

REGISTERED NUMBER: 07280005 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2014
for
Delta Financial Markets Ltd

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for the Year Ended 31 December 2014

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Delta Financial Markets Ltd

Company Information
for the Year Ended 31 December 2014

DIRECTORS:

V A Kisyov
N Nedkov

REGISTERED OFFICE:

3rd Floor Fairgate House
78 New Oxford Street
London
WC1A 1HB

REGISTERED NUMBER:

07280005 (England and Wales)

AUDITORS:

S H Landes LLP
Statutory Auditors
3rd Floor, Fairgate House
78 New Oxford Street
London
WC1A 1HB

Strategic Report
for the Year Ended 31 December 2014

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

REVIEW OF BUSINESS

DF Markets Ltd issues the following trading update relating to the 12 months ended 31 of December 2014.

The year of 2014 was the most successful year for the company since its commencement of business in November 2011.

In the overview period DF Markets continued investing considerable resources in innovation and platform development. The company expanded its service portfolio with financial spread betting. That was marked by the release of DFTrader SB platform in February 2014 and followed by the launch of DF WebTrader SB and DF Mobile SB online trading platforms.

A number of new upgrades of company's flagship CFD platform DFTrader, DF WebTrader and DF Mobile were released in the course of the year.

Based on the implementation of the above mentioned innovations the company was better positioned to meet client expectation as well as enhance their experience with DF Markets' services. The company was able to tap into the vastly increasing trend towards mobile trading.

DF Markets' continued to focus on digital marketing as a core strategy to further establish its presence in the marketplace. Marketing budget spending was allocated almost entirely to Search Engine Optimisation (SEO), Google adwords and display network advertising.

Directors are glad to confirm that the company has experienced a considerable number of new accounts opened during the period. That was contributed to the implementation of marketing initiatives, the extensive range of asset classes, innovative and user-friendly platforms. Additionally the growth was supported by the high quality customer service provided and effective relationships with introducing partners.

For the period, the firm's underlying performance featured a substantial growth in all aspects of its business, such as number of clients, solicited client funds, traded volumes and revenue.

The firm continues to explore opportunities for geographic expansion in key markets, as well as to further extend its trading platforms and product range. The focus on technology and high quality customer service are seen as key factors in firm's strategic approach which, together with DF Markets' growing international presence, will continue to drive client recruitment.

Strategic Report
for the Year Ended 31 December 2014

PRINCIPAL RISKS AND UNCERTAINTIES

The company's activities expose it to financial risks including market risk, credit risk, cash flow risk, liquidity risk and currency risk.

Market risk

Market risk is the risk of potential loss due to change 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.

Credit risk

Credit risk is derived from the potential inability of customers to settle amounts owing to the company when due. The company regularly reviews its credit risk and will take appropriate action should excessive risk be determined. The company does not currently offer credit terms to any of its customers.

Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its cash flow obligations as they become due because of an inability to obtain funding. It is the company's policy to ensure that it will always have sufficient liquidity to meet its commitments. The company has increased its liquidity during the period by increasing its paid up capital and plans to do so for the forthcoming future.

The company is reliant on its ultimate parent company to provide financing in the event of a liquidity shortfall.

Currency risk

The Company is exposed to currency risk in respect of balances in currencies other than sterling. If deemed appropriate the Company will hedge exposure to minimise the risks.

Operational risk

The company has in place procedures to minimise the risk of financial loss due to errors, systems failures or failures in internal controls.

Regulation risk

The company is authorised and regulated by the Financial Conduct Authority (FCA). The company dedicates adequate resources to meet its regulatory commitments and continually works to improve its internal procedures to meet the challenges set by the changing regulatory environment.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company will continue to receive financial support from the parent company to enable it to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Strategic Report
for the Year Ended 31 December 2014

REMUNERATION POLICY

Overview

Given the size and nature of the company, the directors consider that it does not need to maintain a separate remuneration committee. This decision will be reviewed by in the event of any material changes in the business.

Remuneration of all directors and employees is directly overseen by the CEO in conjunction with the board of directors.

General Requirements

The company is required to implement and maintain a remuneration policy, procedures and practices for all directors and employees that are consistent with and promote sound effective risk management and are in accordance with the FCA's code of practice.

The policy is intended to cover all aspects of remuneration and is subject to the company's general organisation requirements under the FCA's Senior Management Arrangements, systems and controls ("SYSC"). The company is a full scope IFPRU 730K investment firm. The Company seeks to avoid creating any incentive for individuals to take inappropriate risk.

The remuneration policy is in line with the business strategy, objectives, values and long term interest of the firm, and incorporates measures to avoid conflicts of interest.

The company's business strategy is to provide clients an electronic trading platform in order to trade CFD's in Forex and other financial products.

The company will seek to attract appropriate talent by offering some flexibility and retain confidentiality in respect of some of the terms it introduces. However, these terms will be appropriate and respect the principles of this policy.

Conflicts of Interest

The company regularly reviews potential conflicts and where appropriate updates its conflict of interest policy.

The remuneration structure discourages directors and staff from acting unfairly towards clients.

The company ensures fair treatment of clients by ensuring that its client take-on policy complies with the Financial Services and Markets Act 2000.

The company has an anti-bribery policy which prohibits the offering, the giving, the solicitation or acceptance of any bribe whether cash or inducement.

Governance

This policy will be reviewed by the board of directors on an annual basis.

Private Medical Insurance

The company does not have a Medical Insurance Scheme.

Remuneration Structures

Directors and Staff receive an annual salary paid monthly on or around the last day of each month.

Benefits

Certain members of staff have been transferred to London from the Bulgarian parent company. In such cases the company provides them with an apartment.

Discretionary Bonuses

Strategic Report
for the Year Ended 31 December 2014

The company runs a discretionary bonus scheme that is based on individual performance as well as company's profitability. The bonus does not form part of the employees contractual remuneration.

ON BEHALF OF THE BOARD:



.....
V A Kisyov - Director

Date: 24/04/2015

Report of the Directors
for the Year Ended 31 December 2014

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

PRINCIPAL ACTIVITY

The company's principal activity is that of market making and brokerage services in rolling spot foreign exchange contracts and financial contracts for differences on individual shares, stock indices, commodity and financial futures - all being offered as OTC products.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

V A Kisyov
N Nedkov

Other changes in directors holding office are as follows:

T Klein - resigned 7 July 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Report of the Directors
for the Year Ended 31 December 2014

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



.....
V A Kisiov - Director

Date: 24/04/2015

**Report of the Independent Auditors to the Members of
Delta Financial Markets Ltd**

We have audited the financial statements of Delta Financial Markets Ltd for the year ended 31 December 2014 on pages nine to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Steven Landes (Senior Statutory Auditor)
for and on behalf of S H Landes LLP
Statutory Auditors
3rd Floor, Fairgate House
78 New Oxford Street
London
WC1A 1HB

Date: 27/4/15

Steven Landes

Delta Financial Markets Ltd (Registered number: 07280005)

Profit and Loss Account
for the Year Ended 31 December 2014

| | Notes | 31.12.14 £ | 31.12.13 £ |
|--|-------|---------------|---------------|
| TURNOVER | | 2,017,159 | 726,232 |
| Cost of sales | | 1,261,105 | 236,571 |
| GROSS PROFIT | | 756,054 | 489,661 |
| Administrative expenses | | 569,190 | 414,839 |
| | | 186,864 | 74,822 |
| Other operating income | | - | 5,388 |
| OPERATING PROFIT | 3 | 186,864 | 80,210 |
| Interest receivable and similar income | | 110 | 501 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 186,974 | 80,711 |
| Tax on profit on ordinary activities | 4 | 22 | 100 |
| PROFIT FOR THE FINANCIAL YEAR | | 186,952 | 80,611 |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

Delta Financial Markets Ltd (Registered number: 07280005)

Balance Sheet
31 December 2014

| | Notes | 31.12.14 £ | £ | 31.12.13 £ | £ |
|--|-------|---------------|-----------|---------------|-----------|
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | | 2,419 | | 1,283 |
| CURRENT ASSETS | | | | | |
| Debtors | 6 | 509,443 | | 220,924 | |
| Cash at bank | | 860,759 | | 806,598 | |
| | | 1,370,202 | | 1,027,522 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 7 | 45,638 | | 88,774 | |
| NET CURRENT ASSETS | | | 1,324,564 | | 938,748 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,326,983 | | 940,031 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 9 | | 1,400,000 | | 1,200,000 |
| Profit and loss account | 10 | | (73,017) | | (259,969) |
| SHAREHOLDERS' FUNDS | 13 | | 1,326,983 | | 940,031 |

The financial statements were approved by the Board of Directors on 24/04/2015 and were signed on its behalf by:


.....
V A Kisiov - Director

The notes form part of these financial statements

Delta Financial Markets Ltd (Registered number: 07280005)

Cash Flow Statement
for the Year Ended 31 December 2014

| | Notes | 31.12.14 £ | 31.12.13 £ |
|---|-------|------------------|----------------|
| Net cash (outflow)/inflow from operating activities | 1 | (144,074) | 244,440 |
| Returns on investments and servicing of finance | 2 | 110 | 501 |
| Taxation | | (100) | - |
| Capital expenditure | 2 | (1,775) | - |
| | | <u>(145,839)</u> | <u>244,941</u> |
| Financing | 2 | 200,000 | 200,000 |
| Increase in cash in the period | | <u>54,161</u> | <u>444,941</u> |
| <hr/> | | | |
| Reconciliation of net cash flow to movement in net funds | 3 | | |
| Increase in cash in the period | | <u>54,161</u> | <u>444,941</u> |
| Change in net funds resulting from cash flows | | <u>54,161</u> | <u>444,941</u> |
| Movement in net funds in the period | | 54,161 | 444,941 |
| Net funds at 1 January | | <u>806,598</u> | <u>361,657</u> |
| Net funds at 31 December | | <u>860,759</u> | <u>806,598</u> |

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2014**

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

| | 31.12.14 | 31.12.13 |
|--|------------------|----------------|
| | £ | £ |
| Operating profit | 186,864 | 80,210 |
| Depreciation charges | 639 | 369 |
| (Increase)/decrease in debtors | (288,519) | 103,345 |
| (Decrease)/increase in creditors | (43,058) | 60,516 |
| Net cash (outflow)/inflow from operating activities | (144,074) | 244,440 |

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | 31.12.14 | 31.12.13 |
|--|----------------|----------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 110 | 501 |
| Net cash inflow for returns on investments and servicing of finance | 110 | 501 |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (1,775) | - |
| Net cash outflow for capital expenditure | (1,775) | - |
| Financing | | |
| Share issue | 200,000 | 200,000 |
| Net cash inflow from financing | 200,000 | 200,000 |

3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.1.14 | Cash flow | At |
|--------------|----------------|---------------|----------------|
| | £ | £ | 31.12.14 |
| | | | £ |
| Net cash: | | | |
| Cash at bank | 806,598 | 54,161 | 860,759 |
| | <u>806,598</u> | <u>54,161</u> | <u>860,759</u> |
| Total | <u>806,598</u> | <u>54,161</u> | <u>860,759</u> |

Notes to the Financial Statements
for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom accounting standards. The particular accounting policies are described below.

The Company's business activities, together with the factors likely to affect its future development, performance and position together with its cash flows and liquidity position are described in the Strategic Report.

The directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company will continue to receive financial support from the parent company to enable it to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Accounting convention

The financial statements are prepared under the historical cost convention as modified for the revaluation of open trading positions as described below and all amounts are stated in sterling.

Turnover

Turnover is made up of market-making profits earned from trading in spot foreign exchange and contracts for difference together with commissions and financing income derived from these instruments. Gains and losses are recognised on closed positions as they occur and on open positions using a mark-to-market valuation.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost include the purchase cost and all other costs necessary to bring it in present location and conditions.

Depreciation is provided at the following annual rates in order to write off each asset over its useful life.

Plant & Machinery - 25% on NBV

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable, and therefore, recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Trade creditors comprise amounts due to clients and brokers from trading activities and open positions. Trading positions are stated at the market bid or offer price. Trade creditors except for trading positions are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method. Trading positions are measured at fair value subsequent to initial measurement.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES - continued

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.

Debtors

Trade debtors comprise amounts due from brokers and the parent undertaking arising from trading activities and open positions. All debtors except for trading position are initially measured at cost and are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Trading positions are stated at the market bid or offer price. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss when there is objective evidence that the asset is impaired. The allowance recognised is measured between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents consist of the Company's cash on hand and on short-term bank deposits with an original maturity of three months or less and therefore are subject to an insignificant risk of changes in value. Client monies are segregated from the Company's own monies and are excluded from cash and cash equivalents.

Trade Creditors

Trade creditors comprise amounts due to clients and brokers from trading activities and open positions. Trading positions are stated at the market bid or offer price. Trade creditors except for trading positions are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Trading positions are measured at fair value subsequent to initial measurement.

2. STAFF COSTS

| | 31.12.14 | 31.12.13 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 290,249 | 239,330 |
| Social security costs | 31,941 | 25,063 |
| | <u>322,190</u> | <u>264,393</u> |

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

| | 31.12.14 | 31.12.13 |
|--|----------|----------|
| Settlement, back office & administration | 2 | 3 |
| Sales and customer support | 2 | 2 |
| | <u>4</u> | <u>5</u> |

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

| | 31.12.14 | 31.12.13 |
|---|-----------------|---------------|
| | £ | £ |
| Other operating leases | 31,064 | 25,842 |
| Depreciation - owned assets | 639 | 369 |
| Auditors' remuneration | 14,400 | 9,600 |
| Auditors' remuneration for non audit work | 20,216 | 11,033 |
| Foreign exchange differences | <u>(30,972)</u> | <u>17,033</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

3. OPERATING PROFIT - continued

| | | |
|-------------------------|-------------------|-------------------|
| Directors' remuneration | 151,431 | 120,881 |
| | <u> </u> | <u> </u> |

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

| | | |
|--------------------------------------|-------------------|-------------------|
| | 31.12.14 | 31.12.13 |
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 22 | 100 |
| | <u> </u> | <u> </u> |
| Tax on profit on ordinary activities | 22 | 100 |
| | <u> </u> | <u> </u> |

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | | |
|--|-------------------|-------------------|
| | 31.12.14 | 31.12.13 |
| | £ | £ |
| Profit on ordinary activities before tax | 186,974 | 80,711 |
| | <u> </u> | <u> </u> |
| Profit on ordinary activities | | |
| multiplied by the standard rate of corporation tax | | |
| in the UK of 20% (2013 - 20%) | 37,395 | 16,142 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 219 | 99 |
| Capital allowances in excess of depreciation | (227) | - |
| Depreciation in excess of capital allowances | - | 74 |
| Utilisation of tax losses | (37,365) | (16,215) |
| | <u> </u> | <u> </u> |
| Current tax charge | 22 | 100 |
| | <u> </u> | <u> </u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

5. TANGIBLE FIXED ASSETS

| | Computer equipment £ |
|-----------------------|----------------------------|
| COST | |
| At 1 January 2014 | 2,834 |
| Additions | 1,775 |
| | <hr/> |
| At 31 December 2014 | 4,609 |
| | <hr/> |
| DEPRECIATION | |
| At 1 January 2014 | 1,551 |
| Charge for year | 639 |
| | <hr/> |
| At 31 December 2014 | 2,190 |
| | <hr/> |
| NET BOOK VALUE | |
| At 31 December 2014 | 2,419 |
| | <hr/> |
| At 31 December 2013 | 1,283 |
| | <hr/> |

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.14 £ | 31.12.13 £ |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | 371,832 | 173,196 |
| Other debtors | 131,313 | 47,408 |
| Prepayments | 6,298 | 320 |
| | <hr/> | <hr/> |
| | 509,443 | 220,924 |
| | <hr/> | <hr/> |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.14 £ | 31.12.13 £ |
|---------------------------------|---------------|---------------|
| Trade creditors | 22,899 | 58,031 |
| Corporation tax | 22 | 100 |
| Social security and other taxes | 202 | 6,945 |
| Other creditors | 5,634 | 7,465 |
| Credit card | 1,281 | 486 |
| Accrued expenses | 15,600 | 15,747 |
| | <hr/> | <hr/> |
| | 45,638 | 88,774 |
| | <hr/> | <hr/> |

8. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

| | Other operating leases 31.12.14 £ | 31.12.13 £ |
|-----------------|---|---------------|
| Expiring: | | |
| Within one year | 34,523 | 32,759 |
| | <hr/> | <hr/> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

9. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | Nominal value: | 31.12.14 | 31.12.13 |
|----------------------------------|----------|-------------------|------------------|------------------|
| Number: | Class: | | £ | £ |
| 1,400,000 | Ordinary | £1 | <u>1,400,000</u> | <u>1,200,000</u> |

200,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

10. RESERVES

| | Profit and loss account £ |
|---------------------|------------------------------------|
| At 1 January 2014 | (259,969) |
| Profit for the year | <u>186,952</u> |
| At 31 December 2014 | <u>(73,017)</u> |

11. RELATED PARTY DISCLOSURES

As at 31 December 2014, £371,832 (2013: £173,196) of company's funds were held in a trading account with the parent company, Deltastock AD Bulgaria.

During the period, the company was charged £7,200 (2013: £7,200) by the parent company, Deltastock AD Bulgaria in respect of outsourcing of the trading platform.

12. ULTIMATE CONTROLLING PARTY

The company's ultimate controlling entity and immediate parent company is Deltastock AD Bulgaria, a company incorporated in Bulgaria, controlling directly 100% of the issued share capital of the company. The parent undertaking of the smallest and largest group, which includes the company and for which group accounts are prepared, is Deltastock AD Bulgaria.

The directors believe that no one individual has overall control.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 31.12.14 £ | 31.12.13 £ |
|--|-------------------------|-----------------------|
| Profit for the financial year | 186,952 | 80,611 |
| New share capital issued | <u>200,000</u> | <u>200,000</u> |
| Net addition to shareholders' funds | 386,952 | 280,611 |
| Opening shareholders' funds | <u>940,031</u> | <u>659,420</u> |
| Closing shareholders' funds | <u>1,326,983</u> | <u>940,031</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

14. CLIENT MONEY

The company holds client money in accordance with client money regulations of the Financial Services Authority. Such money and corresponding liabilities are not shown on the balance sheet as the company is not beneficially entitled thereto.

At 31 December 2014, amounts held by the firm on behalf of clients amounted to £3,556,821 (31 December 2013- £802,529). These amounts are not incorporated in the Company's balance sheet.