u>3,138,246</u>
Non financial assets	513,804	659,022
Total assets	<u>5,779,944</u>	<u>3,797,268</u>
Financial liabilities		
Trade creditors and accruals	2,100,307	822,677
Non financial liabilities	343,966	501,436
Total liabilities	<u>2,444,273</u>	<u>1,324,113</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.

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.

	2014			
	Level 1	Level 2	Level 3	Total
Trade debtors	-	-	-	-
Trade creditors	1,844,129	-	-	1,844,129
	2013			
	Level 1	Level 2	Level 3	Total
Trade debtors	-	-	-	-
Trade creditors	616,306	-	-	616,306

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 2014****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.

	2014		
	Liabilities £	Assets £	Net £
US Dollar	(1,844,129)	4,365,310	2,521,181
United Arab Emirates Dirham	(127,887)	450,161	322,274
Euro	-	6,589	6,589
Singapore Dollar	-	157,146	157,146
Mauritian Rupee	-	99,131	99,131
Kuwaiti Dinar	-	618	618

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

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. Upto 19 November 2014, S. Abedi and I. Abedi held 100% of the issued share capital of the company and with effect from 19 November 2014 the ownership of the issued share capital of the company was transferred to ICM Holding SARL.