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REPORT OF THE DIRECTOR AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
FOR
ALMA CAPITAL LIMITED

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ALMA CAPITAL LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2011

DIRECTOR: F C De Tomasi

REGISTERED OFFICE: 28-29 Dover Street
London
W1S 4NA

REGISTERED NUMBER 07126254 (England and Wales)

AUDITORS: Stein Richards
Chartered Accountants and Statutory Auditor
10 London Mews
Paddington
London
W2 1HY

ALMA CAPITAL LIMITED (REGISTERED NUMBER: 07126254)

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2011

The director presents his report with the financial statements of the company for the year ended 31st December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing equity and bonds brokerage services and dealing and arranging investments in securities for institutional investors. The company is authorised and regulated by The Financial Services Authority.

REVIEW OF BUSINESS

The results for the year are set out on page 5 and show the profits on ordinary activities after taxation for the year as being £59,892 (2010-loss- £15,278). At the year end, the net assets of the company amounted to £194,614 (2010 - £134,722).

The director considers the profits on ordinary activities before taxation to be satisfactory taking into consideration volatility in global financial markets during the year together with achieving new business.

The director is targeting new business with investment management firms and institutional clients during 2012.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2011.

DIRECTOR

F C De Tomasi held office during the whole of the period from 1st January 2011 to the date of this report.

FINANCIAL INSTRUMENTS

The financial instruments used by the Company arise wholly and directly from its activities. The financial instruments comprise of debtors, cash at bank and creditors.

The Company has put in place the following measures in order to manage the financial risks arising from these financial instruments:

- The Company regularly monitors the level of its debtors by following up any overdue balances.
- The Company manages its cash position by regularly monitoring its cashflow.
- The financial risk arising from the Company's trade and other creditors either by exceeding the credit limit or not paying within the specified terms, is managed by regularly monitoring the trade balances and credit terms.

PRINCIPAL RISKS AND UNCERTAINTIES

The maintenance of high service and delivery standards are key to mitigating the inherent business risk. The status of this is measured continuously and performance reported monthly to the board.

KEY PERFORMANCE INDICATORS

The Company manages the business by reference to key performance indicators, the principal indicators are as follow:

Turnover - £515,254 (2010 - £86,340)

Liquidity ratio - 2.59 (2010 - 1.13) (current assets/current liabilities)

PILLAR 3 DISCLOSURE

The company has documented the disclosure required by the Financial Services Authority under BIPRU 11 on pages 13 to 16 of the financial statements. The company makes Pillar 3 disclosures annually.

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2011

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

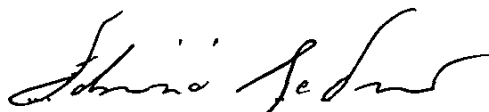
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is 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 he 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.

AUDITORS

The auditors, Stein Richards, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



F C De Tomasi - Director

Date 3 April 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ALMA CAPITAL LIMITED

We have audited the financial statements of Alma Capital Limited for the year ended 31st December 2011 on pages five to twelve. 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2011 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

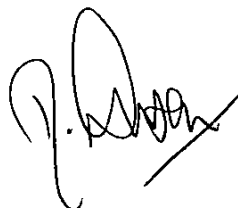
In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Mr Robert Nissen F C A (Senior Statutory Auditor)
for and on behalf of Stein Richards
Chartered Accountants and Statutory Auditor
10 London Mews
Paddington
London
W2 1HY



Date 3 April 2012

ALMA CAPITAL LIMITED (REGISTERED NUMBER: 07126254)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2011

	Notes	Year Ended 31.12.11 £	Period 15 1 10 to 31 12 10 £
TURNOVER	2	515,254	86,340
Administrative expenses		<u>454,433</u>	<u>101,618</u>
		60,821	(15,278)
Other operating income		<u>10,000</u>	-
OPERATING PROFIT/(LOSS)	4	70,821	(15,278)
Interest receivable and similar income		<u>1,099</u>	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		71,920	(15,278)
Tax on profit/(loss) on ordinary activities	5	<u>12,028</u>	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>59,892</u></u>	<u><u>(15,278)</u></u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous period

The notes form part of these financial statements

ALMA CAPITAL LIMITED (REGISTERED NUMBER: 07126254)

BALANCE SHEET
31ST DECEMBER 2011

	Notes	31 12.11 £	£	31 12 10 £	£
FIXED ASSETS					
Investments	6		130,252		130,252
CURRENT ASSETS					
Debtors	7	11,309		26,071	
Cash at bank		<u>93,521</u>		<u>12,399</u>	
		104,830		38,470	
CREDITORS					
Amounts falling due within one year	8	<u>40,468</u>		<u>34,000</u>	
NET CURRENT ASSETS			<u>64,362</u>		<u>4,470</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>194,614</u>		<u>134,722</u>
CAPITAL AND RESERVES					
Called up share capital	11		150,000		150,000
Profit and loss account	12		<u>44,614</u>		<u>(15,278)</u>
SHAREHOLDERS' FUNDS	15		<u>194,614</u>		<u>134,722</u>

The financial statements were approved by the director on 3 April 2012 and were signed by


F C De Tomasi - Director

The notes form part of these financial statements

ALMA CAPITAL LIMITED (REGISTERED NUMBER 07126254)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2011

		Year Ended 31.12.11 £	Period 15 1 10 to 31 12 10 £
Net cash inflow/(outflow) from operating activities	Notes 1	80,023	(7,349)
Returns on investments and servicing of finance	2	1,099	-
Capital expenditure and financial investment	2	-	(130,252)
		81,122	(137,601)
Financing	2	-	150,000
Increase in cash in the period		<u>81,122</u>	<u>12,399</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>81,122</u>	<u>12,399</u>
Change in net funds resulting from cash flows		<u>81,122</u>	<u>12,399</u>
Movement in net funds in the period		81,122	12,399
Net funds at 1st January		<u>12,399</u>	-
Net funds at 31st December		<u>93,521</u>	<u>12,399</u>

The notes form part of these financial statements

ALMA CAPITAL LIMITED (REGISTERED NUMBER: 07126254)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2011**

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

	Year Ended 31.12.11 £	Period 15 1 10 to 31 12 10 £
Operating profit/(loss)	70,821	(15,278)
Decrease/(Increase) in debtors	14,762	(26,071)
(Decrease)/Increase in creditors	<u>(5,560)</u>	<u>34,000</u>
Net cash inflow/(outflow) from operating activities	<u>80,023</u>	<u>(7,349)</u>

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

	Year Ended 31 12.11 £	Period 15 1 10 to 31 12 10 £
Returns on investments and servicing of finance		
Interest received	<u>1,099</u>	-
Net cash inflow for returns on investments and servicing of finance	<u>1,099</u>	-
 Capital expenditure and financial investment		
Purchase of fixed asset investments	-	(130,252)
Net cash outflow for capital expenditure and financial investment	-	(130,252)
 Financing		
Share issue	-	150,000
Net cash inflow from financing	-	150,000

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.11 £	Cash flow £	At 31.12.11 £
Net cash			
Cash at bank	<u>12,399</u>	<u>81,122</u>	<u>93,521</u>
	<u>12,399</u>	<u>81,122</u>	<u>93,521</u>
 Total	<u>12,399</u>	<u>81,122</u>	<u>93,521</u>

The notes form part of these financial statements

ALMA CAPITAL LIMITED (REGISTERED NUMBER: 07126254)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Turnover

Turnover represents commission receivable and is recognised on an accruals basis

Commission receivable is recognised on the date the trades are executed with the counterparty and the client

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

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

Fixed asset investments

Fixed asset investments are valued at cost

2 TURNOVER

The total turnover of the company for the period has been derived from its principal activity mainly undertaken in United Kingdom

3 STAFF COSTS

	Year Ended 31.12.11	Period 15.1.10 to 31.12.10
	£	£
Wages and salaries	271,303	45,908
Social security costs	32,203	5,083
	<u>303,506</u>	<u>50,991</u>

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

	Year Ended 31.12.11	Period 15.1.10 to 31.12.10
Management	2	2
Administration	1	1
	<u>3</u>	<u>3</u>

ALMA CAPITAL LIMITED (REGISTERED NUMBER: 07126254)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2011

4 OPERATING PROFIT/(LOSS)

The operating profit (2010 - operating loss) is stated after charging

	Year Ended 31.12.11 £	Period 15.1.10 to 31.12.10 £
Auditors' remuneration	6,060	3,000
Foreign exchange differences	1,888	3,083
Formation costs	<u>-</u>	<u>1,763</u>
Directors' remuneration	<u>100,833</u>	<u>20,000</u>

5 TAXATION

Analysis of the tax charge

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

	Year Ended 31.12.11 £	Period 15.1.10 to 31.12.10 £
Current tax		
UK corporation tax	<u>12,028</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>12,028</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

	Year Ended 31.12.11 £	Period 15.1.10 to 31.12.10 £
Profit/(loss) on ordinary activities before tax	<u>71,920</u>	<u>(15,278)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2010 - 21%)	14,384	(3,208)
Effects of		
Net expenses adjustments for tax purposes	151	424
Adjustment for marginal tax relief	145	-
Tax losses brought forward	<u>(2,652)</u>	<u>2,784</u>
Current tax charge	<u>12,028</u>	<u>-</u>

ALMA CAPITAL LIMITED (REGISTERED NUMBER: 07126254)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2011

6 FIXED ASSET INVESTMENTS

	Listed investments £
COST	
At 1st January 2011 and 31st December 2011	<u><u>130,252</u></u>
NET BOOK VALUE	
At 31st December 2011	<u><u>130,252</u></u>
At 31st December 2010	<u><u>130,252</u></u>

The listed fixed asset investment relates to a German government bond with an interest rate of 0.75% per annum and which matures on 14 September 2012

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.11 £	31.12.10 £
Trade debtors	8,439	26,071
Prepayments and accrued income	<u>2,870</u>	<u>-</u>
	<u><u>11,309</u></u>	<u><u>26,071</u></u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.11 £	31.12.10 £
Trade creditors	7,350	4,623
Tax	12,028	-
Social security and other taxes	3,982	7,726
Other creditors	12,111	17,856
Accruals and deferred income	<u>4,997</u>	<u>3,795</u>
	<u><u>40,468</u></u>	<u><u>34,000</u></u>

9 OPERATING LEASE COMMITMENTS

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

	Land and buildings	
	31.12.11 £	31.12.10 £
Expiring		
Between one and five years	24,000	72,000

10 SECURED DEBTS

The company has pledged as a security the asset disclosed under fixed asset investments note 6 to its clearing bank to meet its credit risk

ALMA CAPITAL LIMITED (REGISTERED NUMBER: 07126254)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2011

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	31.12.11 £ <u>150,000</u>	31 12 10 £ <u>150,000</u>
150,000	Ordinary			

12 RESERVES

	Profit and loss account £
At 1st January 2011	(15,278)
Profit for the year	<u>59,892</u>
At 31st December 2011	<u>44,614</u>

13 ULTIMATE PARENT COMPANY

At the balance sheet date, Alma Grand S A , a company incorporated in Luxembourg, was the immediate and ultimate parent company of Alma Capital Limited for the current and the previous year

The ultimate controlling party is Mr Umberto Borghesi by virtue of his shareholding in Alma Grand S A

14 RELATED PARTY DISCLOSURES

Albemarle Asset Management Limited

During the year the company paid £72,000 (2010 - nil) serviced office rent to Albemarle Asset Management Limited

Included in trade creditors is a balance of £7,200 owed to Albemarle Asset Management Limited

Included in other creditors is a loan of £nil (2010 - £12,244) owed to Albemarle Asset Management Limited The loan was repaid in full on 20 July 2011

The company's beneficial shareholder Mr U Borghesi has a material interest in Albemarle Asset Management Limited

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.11 £	31 12 10 £
Profit/(Loss) for the financial year	59,892	(15,278)
Issue of shares	<u>-</u>	<u>150,000</u>
Net addition to shareholders' funds	59,892	134,722
Opening shareholders' funds	<u>134,722</u>	<u>-</u>
Closing shareholders' funds	<u>194,614</u>	<u>134,722</u>

PILLAR 3 RISK DISCLOSURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

The information provided on the pages thirteen to sixteen are required to be disclosed in accordance with the rules adopted by the Financial Services Authority and does not form part of the audited accounts

Introduction and background

The Capital Requirements Directive ('the Directive') of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment firms must maintain. In the United Kingdom, the Directive has been implemented by the Financial Services Authority ('FSA') in its regulations through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment firms ('BIPRU'). The FSA framework consists of three Pillars.

Pillar 1 sets out the minimum capital amount that meets the Company's credit, market and operational risk,

Pillar 2 requires the Company to assess whether its Pillar 1 capital is adequate to meet its risks and is subject to annual review by the FSA, and

Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure. This document is designed to meet the Company's Pillar 3 obligations.

Investment firms are permitted to omit required disclosures if they believe that the information is immaterial such that omission would be unlikely to change or influence the decision of a reader relying on that information. In addition, they may omit required disclosures where they believe that the information is regarded as proprietary or confidential. In the Company's view, proprietary information is that which, if it were shared, would undermine their competitive position. Information is considered to be confidential where there are obligations binding the Company to confidentiality with customers, suppliers and counterparties. No omissions have been made on the grounds that it is proprietary or confidential and it has been clearly stated within the specific risk where it is felt that disclosure would be immaterial.

The Company's Pillar 3 disclosures are set out below.

Risk management objectives and policies

The Company is governed by its director who determines its business strategy and risk appetite. He is also responsible for establishing and maintaining the Company's governance arrangements along with designing and implementing a risk management framework that recognises the risks that the business faces. The director will also determine how the risk the business faces may be mitigated and assess on an ongoing basis the arrangements to manage those risks. The director is also responsible for the preparation of the projections for profitability, cash flow, regulatory capital management, and business planning and risk management. The director manages the Company's risks through a framework of policies and procedures having regard to relevant laws, standards, principles and rules (including FSA principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The director has identified that business, reputational, operational, market and credit risks are the main areas of risk to which the Company is exposed. Annually the director formally reviews the risks, controls and other risk mitigation arrangements and assesses their effectiveness. Where the director identifies material risks he considers the financial impact of these risks as part of the business planning and capital management and concludes whether the amount of regulatory capital is adequate. The general objective is to develop systems and controls to mitigate risk to a level that does not require the allocation of Pillar 2 capital.

Scope and application of the requirements

The Company is authorised and regulated by the Financial Services Authority and as such it is subject to consolidated minimum regulatory capital requirements. The Company is a small firm with a simple operational infrastructure. The nature of the Company's business is brokerage services, the risks to which the firm is exposed are principally those of a fiduciary and operational in nature and are managed according to the Company's operational and compliance risk guidelines including its ethical standards.

ALMA CAPITAL LIMITED (REGISTERED NUMBER: 07126254)

PILLAR 3 RISK DISCLOSURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2011

The Company is a BIPRU 50K limited activity firm registered with the FSA (FRN No 520929) and lodges its financial statements with Companies House (Registration No 07126254)

Capital Resources

The Capital resources of the Company are made up of its issued share capital and the profit and loss reserve account Where applicable current year losses are also taken into account The capital therefore all qualifies as Tier 1 capital

As the Company is a limited licence firm its capital requirements are the greater of

- Its base capital requirement of Euro 50,000
- The sum of its market, credit risk and Fixed Overhead Requirement ("FOR")

It is the Company's experience that the capital requirement of the Company is the sum of its market, credit and fixed overhead requirement However as the Company does not in general have credit or market risk exposure its capital requirement is its fixed overhead requirement For the purpose of this calculation disclosures relating to credit and market risk are therefore considered to be immaterial in consideration in the assessment of the business As at 31 December 2011 the firm had £194,000 of capital resources with a FOR of £72,000 and therefore the firm has substantive excess resources over its minimum regulatory capital requirements (see detailed table below)

Regulatory capital as at 31 December 2011	£,000
Total tier 1 after deductions	£194
Total tier 2 capital	£0
Total tier 3 capital	£0
FSA Capital Resource Requirement	£72
Surplus	£123
Solvency Ratio	269%

Compliance with BIPRU 3, BIPRU 4, BIPRU 6, BIPRU 7, BIPRU 10, and the overall Pillar 2 rule

Under Pillar II of the Capital Resources Directive, the Company is required to establish an Internal Capital Adequacy Assessment Process (ICAAP) This is an ongoing process The ICAAP report is presented to the director of the Company for a formal review and approval The data and assumptions used in the assessment of risk and capital adequacy are continually assessed and updated This includes stress testing of various scenarios Should new risks materialise or be identified by the Company, then these risks will be incorporated into the overall review process

As a brokerage firm the major risks the Company is exposed to are fiduciary and operational risk There is also additional exposure to credit and reputation risk

Retail Exposures

The firm does not have any retail exposures

Equity exposures

The firm does not have any equity exposures

Counterparty credit risk exposures / Credit risk and dilution risk

The company adopts the simplified standardised approach to credit risk The primary activity of the Company is execution only trading activities with some limited trading entered into on a matched principle basis Therefore the Company is mainly exposed to indirect credit risks such as those arising from trading and settlement activities, where the risk is a consequence of undertaking the activity rather than a driver for it This risk is considered low as the amounts due are from regulated institutions, professional clients or market counterparties

Value adjustments and provisions

The Company is not required to make any value adjustments or provisions

Firm's calculating risk weighted exposure amounts in accordance with the standardised approach

This section is not applicable as the Company uses the simplified method of calculating risk weight

ALMA CAPITAL LIMITED (REGISTERED NUMBER: 07126254)

**PILLAR 3 RISK DISCLOSURE STATEMENT
FOR THE YEAR ENDED TO 31ST DECEMBER 2011**

Firm's calculating risk weighted exposure amounts in accordance with the IRB approach

The Company does not have specialised lending exposures or equity exposures

Market risk

The primary activity of the Company is execution only trading activities with some limited trading entered into on a matched principle basis. Therefore the Company is mainly exposed to indirect market risks such as those arising from trading and settlement activities, where the risk is a consequence of undertaking the activity rather than a driver for it. Principal positions are only entered into on a matched principle basis where the risks are seen as low as the counterparties are regulated institutions, professional clients or market counterparties.

Use of VaR model for calculation of market risk capital Requirement

The Company does not use the VaR model for calculation of market risk as the Company does not trade on its own account and therefore does not create any market risk.

Operational risk

The Company is subject to the 'FOR' and is not therefore required to calculate an operational risk charge, although it considers the implications of this as an integral part of its ICAAP in identifying the level of risk-based capital required.

Non-trading book exposures in equities

The Company does not have any non-trading book exposures in equities.

Exposures to interest rate risk in the non-trading book

The Company has minimal or no exposure to interest rate risk. The Company has no borrowings and therefore interest rate fluctuations will not materially affect the Company in this respect.

Securitisation

The Company is not involved in the securitisation of assets.

PILLAR 3 REMUNERATION CODE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2011

Scope and application of the requirements

BIPRU 11.5 sets out the disclosure requirements in relation to the remuneration of code staff which all FSA regulated firms are required to comply. The Company is a Tier 3 firm and the following disclosures are intended to fully satisfy the requirements of the remuneration code ("the Code")

Disclosure of compliance with Remuneration Code

The Company has in place internal policies, practices and procedures consistent with the FSA's rules and regulations for Tier 3 firms. The board of directors form the remuneration committee and the director fully acknowledges his responsibilities under the code including his overriding responsibility to ensure that the Company's remuneration policies, practices and procedures

- are in line with the business strategy, objectives and long-term interests and values of the Company,
- are consistent with and promote sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk of the Company,
- are appropriate to attract, motivate and retain suitable staff,
- are representative of the underlying performance of the business and do not reward individuals for poor performance, and
- include measures to avoid conflicts of interest.

The following disclosures have been made in accordance with the FSA rules and regulations as outlined under BIPRU 11.5.18 and SYSC 19A, specifically in the context of the Company's obligations under the FSA's remuneration code

As permitted by the Code, the Company has adopted the FSA's proportionality approach for Tier 3 firms in applying the requirements of the Code. All decisions in relation to the remuneration of code staff are made and approved by the Company's remuneration committee, with no input from external consultants. Remuneration is determined with reference to a number of factors including, but not limited to, the performance of the individual, the Company and the individual's adherence to the Company's risk management and compliance procedures

Variable remuneration which is paid in the form of bonuses is only awarded after full consideration of these factors together with an assessment of any current or potential risks to the business in the context of these payments

In accordance with the FSA's proportionality approach for Tier 3 firms, the Company has elected not to apply the FSA's specific regulatory requirements in relation to the fixed and variable elements of total remuneration, the payment of variable remuneration through retained shares or other instruments, the deferral of these payments, or performance adjustments

The remuneration committee believes that its remuneration policies, procedures and practices are fully aligned with the objectives of the brokerage services and its client investors and that the payment of variable remuneration is therefore aligned to the performance and success of the trading activities

The Company's code staff, all of whom have been approved by the FSA under section 59 of the Financial Services and Markets Act 2000 Act to perform a controlled function, received aggregate remuneration of £243,000 (inclusive dividends declared) during the year ended 31 December 2011 of which £175,000 is fixed remuneration and £68,000 is variable remuneration