Registered number: 07101360

ICM CAPITAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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

ICM CAPITAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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COMPANY INFORMATION

Directors	S Abedi M Issapoor (Appointed 6 June 2018) T Lu (Appointed 6 June 2018) I Abedi (Resigned 18 September 2018) T Bui (Resigned 5 September 2018)
Company secretary	S Abedi
Registered number	07101360
Registered office	New Broad Street House 35 New Broad Street London EC2M 1NH United Kingdom
Independent auditors	Lubbock Fine Chartered Accountants Paternoster House 65 St Paul's Churchyard London EC4M 8AB United Kingdom
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP United Kingdom Emirates NBD Bank GHO, Baniyas Road P.O. Box 777 Dubai United Arab Emirates Lloyds Bank PLC 25 Gresham Street London EC2V 7HN United Kingdon

The directors present their strategic report on the Company for the year ended 31 December 2018.

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 loss on ordinary activities before taxation of (£1,677,677) (2017 profit: £3,083,070) and a loss of (£1,376,038) (2017: profit £2,442,842) for the year.

Principal risks and uncertainties

The principal risk facing the Company would be the removal of brokerage income which is primarily driven by market conditions and regulation change. The Company continually reviews these risks and takes any action deemed necessary. The European Securities and Markets Authorities (ESMA) introduced a set of restrictions on Contract For Differences (CFD's) offering in March 2018. As a result, the Company's retail business was negatively impacted.

Business environment and future developments

The Company operates within the financial sector with its main focus being in the United Kingdom, Middle East and Asia.

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

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

Since the introduction of the new ESMA rule, the Company has started shifting its focus towards institutional offering.

Financial key performance indicators

The Company considers turnover and profit to be its key performance indicators where it achieved turnover of £7,201,986 (2017: £14,429,679) and a loss on ordinary activities before taxation of (£1,677,677) (2017: profit £2,442,842) for the year.

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

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T Lu
Director

Date: 25/04/2019

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Results and dividends

The loss for the year, after taxation, amounted to (£1,376,038), (2017: profit £2,442,842).

No dividends have been declared for the year ended 31st December 2018. (2017: declared and paid £6,450,000).

Directors

The directors who served during the year were:

S Abedi
M Issapoor (Appointed 6 June 2018)
T Lu (Appointed 6 June 2018)
I Abedi (Resigned 18 September 2018)
T Bui (Resigned 5 September 2018)

Financial instruments and risk management

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

Details of the Company's financial risk management objectives and policies are included in note 21 to the financial statements.

Matters covered in the strategic report

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

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

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

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

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T Lu
Director

Date: 25/04/2019

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ICM CAPITAL LIMITED

Opinion

We have audited the financial statements of ICM Capital Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' responsibilities for the audit of the financial statements (*continued*)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lubbock Fine

Stephen Banks (Senior Statutory Auditor)

for and on behalf of
Lubbock Fine

Chartered Accountants & Statutory Auditors

Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB
Date: 23 April 2019

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	4	7,201,986	14,429,679
Cost of sales		(2,445,023)	(3,844,663)
Gross profit		4,756,963	10,585,016
Administrative expenses		(7,198,338)	(7,964,896)
Other operating income		750,494	445,184
Operating profit	5	(1,690,881)	3,065,304
Interest receivable and similar income		13,204	17,766
(Loss)/Profit before tax		(1,677,677)	3,083,070
Tax on (Loss)/Profit	8	301,639	(640,228)
(Loss)/Profit for the year		**(1,376,038)**	**2,442,842**

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 12 to 27 form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes		2018 £		As Restated 2017 £
Fixed assets					
Intangible assets	9		258,202		681,067
Tangible assets	10		141,802		138,063
			400,004		819,130
Current assets					
Debtors: amounts falling due within one year	11	3,298,454		2,122,126	
Cash and cash equivalents	12	4,546,541		8,730,301	
		7,844,995		10,852,427	
Creditors: amounts falling due within one year	13	(3,595,387)		(5,571,502)	
Net current assets			4,249,608		5,280,925
Total assets less current liabilities			4,649,612		6,100,055
Provisions for liabilities					
Deferred tax	14	(49,493)		(123,898)	
			(49,493)		(123,898)
Net assets			**4,600,119**		**5,976,157**
Capital and reserves					
Called up share capital	18		1,099,713		1,099,713
Profit and loss account			3,500,406		4,876,444
			4,600,119		**5,976,157**

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

T Lu
Director

Date: 25/04/2019

The notes on pages 12 to 27 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Profit and loss £	Total £
At 1 January 2017	1,099,713	8,883,602	9,983,315
Profit for the year	-	2,442,842	2,442,842
Cash dividends paid	-	(6,450,000)	(6,450,000)
At 31 December 2017	1,099,713	4,876,444	5,976,157
At 1 January 2018	1,099,713	4,876,444	5,976,157
Profit for the year	-	(1,376,038)	(1,376,038)
At 31 December 2018	**1,099,713**	**3,500,406**	**4,600,119**

The notes on pages 12 to 27 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	As Restated 2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (Loss) / Profit before income tax	(1,677,677)	3,083,070
Adjustments for:		
Exceptional items	48,524	773,054
Amortisation of intangible assets	193,451	342,746
Impairment of intangible assets	271,863	-
Depreciation of tangible assets	32,954	36,106
Impairment of tangible assets	16,638	-
Interest received	(13,204)	(17,766)
Operating income before working capital changes	(1,127,451)	4,217,210
(Increase) / decrease in debtors	(1,021,400)	1,666,713
Decrease in creditors	(1,678,247)	(3,491,717)
Net cash (used) for / generated from operations	(3,827,098)	2,392,206
Interest received	13,204	17,766
Corporation taxes paid	(309,743)	(1,505,545)
NET CASH (UTILISED IN) / PROVIDED BY OPERATING ACTIVITIES	(4,123,637)	904,427
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(11,599)	(28,838)
CASH FLOWS FROM FINANCING ACTIVITIES		
Equity dividends paid	-	(6,450,000)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(4,135,236)	(5,574,411)
CASH AND CASH EQUIVALENTS		
At the beginning of the year	9,503,355	15,077,766
At the end of the year	**5,368,119**	**9,503,355**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR COMPRISE:		
Cash at bank and in hand and segregated client funds	5,368,119	9,503,355
Provision for exceptional charges	(821,578)	(773,054)
	4,546,541	**8,730,301**
NON-CASH ITEMS IN MOVEMENT OF DEBTORS		
Transfer of tangible assets	41,732	-
Transfer of intangible assets	42,449	-
Total non-cash items in movement of debtors	84,181	-

The notes on pages 12 to 27 form part of these financial statements.

1. GENERAL INFORMATION

ICM Capital Limited ('the Company') is a private company, limited by shares, incorporated in England and Wales on 10 December 2009, registration number 07101360. The Company is classified as IFPRU 730K Firm as defined in the FCA Handbook.

The Company's registered office and principal place of business is New Broad Street House, 35 New Broad Street, London, EC2M 1NH.

The financial statements are presented in pound sterling (£) which is the functional and presentational currency of the Company. All values are rounded to the nearest £ unless otherwise indicated. .

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost basis unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 (FRS102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of the 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:

2.2 Turnover

Turnover is composed of market-making profits earned from trading in spot foreign exchange and CFD's. Gains and losses are recognised on closed positions as they occur and on open positions using a mark-to-market valuation.

2.3 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.

2.4 Intangible assets

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

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

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

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

2. ACCOUNTING POLICIES (*CONTINUED*)

2.5 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.

Depreciation is provided on the following basis:

Fixtures and fittings – 20% straight line
Computer equipment – 20% straight line
Motor Vehicles – 20% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.7 Debtors

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

2.8 Cash and cash equivalents

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

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

2. ACCOUNTING POLICIES (*CONTINUED*)

2.9 Financial Instruments

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

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

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

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably; or
- at cost less impairment for all other investments.

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

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

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

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

2. ACCOUNTING POLICIES (*CONTINUED*)

2.10 Creditors

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

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is £.

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.

2.12 Pensions

Defined contribution pension plan

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

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

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2. ACCOUNTING POLICIES (*CONTINUED*)

2.14 Provisions for liabilities

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

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

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

2.15 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 charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

4. TURNOVER

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

5. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £	2017 £
Exceptional charges*	48,524	773,054
Foreign exchange (gain)/loss	(98,422)	709,084
Technological recharge	728,405	648,985
Depreciation and amortisation	226,405	378,852
Impairment	288,501	-
Fees payable to the Company's auditor and its associates for the audit of the Company's accounts	26,397	28,802
Rent expense	185,212	212,714
Defined contribution pension cost	6,575	3,383

*Exceptional charges account relates to the provision against bank accounts held with Emirates NBD (ENBD). In March 2017, ENBD blocked the Company's access to the funds for reasons unknown. The Company has appointed a legal counsel to pursue recovery of the funds. Total provision for exceptional charges against bank accounts held with ENBD amounted to £821,578, and £773,054 as at 31 December 2018 and 2017 respectively and are presented as a contra asset in note 12

6. EMPLOYEES

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

	2018 £	2017 £
Wages and salaries	2,443,390	2,157,555
Social security costs	68,587	92,049
Cost of defined contribution scheme	6,575	3,383
	2,518,552	2,252,987

6. EMPLOYEES *(CONTINUED)*

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

	2018 No	2017 No
Number of employees	60	62

7. DIRECTORS' REMUNERATION

	2018 £	2017 £
Directors' emoluments	627,209	205,000

The highest paid director received remuneration of £560,000 (2017: £115,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2017: £385).

The amount of the accrued lump sum in respect of the highest paid director at 31 December 2018 amounted to £1,194 (2017: £1,194).

8. TAXATION

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	(227,234)	697,868
Deferred tax		
Origination and reversal of timing differences	(74,405)	(57,640)
Taxation on profit on ordinary activities	(301,639)	640,228

8. TAXATION *(CONTINUED)*

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	(1,677,677)	3,083,070
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(318,759)	593,385
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,692	39,226
Capital allowances for year in excess of depreciation		(710)
Losses carried back	224,323	-
Adjustments to tax charge in respect of prior periods	(227,234)	-
Short term timing differences	-	(57,640)
Adjust closing deferred tax to average rate of 19.00%	(5,823)	-
Adjust opening deferred tax to average rate of 19.00%	14,576	-
Other fixed asset timing differences	2,586	65,967
Total tax charge for the year	(301,639)	640,228

Factors that may affect future tax charges

There are no factors affecting future tax charges.

9. INTANGIBLE ASSETS

	Software Assets £
Cost	
At 1 January 2017 and 31 December 2017	1,123,554
At 1 January 2018	1,123,554
Transfer during the year*	42,449
Impairment during the year	(549,686)
At 31 December 2018	616,317
Accumulated amortization	
At 1 January 2017	99,741
Charged during the year	342,746
At 31 December 2017	442,487

9. INTANGIBLE ASSETS *(CONTINUED)*

	Software Assets £
Accumulated amortization (continued)	
At 1 January 2018	442,487
Charge during the year	193,451
Impairment during the year	(277,823)
At 31 December 2018	**358,115**
Net book value	
At 31 December 2018	**258,202**
At 31 December 2017	681,067

*Pertains to the transferred assets from ICM Technology Limited

10. TANGIBLE FIXED ASSETS

	Motor vehicle	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2017	-	173,766	44,142	217,908
Additions during the year	-	17,125	11,713	28,838
At 31 December 2017	-	190,891	55,855	246,746
At 1 January 2018	-	190,891	55,855	246,746
Additions during the year	6,378	189	5,032	11,599
Transfer during the year*	-	-	54,752	54,752
Impairment during the year	-	(36,013)	-	(36,013)
At 31 December 2018	6,378	155,067	115,639	277,084
Accumulated depreciation				
At 1 January 2017	-	32,721	39,856	72,577
Charged during the year	-	30,210	5,896	36,106
At 31 December 2017	-	62,931	45,752	108,683
At 1 January 2018	-	62,931	45,752	108,683
Charge for the year	996	28,946	3,012	32,954
Transfer during the year*	-	-	13,020	13,020
Disposal during the year	-	(19,375)	-	(19,375)
At 31 December 2018	996	72,502	61,784	135,282
Net book value				
At 31 December 2018	**5,382**	**82,565**	**53,855**	**141,802**
At 31 December 2017	-	127,960	10,103	138,063

*Pertains to the transferred assets from ICM Technology Limited

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other debtors	2,707,307	1,837,726
Prepayments	352,038	284,400
Tax credit	239,109	-
	3,298,454	2,122,126

12. CASH AND CASH EQUIVALENTS

	2018 £	As Restated 2017 £
Cash in bank and at hand	2,072,593	4,513,173
Segregated client funds	3,295,526	4,990,182
	5,368,119	9, 503,355
Provision for exceptional charges*	(821,578)	(773,054)
	4,546,541	8,730,301

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

*Exceptional charges account relates to the provision against bank accounts held with Emirates NBD (ENBD) as disclosed in Note 5.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	As Restated 2017 £
Amounts due to clients	3,274,978	4,743,188
Corporation tax	-	297,868
Taxation and social security	18,322	21,223
Other creditors	143,909	307,521
Accruals and deferred income	158,178	201,702
	3,595,387	5,571,502

14. DEFERRED TAXATION

	2018 £	2017 £
At the beginning of the year	(123,898)	(181,538)
Charged to profit and loss	74,405	57,640
At the end of the year	(49,493)	(123,898)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(49,493)	(123,898)

15. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme, during the year the company contributed £6,575 (2017: £3,383) to the plan. There was no outstanding balance payable at 31 December 2018.

16. COMMITMENTS UNDER OPERATING LEASES

Rent expense included as part of 'Administrative expenses' account in the Statement of Comprehensive Income, amounted to £177,808 for the year ended 31 December 2018 (2017 £212,714).

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Within one year	54,508	184,353
Between two and five years	43,675	122,715
Total	**98,183**	**307,068**

17. RELATED PARTY TRANSACTIONS

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

	2018 £	As restated 2017 £
Entities with control, joint control or significant influence over the entity		
Amounts due from ICM Holding SARL*	-	125,969
Purchases from ICM Holding SARL	144,919	(3,628)
Other related parties		
Amounts due from related parties*	1,915,799	205,986
Purchases from related parties	1,628,821	648,985
Sales to related parties	1,227,549	-

*The amounts presented above are included as part of 'Other debtors' account in 'Debtors: Amounts falling due within one year' account in the Balance Sheet.

Terms and conditions of transactions with related parties

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

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including directors. Total amount paid to key management personnel during the year was £627,209 (2017: £205,000).

17. RELATED PARTY TRANSACTIONS *(CONTINUED)*

Transactions with Directors

At the balance sheet date an amount of £495,439 (2017: nil) was due from a director of the Company. The amount is unsecured and interest free. The amount is repayable on demand.

18. SHARE CAPITAL

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
1,730,174 Ordinary shares of $1 each	1,099,713	1,099,713

19. PILLAR 3 DISCLOSURES

The capital requirements for firms such as ICM Capital Limited have been enacted in the United Kingdom through the FCA Handbook and particularly within the FCA Prudential Sourcebook for Investment Firms ('IFPRU'). The following disclosures are prepared and have been reviewed and approved by the Board of the Company, in accordance with the Capital Requirements Directive (CRD IV), which is the framework for implementing Basel III in the European Union. CRD IV rules are set out under three pillars:

Pillar 1 is a variable capital requirement based on the sum of operational, market and credit risk requirements. ICM Capital Limited must maintain at all times capital resources equal to or in excess of the amount specified.

Pillar 2 requires all firms and supervisors to review whether additional capital should be held against risks not covered in Pillar 1, to instigate additional controls to mitigate such risks or a combination of these two approaches. ICM Capital Limited undertakes an Internal Capital Adequacy Assessment Process (ICAAP) in order to assist in this process.

Pillar 3 requires firms to publish certain details of capital and risk management and to review and update this information at least annually.

Under the rules a firm may omit one or more disclosures where the information provided by such disclosure is not regarded as material.

The disclosures below are the required Pillar 3 disclosures and apply solely to ICM Capital Limited. The disclosures are not subject to audit and do not constitute any form of audited financial statement. The disclosures have been produced solely for the purpose of fulfilling our obligation with respect to Pillar 3 regulatory requirements and have been reviewed and approved by the Board.

19. PILLAR 3 DISCLOSURES *(CONTINUED)*

During the years ended 31 December 2018 and 2017 capital has been maintained at a level above minimum FCA requirements as follows:

	2018 £	As Restated 2017 £
Capital Resources		
Tier 1		
Share capital	1,099,713	1,099,713
Profit and loss account	3,500,406	4,876,444
Tier 2	-	-
Tier 3	-	-
Deductions from Tier1 Capital		
Intangible assets	(258,202)	(681,067)
Capital Resources	4,341,917	5,295,090
Capital Requirement	(4,229,271)	(3,771,000)
Excess Capital	**112,646**	**1,524,090**

20. FINANCIAL INSTRUMENTS

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

Cash at bank and in hand represents cash held on demand and on deposit with financial institutions. Closed positions with clients and brokers are disclosed as loans and debtors.

Amounts due to clients represent balances where the combination of clients' cash held on account and the valuation of financial derivatives open positions results in an amount payable by the Company.

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**2,707,307**	**1,837,726**
Financial liabilities		
Financial liabilities measured at amortised cost	**(3,577,065)**	**(5,252,411)**

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

Financial assets measured at amortised cost comprise of other debtors.

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

20. 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.

	2018			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Other debtors	708,596	–	–	708,596
Amounts due to clients	3,274,978	–	–	3,274,978

	2017			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Other debtors	1,559,775	–	–	1,566,300
Amounts due to clients	4,743,188	–	–	4,743,188

21. FINANCIAL RISK MANAGEMENT

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

Market risk

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

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

Interest rate risk

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

21. 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:

	2018		
	Liabilities	**Assets**	**Net**
	£	**£**	**£**
US Dollar	(2,996,886)	2,273,627	(723,258)
United Arab Emirates Dirhams	(962,647)	2,251,901	1,289,254
Euro	(292,974)	265,945	(27,029)
Singapore Dollar	(18)	-	(18)
Mauritian Rupee	-	5,969	5,969
Kuwaiti Dinar	-	10,443	10,443
Chinese Yuan	(31,706)	26,888	(4,818)
Great British Pound	(182,227)	3,646,377	3,464,151
Jordanian Dinar	-	6,541	6,541
Saudi Arabian Riyal	-	4,682	4,682
Polish Zloty	-	203	203
Lebanese Pound	-	172,025	172,025
Malaysian Ringett	-	1,970	1,970

	2017		
	Liabilities	**Assets**	**Net**
	£	**£**	**£**
US Dollar	(4,609,866)	5,563,484	953,618
United Arab Emirates Dirhams	(314,603)	3,335,367	3,020,765
Euro	(189,696)	1,226,795	1,037,099
Singapore Dollar	(3)	264,662	264,659
Mauritian Rupee	-	2,903	2,903
Kuwaiti Dinar	-	83,271	83,271
Chinese Yuan	(1,650)	28,021	26,371
Great British Pound	(157,817)	342,259	184,442
Jordanian Dinar	-	70	70
Saudi Arbian Riyal	-	5,595	5,595

21. FINANCIAL RISK MANAGEMENT (*CONTINUED*)

Foreign currency risk (continued)

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

Credit risk

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

Liquidity risk

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

22. ULTIMATE CONTROLLING PARTY

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

23. COMPARATIVE FIGURES

Prior year's figures have been reclassified, where necessary, to conform to the current year's presentation.