REGISTRAR OF COMPANIES

Walbrook Capital Markets Limited

(formerly FXCM Securities Limited)

Annual report and financial statements

For the year ended 31 December 2015

Registered number: 2926252

Company Information

Directors	P E Inkster A S Gazitua I Mitelman
Registered number	2926252
Registered office	8th Floor Northern & Shell Building 10 Lower Thames Street London EC3R 6AD
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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Directors' report
For the year ended 31 December 2015

The directors present their Directors' report together with the Strategic report and the financial statements of Walbrook Capital Markets Limited ('the Company') for the year ended 31 December 2015.

Results and dividends

The results for the year are shown in the statement of comprehensive income on page 7. The loss for the year, after taxation, amounted to £2,360,195 (2014 - loss £581,173).

The directors recommended and paid dividends of £21,024,774 during the year ended 31 December 2015 (2014: £Nil).

Directors

The directors who served during the year were:

I Mitelman (appointed 3 December 2015)
B Callan (resigned 22 January 2016)
A E Y Currie (resigned 31 July 2015)
B C Mulvihill (resigned 22 January 2016)
D E King (resigned 30 November 2015)
D Niv (resigned 22 January 2016)
L Naldini (resigned 30 November 2015)
I Akanbi (appointed 29 October 2015, resigned 30 November 2015)
J Velez (resigned 30 November 2015)

A S Gazitua and P E Inkster were appointed as directors on 4 Januart 2016 and 27 January 2016 respectively.

None of the directors at the year-end hold, or have held since 2013, any beneficial interests in the shares of the Company

Change of name

On 18 December 2015, the Company changed its name from FXCM Securities Limited to Walbrook Capital Markets Limited.

Future developments

On December 2nd 2015 AS Expobank ('Expo') acquired the Company from the FXCM Group, whose ultimate parent is FXCM Inc. The Company's priority for 2016 is to establish itself as a stand-alone and profitable Company, as measured by EBITDA. The key measures to achieve this goal include recovering business and clients that were lost due to uncertainty in the Company's future; re-launching margin foreign exchange business; expanding areas of business that are identified as prime for development, for example, CFDs and advisory and discretionary asset management; expansion and reinforcement of the existing sales team; implementation of technological and operational adequacy and efficiency; ensuring a smooth transition from FXCM support to the Company's own resources, both in-house and outsourced; and to maximise the synergies from partnership with the Expo family including cross-sales, in-house servicing of banking needs and the sharing and exchange of professional expertise.

Financial instruments

The Company's financial instruments at the balance sheet date comprised cash and liquid resources. The Company has various other financial instruments such as client monies and customer liability balances that arise directly from its operations.

Directors' report
For the year ended 31 December 2015

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit standing and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014.

The Company's Pillar 3 statement and CBCR will be made available at http://www.walbrookcapitalmarkets.com.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report, the Strategic 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 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Going concern

Having given due consideration to the nature of the Company's business, the Directors consider that the Company is a going concern and the financial statements are prepared on that basis. This reflects the reasonable expectation that the Company has adequate resources to ensure that the Company will be able to meet its on-going obligations for at least 12 months from the date of signing the statutory accounts and will have enough capital to meet all of its regulatory requirements.

In determining that the Company is a going concern, the directors considered the events surrounding the January 15, 2015 Swiss National Bank's decision ("SNB event") and subsequent client losses against mitigating actions taken to minimise risk of all types and the change of ownership and determined that the Company will be able to manage its risks successfully enabling it to continue to enhance its market position and grow its business.

Directors' report
For the year ended 31 December 2015

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

This report was approved by the board on 26 April 2016 and signed on its behalf.

P E Inkster
Director

Strategic report
For the year ended 31 December 2015

The directors present their Strategic report for the year ended 31 December 2015.

Principal activities

Walbrook Capital Markets Limited continued to provide comprehensive dealing and brokerage services for both institutional and retail clients across the world. The Company's clients are able to trade futures, options, foreign exchange, and contracts for difference, spread bets and equities.

The Company is a United Kingdom, Financial Conduct Authority ("FCA") regulated Limited License Firm.

Business review and future developments
The key financial and other performance indicators during the year were as follows:

	2015 £	2014 £	Change %
Turnover	3,199,140	5,183,669	(38)%
Loss on ordinary activities before taxation	(1,887,166)	(662,360)	203%
Loss for the financial year	(2,360,195)	(581,173)	306%
Client cash held	42,525,997	77,073,539	(45)%
Equity shareholders' funds	5,639,431	29,061,816	(81)%
Loss over net assets	(42)%	(2)%	(40)%
Capital resources	3,721,088	25,796,110	(86)%
Capital requirement	561,421	3,363,338	(83)%

The Company saw a drop in turnover in 2015 when compared to 2014. This is largely due to the uncertainty in the Company's future following the SNB event and the former owner's decision to sell assets. Other factors include the management of risk within the business.

The Directors consider it is important that administrative expenditure is kept under control at all times and as a result, are continuously monitoring the cost structure of the Company, with particular emphasis in respect to fixed overheads.

Much attention has been paid to the management of risk within the business. The Company continues to operate under an FCA limited licence under which the Company is not permitted to deal on its own account except for when such positions are incidental and provisional in nature.

Through synergies with its new owner, re-launching former business lines, expansion in current markets and the introduction new business initiatives, the directors believe that the business will grow, increase revenues and return to positive EBITDA.

Principal risks and uncertainties
Risk management

The Company's Risk Management Committee provides an on-going assessment of the risks which the Company believe have the potential to have a significant detrimental impact on its financial performance and future prospects and describes how the Company mitigate these risks subject to the Company's risk appetite.

Risk appetite is established by the Board of the Company which delegates the management and monitoring of these risks to the Risk Management, Executive, CASS, Remuneration and Audit Committees.

Risk appetite is defined as a Company's willingness to accept risks in pursuit of its objectives. Risk appetite is assessed against the businesses' key drivers of success, which form the basis for the risk appetite. The establishment of the Overarching Risk Policy is intended to guide employees in their actions and ability to accept and manage risks. Through the risk management framework and its Overarching Risk Policy, the Company has established and communicated their risk appetite.

The following section sets out these risks, the controls around them and the risk appetite set by the Board for each risk.

Risks faced by the Company can be categorised as follow:
- Business risk
- Governance risk
- Credit risk

Strategic report (continued)

Risk management (continued)

- Market risk
- Operational risk
- Regulatory risk
- Capital & Liquidity risk
- Country risk

Each of these risks is described below:

Business risk

This is defined by Performance Risk and Reputational Risk:
- Due to strategy, revenue of decline in client numbers, investor confidence is undermined by a decline in the Group's share price caused by external factors.
- Decrease in the number of new and active institutional and retail customers
- The Company suffers a substantial loss of reputation leading to a desertion of clients and monies. This includes the potential effects of any reputational damage suffered by any other FXCM Group entities.

The Company places the highest importance on risk management at all levels throughout the organisation. The Company seeks to operate at the highest level of integrity and ethical standards in all their activities to mitigate this risk.

Governance risk

The Company is committed to having corporate governance, risk management and a control framework appropriate to the size of the business and level of risk within the business. The governance structure is designed to oversee all the Company's operations. The execution of these promotes overall effective corporate governance.

Credit risk

Credit risk is the risk that a borrower or counterparty will fail to meet their financial obligations.

The Company has credit risk arising from deposits held at third parties, from credit extended to a limited number of clients that meet specified credit criteria and from defaulted client losses. There are strict controls around these risks. The Company also considers the impact of credit risk arising from client balances going into a negative position.

Balances held with third parties

The Company aims to deposit 75% of all funds with third parties with credit ratings equivalent to the FCA's credit quality step 3 and above.

Diversification is a critical part of risk mitigation; therefore to protect client money and comply with regulatory rules, the Company manages the risk of default or failure of a third party by aiming to keep no more than 40% of cash at a single third party.

The Company's deposits of cash at any single third party that does not have credit ratings equivalent to the FCA's credit quality step 3 and above shall be no greater than 10% of all cash.

All customer funds nominated for segregation are held in segregated accounts.

A credit review process is carried out for all new third party relationships and a credit review of all existing third parties is carried out annually.

Credit extended to clients:

Specific margining rules and credit limits are set and regularly reviewed by the Risk Committee and reported to the Board.

Strategic report (continued)

Risk management (continued)

Defaulted client losses

The Company also considers the possibility of risks that could arise if clients do not meet their margin requirement or in some cases going into deficit which would potentially expose the Company to credit risk in respect of the margin call and or deficit. The Company has a strict policy on this and clients' useable margins are not allowed to fall below zero. Margin calls and liquidation of positions are performed manually.

Collateral Management

The Company accepts certain types of collateral as set out in the Collateral Policy for a number of clients and evaluates market value, credit quality rating and haircuts applied to collateral accepted from these clients to cover margin on a monthly basis.

Market risk

Market risk is defined as the risk that exposures to market price fluctuations inherent in the positions held by the Company are excessive in comparison with the capital held within the business such that an adverse move in the pricing of those positions could cause a material loss to arise.

The Company is run as a no-dealing desk business. No market positions are taken. Trades are immediately offset with the relevant exchanges or hedged with CFD's and futures and thus eliminating market risk.

Currency mismatch risk

The Company has exposures to currency mismatch risk through its normal course of business. This risk arises if obligations (i.e. money obligations) owed to clients in one currency are secured by deposits in a different currency and the exchange rate between these two currencies changes. Currency balances are actively managed and monitored.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems.

The Company seeks to mitigate operational risk to acceptable residual levels.

The operational risks that have been identified as material through the risk assessment process are:
- System failures;
- Fraud (both internal and external).

System failures

This includes losses arising from disruption of business or system failures.

The Company's operations are exposed to technology risk relating to their trading platforms and internal systems. This includes:
- Application errors;
- Data processing errors;
- System outages; and
- Breaches in system security.

Through the transition service agreement with FXCM, the main controls that the Company has in place around system failures are:
- The Company undertakes system monitoring to ensure maximum system uptime as well as robust planned maintenance processes. As part of continuous system management, the Company is able to make use of wider and more extensive FXCM Group IT resources to assist with any necessary incident management. IT management also work under the framework of FXCM Group's internal best practice policies and control procedures to manage the Company's technology risks.
- Mission critical software is deployed in more than one location which minimises the extent of platform outage should a single server fail. Secondly, technology with inherent redundancy is used in mission critical systems (for example, multiple hard drives, duplex network connectivity and power supply systems) to avoid failure of the system itself. Additionally, redundant infrastructure is deployed at the most critical technology layers (for example, storage, databases and networking).

Strategic report (continued)

***Risk management* (continued)**

- To minimise data loss due to loss of the primary data centre, mission critical data is protected in enterprise standard databases for all trading accounts, traded positions and trading history and is replicated in near real time between two data centres. The Company's system backups are also replicated to a secondary data centre at the time of backup.
- A contingency plan for the interruption of the dealing operation is covered in the Company's Business Continuity/Disaster Recovery ("BCDR") plan for the Company. Furthermore, the plan can be implemented at different phases depending upon the level of disruption.
- Dealer terminals connect to core systems from the trading room via secure networking and access to critical applications is monitored and reviewed.

Internal and external fraud

The Company is exposed to the risk of both internal and external fraud. Internal fraud is described as any act of deception by management and staff undertaken for unauthorised personal gain. External fraud can be described as losses due to acts of a type intended to defraud, misappropriate property, or circumvent the law by a third party.

Regulated firms like the Company are subject to numerous requirements relating to the detection of both internal and external fraud. For example the Company is subject to The Money Laundering Regulations 2007, has to comply with the Proceeds of Crime Act 2002 and the UK sanctions regime coupled with the provisions of the Bribery Act 2010.

In addition the FCA Principles require the Company to conduct its business with integrity and with due care skill and diligence, and to take reasonable care to organise and control its affairs responsibly and effectively with adequate risk management systems. Rules in the FCA's Senior Management Arrangements Systems and Controls (SYSC) source book also require the Company to establish, implement and maintain adequate policies and procedures to counter the risk that it might be used to further financial crime.

The Company applies proportionate systems and controls to manage the risk of fraud which include, but are not limited to the following:

- Continuous risk assessment based on the best available information from internal and external sources;
- Clear documentation of the Company's approach to complying with its legal and regulatory requirements in relation to fraud;
- Regular review and updating of policies;
- The monitoring of the effectiveness of policies procedures and controls by Internal Audit;
- Thorough vetting of staff in high risk roles;
- Tailored training to ensure staff knowledge is adequate and up to date; and
- New staff in customer facing positions receive financial crime training tailored to their role before being able to interact with customers.

Regulatory risk

Regulatory risk is the risk that changes in regulation will materially affect the business of the Company or the markets in which it operates. The Company's business is subject to many regulations in different jurisdictions and currently the pace of change is significant and may affect the business of the Company either directly or indirectly, among others, by reducing customer appetite for products or increasing capital requirements.

Regulatory developments are continuously monitored and where there is a likely impact, internal groups are formed to assess, formulate and implement any required changes. The Compliance team in particular monitor on-going regulatory obligations, provides internal training and provides advice to the business.

Externally, the Compliance team engages in dialogue with the Company's main regulator and with industry bodies in order to inform the judgments and decisions that are made to ensure continued compliance with global regulations.

Capital and Liquidity risk

Liquidity risk is the risk that a firm with positive net assets does not have sufficient financial resources at anyone point to meet its obligations as they fall due, or can secure such resources only at excessive cost.

Typically, liquidity risks can arise from:

- A mismatch between asset and liability flows;
- An inability to sell assets quickly;
- The extent to which assets have been pledged;
- The possible need to reduce large asset positions at different levels of market liquidity and the related potential costs

Strategic report (continued)

Risk management (continued)

and timing constraints; and
- The availability of and costs of emergency funding.

The Company's liquidity risk is minimal.

Country risk

Country risk is defined as the risk of investing or operating in a country, dependent on changes in the business environment that may adversely affect operating profits or the value of assets in a specific country.

Country risk also relates to the risk of concentration of exposure arising from geographical distribution of revenues, product type, counterparty or event.

The Company's clients are retail individuals, corporate entities and institutions from over 70 countries.

The Company has set out and risk rated which types of countries pose the greatest risk to the Group.

This report was approved by the board on 26 April 2016 and signed on its behalf.

P E Inkster
Director

Buzzacott
CHARTERED ACCOUNTANTS

Independent auditor's report to the members of Walbrook Capital Markets Limited
For the year ended 31 December 2015

We have audited the financial statements of Walbrook Capital Markets Limited for the year ended 31 December 2015, set out on pages 11 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statement

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its 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 the information given in the Directors' report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Buzzacott
CHARTERED ACCOUNTANTS

Independent auditor's report to the members of Walbrook Capital Markets Limited

For the year ended 31 December 2015

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.

Buzzacott LLP

Peter Chapman (Senior statutory auditor)
for and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

26 April 2016

Statement of comprehensive income
For the year ended 31 December 2015

	Note	2015 £	(Translated *) 2014 £
Turnover	3	2,974,772	4,281,368
Gross profit		2,974,772	4,281,368
Administrative expenses		(5,223,091)	(6,077,569)
Other operating income		224,368	902,301
Operating loss		(2,023,951)	(893,900)
Interest receivable and similar income	9	140,794	273,416
Interest payable and similar charges	10	(13,590)	(1,876)
Loss on ordinary activities before taxation		(1,896,747)	(622,360)
Taxation on loss on ordinary activities	11	(463,448)	41,187
Loss for the financial year		(2,360,195)	(581,173)
Other comprehensive income for the year			
Share based payment movement		(37,415)	-
Other comprehensive income for the year		(37,415)	-
Total comprehensive income for the year		(2,397,610)	(581,173)

All amounts relate to continuing operations.

The notes on pages 15 to 30 form part of these financial statements.

* Comparative amounts have been translated as a result of the change in presentational currency as outlined in Note 1.

Statement of financial position
As at 31 December 2015

	Note		2015 £		(Translated *) 2014 £
Fixed assets					
Intangible assets	13		1,918,342		3,276,838
Tangible assets	14		-		64,397
Investments	15		2		2
			1,918,344		3,341,237
Current assets					
Debtors: Amounts falling due within one year	16	3,656,527		17,127,886	
Cash at bank and in hand	17	45,055,830		87,111,820	
		48,712,357		104,239,706	
Creditors: Amounts falling due within one year	18	(44,991,269)		(78,519,127)	
Net current assets			3,721,088		25,720,579
Total assets less current liabilities			5,639,432		29,061,816
Net assets			5,639,432		29,061,816
Capital and reserves					
Called up share capital	21		1		1
Share based payment reserve	20		-		37,415
Retained earnings	20		5,639,431		29,024,400
			5,639,432		29,061,816

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2016.

P E Inkster
Director

The notes on pages 15 to 30 form part of these financial statements.

* Comparative amounts have been translated as a result of the change in presentational currency as outlined in Note 1.

Statement of changes in equity
As at 31 December 2015

	Share capital	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2015	1	37,415	29,024,400	29,061,816
Loss for the year	-	-	(2,360,195)	(2,360,195)
Movement in the year	-	(37,415)	-	(37,415)
Contributions by and distributions to owners:				
Dividends paid	-	-	(21,024,774)	(21,024,774)
At 31 December 2015	1	-	5,639,431	5,639,432

The notes on pages 11 to 26 form part of these financial statements.

Statement of changes in equity
As at 31 December 2014

	Share capital	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2014	20,806,601	37,416	29,605,573	50,449,589
Loss for the year	-	-	(581,173)	(581,173)
Shares redeemed during the year	(20,806,600)	-	-	(20,806,600)
At 31 December 2014	**1**	**37,415**	**29,024,400**	**29,061,816**

The notes on pages 15 to 30 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2015

1. **Accounting policies**

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102'), and the Companies Act 2006.

The Company has taken advantage of the exemption from preparing consolidated financial statements contained in section 401 of the Companies Act 2006 as the Company is a wholly owned subsidiary of the parent for which consolidated financial statements are prepared.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

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 Change in presentational currency

The Company's functional and presentational currency is GBP. During the year the Company was sold to AS Expobank, a Latvian bank, and the presentational currency was changed back to GBP (in 2014, the financial statements were presented in US Dollars ('USD') to eliminate inconsistencies with reporting within the wider FXCM Group).

A change in presentation currency is a change in accounting policy which is accounted for retrospectively. Statutory financial information included in the Company's financial statements for the year ended 31 December 2014 previously reported in USD has been restated into GBP using the procedures outlined below:

- assets and liabilities denominated in non-GBP currencies were translated into GBP at the closing rates of exchange on the relevant reporting date;
- non-GBP income and expenditure was translated at the average rates of exchange prevailing for the relevant period;
- share capital and other reserves were translated at the closing rates of exchange on the reporting balance sheet date; and
- all exchange rates were extracted from the Company's underlying financial records.

1.3 FRS 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

This information is included in the consolidated financial statements of AS Expobank as at 31 December 2015 and these financial statements may be obtained from www.expobank.eu.

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover represents:

- Commission revenue (which is recognised net of commission payable) is generated from an affiliate for acting as a referring broker, although the Company is still a principal on all foreign exchange transactions; and excludes value added tax. Commission revenue is recognised on a trade date basis.
- Profit and loss on trading in CFD's (net of commission payable) results from the contracts being marked to market and the resulting profit or loss is recognised as incurred. Any profit or loss realised due to hedge transactions is netted against the profit or loss from the original transaction.
- Profit and losses on brokerage activities (which are recognised net of commission payable) results from the Company acting as agent on behalf of clients for on-exchange traded products. Turnover is recognised on a trade date basis.

1.5 Other operating income

Other operating income comprises principally of inactivity fees. Inactivity fees are recognised based on the trading activity on a client account and in accordance with the rate card applicable at that moment in time.

1.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Capitalised trademark costs are not amortised and are subject to an impairment review.

Capitalised software development costs 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 five years.

The estimated useful life of the intangible asset is as follows:

Software development-platform costs	- 3	years

Software development initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

1.7 Tangible assets

Tangible 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. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Computer hardware	-	4 years

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 within 'other operating income' in the statement of comprehensive income.

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.

1.10 Cash at bank and in hand

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.

The Company holds money on behalf of clients in accordance with the Client Money and Asset Rules of the UK Financial Conduct Authority (FCA) and other regulatory bodies. Such monies and the corresponding liabilities to the clients are included on the statement of financial position as disclosed in the notes.

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

1.11 Financial Instruments

The Company only enters into transactions that result in the recognition of basic financial instruments like trade and other debtors and creditors, loans to/from related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, 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-puttable ordinary and preference shares are measured at cost less impairment.

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 Income statement.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

1.12 Creditors

Short term creditors are measured at the transaction price.

Notes to the financial statements
For the year ended 31 December 2015

1. **Accounting policies (continued)**

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 statement of comprehensive income 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 statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

1.14 Interest receivable

Interest receivable is recognised in the statement of comprehensive income using the effective interest method.

1.15 Finance costs

Interest payable is charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change 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 reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting 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 reporting 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.

The directors have decided not to recognise a potential deferred tax asset as a result due to the current uncertainty over the availability of future taxable profits. Judgement is also required regarding the capitalisation of software development costs (see note 1.6).

3. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Commission revenue	861,557	1,712,380
Commission on brokerage of Contacts For Difference trading	284,672	388,691
Brokerage activities	1,828,543	2,180,297
	2,974,772	4,281,368

All turnover arose from activities within the United Kingdom.

Notes to the financial statements
For the year ended 31 December 2015

4. Other operating income

	1900 £	1900 £
Other operating income	224,368	902,301
	224,368	902,301

5. Operating loss

The operating loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	17,422	103,185
Amortisation of intangible assets	1,449,803	668,087
Exchange differences	40,081	180,696

6. Auditor's remuneration

	2015 £	2014 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	19,750	172,985
Fees payable to the Company's auditor in respect of:		
Audit related assurance services	4,500	2,418
Taxation compliance	2,500	-

In 2014, auditor's remuneration related to fees payable to the previous auditor and included amounts relating to other group entities.

Notes to the financial statements
For the year ended 31 December 2015

7. Staff costs and average number of employees

Staff costs, including directors' remuneration, during the year were as follows:

	2015 £	2014 £
Wages and salaries	968,818	1,361,148
Social security costs	104,169	155,666
	1,072,987	1,516,814

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

	2015 No.	2014 No.
Sales, marketing and support	4	8
IT	2	2
Trading	5	6
Management and administrative	1	4
	12	20

8. Directors' remuneration

	2015 £	2014 £
Remuneration	83,967	217,075
	83,967	217,075

9. Interest receivable

	2015 £	2014 £
Interest on cash and short-term deposits	140,794	227,930
Interest received from client accounts	-	45,486
	140,794	273,416

10. Interest payable and similar charges

	2015 £	2014 £
Interest paid to counterparties	4,795	1,454
Interest paid on client accounts	8,795	422
	13,590	1,876

Notes to the financial statements
For the year ended 31 December 2015

11. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	-	(221,217)
Adjustments in respect of previous periods	-	53,992
Total current tax	-	(167,225)
Deferred tax		
Origination and reversal of timing differences	463,448	126,038
Total deferred tax	463,448	126,038
Taxation on profit/(loss) on ordinary activities	463,448	(41,187)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5. The differences are explained below:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	(1,896,747)	(622,360)
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	(384,091)	(133,807)
Effects of:		
Expenses not deductible for tax purposes	4,717	9,388
Capital allowances for year in excess of depreciation	-	(99,215)
Reversal of opening deferred tax asset	463,448	-
Short term timing difference leading to an increase (decrease) in taxation	-	4,375
Other differences leading to an increase (decrease) in the tax charge	-	178,072
Deferred tax asset not recognised	379,374	-
Total tax charge for the year	463,448	(41,187)

Factors that may affect future tax charges

[A potential deferred tax asset has not been recognised due to the uncertainty over the availability of future taxable profits.

Notes to the financial statements
For the year ended 31 December 2015

12. Dividends

	2015 £	2014 £
Dividends paid in the year	21,024,774	-

13. Intangible assets

	Software development platform costs £	Trademarks £	Total £
Cost			
At 1 January 2015	3,856,518	88,407	3,944,925
Additions	91,307	-	91,307
At 31 December 2015	3,947,825	88,407	4,036,232
Amortisation			
At 1 January 2015	668,087	-	668,087
Charge for the year	1,449,803	-	1,449,803
At 31 December 2015	2,117,890	-	2,117,890
Net book value			
At 31 December 2015	1,829,935	88,407	1,918,342
At 31 December 2014	3,188,431	88,407	3,276,838

Notes to the financial statements
For the year ended 31 December 2015

14. Tangible assets

	Computer hardware £
Cost or valuation	
At 1 January 2015	907,022
Disposals	(393,057)
At 31 December 2015	**513,965**
Depreciation	
At 1 January 2015	842,625
Charge for the year	17,422
Disposals	(346,082)
At 31 December 2015	**513,965**
At 31 December 2015	-
At 31 December 2014	64,397

Notes to the financial statements
For the year ended 31 December 2015

15. Fixed asset investments

	Investment in subsidiary undertaking
	£
Cost or valuation	
At 1 January 2015	2
At 31 December 2015	2
At 31 December 2014	2

Subsidiary undertakings

The following was the subsidiary undertaking of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
FXCM Nominees Limited *	UK	Ordinary	100 %	Nominee

* = Dormant company.

Notes to the financial statements
For the year ended 31 December 2015

16. Debtors

	2015 £	2014 £
Due within one year		
Trade debtors	1,698,037	1,134,234
Amounts owed by immediate parent undertaking	-	10,669,064
Amounts owed by group undertakings	-	3,265,662
Other debtors	1,894,607	843,304
Prepayments and accrued income	63,883	255,884
Corporation tax recoverable	-	496,290
Deferred taxation	-	463,448
	3,656,527	17,127,886

Amounts owed by group undertakings were from various inter group recharges, profit sharing etc., and had no fixed date of repayment and were repayable on demand.

Trade debtors include amounts owed by customers, where the amounts owing are fully collateralised. The assets belonging to the customers, used to collateralise these balances, are not held on the statement of financial position.

17. Cash at bank and in hand

	2015 £	2014 £
Cash at bank and in hand - Own funds	2,529,833	10,038,281
Cash at bank and in hand - Client funds	42,525,997	77,073,539
	45,055,830	87,111,820

Both own funds and client funds are short-term cash deposits with an original maturity of less than three months.

Notes to the financial statements
For the year ended 31 December 2015

18. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors - Segregated client balances	41,514,385	65,952,440
Trade creditors - Non-segregated client balances	1,011,612	11,121,099
Trade creditors - Other	42,413	81,148
Amounts owed to group undertakings	1,880,000	803,936
Other taxation and social security	98,841	38,093
Other creditors	136,180	88,926
Accruals and deferred income	307,838	433,485
	44,991,269	78,519,127

Amounts due to group undertakings in the current year are amounts due to the parent company resulting from the acquisition in the year. Amounts due to group undertakings in the prior year were from various inter group recharges, profit sharing etc., and had no fixed date of repayment and were repayable in demand.

Client balances are repayable on demand. Other trade creditors have an original maturity of less than three months.

19. Deferred taxation

	Deferred tax £
At 1 January 2015	463,448
Charged to the statement of comprehensive income	(463,448)
At 31 December 2015	-

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	-	427,078
Short term timing differences	-	36,370
	-	463,448

Notes to the financial statements
For the year ended 31 December 2015

20. Reserves

Retained earnings

The retained earnings account includes all current and prior years retained earnings.

21. Share capital

	2015 £	2014 £
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1	1	1

22. Contingent liabilities

A client of the Company has made a claim against the Company in respect of commissions charged and trading losses on their account. It is not probable that the claim will be successful, and the amount and timing of any potential outflow cannot be estimated reliably. Therefore, no provision has been recognised.

There were no other contingent liabilities at 31 December 2015 or 31 December 2014.

23. Capital commitments

The Company had no capital commitments at 31 December 2015 or 31 December 2014.

24. Related party transactions

The Company has taken advantage of the exemption in Section 33.1A of FRS 102 and has not disclosed transactions with wholly owned members of the group headed by AS Expobank.

25. Controlling party

The immediate and ultimate parent undertaking is AS Expobank, an entity incorporated in Latvia.

The largest and smallest group of undertakings for which group accounts are prepared, which include the company, is that headed by AS Expobank. Copies of these group accounts are available from www.expobank.eu.

AS Expobank is 100% owned by Igor Kim. Igor Kim is the the ultimate controlling party and operates and controls all of the business and affairs of the Company.

26. Company details

Walbrook Capital Markets Limited is a private company limited by shares and is registered in England. Its company registration number is 2926252. The registered office of the company is 8th Floor, Northern and Shell Building, 10 Lower Thames Street, London, EC3R 6AD.

27. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.