STRATEGIC REPORT, REPORT OF THE DIRECTOR AND

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

FOR

AC GLOBAL MARKETS LIMITED

AC GLOBAL MARKETS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2015

DIRECTOR:	F C De Tomasi
REGISTERED OFFICE:	7 Old Park Lane Mayfair London W1K 1QR
REGISTERED NUMBER:	07126254 (England and Wales)
AUDITORS:	Stein Richards Chartered Accountants and Statutory Auditor 10 London Mews Paddington London W2 1HY

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

The director presents his strategic report for the year ended 31st December 2015.

The principal activity of the company in the year under review was that of providing equity, bonds and derivatives brokerage services and dealing and arranging investments in securities for institutional investors.

In addition to the provision of brokerage services, the company also carried out trading activities in financial statements for its own account.

The company is authorised and regulated by The Financial Conduct Authority.

REVIEW OF BUSINESS
The results for the year are set out on page 8 and show the profit on ordinary activities after taxation for the year as being £100,148 (2014 : £199,904). At the year end, the net assets of the company amounted to £644,010 (2014 : £643,862).

The director considers the profit achieved on ordinary activities before taxation to be very satisfactory given the turbulence in the financial markets during the year.

The director is targeting new business with investment management firms and institutional clients during 2016.

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.

The company is governed by its director who determines its business strategy and risk appetite. The director 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 Financial Conduct Authority 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.

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

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

Turnover - £694,322 (2014 - £801,191)

Operating profits - £125,891 (2014 - £252,723)

Gross profit - 84.86% (2014 - 77.93%) (gross profit/sales)

Liquidity ratio - 5.53 (2014 - 6.31) (current assets/current liabilities)

The director considers the company to be well financed and at the year end held £487,370 (2014-£271,431) in cash.

ON BEHALF OF THE BOARD:

F C De Tomasi - Director

19th April 2016

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2015

The director presents his report with the financial statements of the company for the year ended 31st December 2015.

DIVIDENDS
An interim dividend of 67p per share was paid on 30th September 2015. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31st December 2015 will be £100,000.

FUTURE DEVELOPMENTS
The company expects the economic and financial environment to remain volatile in 2016 as the Eurozone enters another period of uncertainty. However, the company anticipates the turnover to grow modestly in 2016.

DIRECTOR
F C De Tomasi held office during the whole of the period from 1st January 2015 to the date of this report.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT
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.

Market risks
Market risk is the vulnerability of the company to movements in the value of financial instruments on the proprietary positions of its trading book or by client orders. The company is not exposed to market risk on any client orders as these positions are matched on a principle trading basis. Inter-day proprietary trading positions are hedged by equal and opposite buy and sale trades in the same security and therefore do not give rise to this risk.

Business risk
The company operates in an environment characterised by intense competition, rapid technological change and a continually evolving regulatory framework. Failure to adapt to changing market dynamics, client requirements, or the way markets and their participants are regulated constitutes a significant long-term risk. The company main strategy for managing and mitigating these risks through the development of its electronic brokering capability, active management of client relationships and by keeping up to date with all relevant regulatory reforms affecting the markets it trades.

Counterparty credit risk exposures / Credit risk and dilution 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.

PILLAR 3 DISCLOSURE
The company has documented the disclosure required by the Financial Conduct Authority under BIPRU 11 on pages 19 to 23 of the financial statements. The company makes Pillar 3 disclosures annually.

DIRECTORS INDEMNITY INSURANCE
The company has a director's indemnity insurance policy for the current and the previous year.

EVENTS AFTER THE YEAR END
The director is not aware of any matters or circumstances arising since the end of the financial year, not otherwise dealt with in the company's financial statements that would significantly affect the operations or the results of operations.

AC GLOBAL MARKETS LIMITED (REGISTERED NUMBER: 07126254)

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2015

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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

19th April 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AC GLOBAL MARKETS LIMITED

We have audited the financial statements of AC Global Markets Limited for the year ended 31st December 2015 on pages eight 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 five, 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 Strategic Report and the Report of the Director 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 31st December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AC GLOBAL MARKETS LIMITED

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.

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

19th April 2016

AC GLOBAL MARKETS LIMITED (REGISTERED NUMBER: 07126254)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2015

	Notes	31.12.15 £	31.12.14 £
REVENUE	3	**694,322**	801,191
Cost of sales		**107,910**	176,796
GROSS PROFIT		**586,412**	624,395
Administrative expenses		**499,708**	371,672
		86,704	252,723
Other operating income		**39,187**	-
OPERATING PROFIT	6	**125,891**	252,723
Interest receivable and similar income		**-**	82
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**125,891**	252,805
Tax on profit on ordinary activities	7	**25,743**	52,901
PROFIT FOR THE FINANCIAL YEAR		**100,148**	199,904
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**100,148**	199,904

The notes form part of these financial statements

AC GLOBAL MARKETS LIMITED (REGISTERED NUMBER: 07126254)

STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2015

	Notes	31.12.15 £	31.12.15 £	31.12.14 £	31.12.14 £
FIXED ASSETS					
Property, plant and equipment	9		**1,347**		2,909
Investments	10		**17,000**		17,000
			18,347		19,909
CURRENT ASSETS					
Debtors	11	**276,551**		470,054	
Cash at bank		**487,370**		271,431	
		763,921		741,485	
CREDITORS					
Amounts falling due within one year	12	**138,258**		117,532	
NET CURRENT ASSETS			**625,663**		623,953
TOTAL ASSETS LESS CURRENT LIABILITIES			**644,010**		643,862
CAPITAL AND RESERVES					
Called up share capital	14		**150,000**		150,000
Retained earnings	15		**494,010**		493,862
SHAREHOLDERS' FUNDS			**644,010**		643,862

The financial statements and authorised for issue were approved by the director on 19th April 2016 and were signed by:

F C De Tomasi - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2015

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2014	150,000	393,958	543,958
Changes in equity			
Dividends	-	(100,000)	(100,000)
Total comprehensive income	-	199,904	199,904
Balance at 31st December 2014	150,000	493,862	643,862
Changes in equity			
Dividends	-	(100,000)	(100,000)
Total comprehensive income	-	100,148	100,148
Balance at 31st December 2015	150,000	494,010	644,010

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2015

	Notes	31.12.15 £	31.12.14 £
Cash flows from operating activities			
Cash generated from operations	1	**269,167**	216,992
Tax paid		**(52,898)**	(110,129)
Net cash from operating activities		**216,269**	106,863
Cash flows from investing activities			
Purchase of tangible fixed assets		**(330)**	(3,010)
Interest received		**-**	82
Net cash from investing activities		**(330)**	(2,928)
Cash flows from financing activities			
Loan given to parent company		**-**	(100,000)
Loan repaid by parent company		**100,000**	-
Equity dividends paid		**(100,000)**	(100,000)
Net cash from financing activities		**-**	(200,000)
Increase/(decrease) in cash and cash equivalents		**215,939**	(96,065)
Cash and cash equivalents at beginning of year	2	**271,431**	367,496
Cash and cash equivalents at end of year	2	**487,370**	271,431

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2015

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.15	31.12.14
	£	£
Profit before taxation	**125,891**	252,805
Depreciation charges	**1,892**	1,816
Finance income	-	(82)
	127,783	254,539
Decrease/(increase) in trade and other debtors	**93,503**	(24,865)
Increase/(decrease) in trade and other creditors	**47,881**	(12,682)
Cash generated from operations	**269,167**	216,992

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	**487,370**	**271,431**

Year ended 31st December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	271,431	367,496

1. **COMPANY INFORMATION**

AC Global Markets Limited is a private company limited by shares. The company is incorporated in the United Kingdom and its registered office and principal place of business is 7 Old Park Lane, Mayfair, London W1K 1QR.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to Note 18 for an explanation of the transition.

The financial statements are presented in Sterling (£) which is also the company's functional currency.

Going concern
After reviewing the company's forecasts and projections, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover
Turnover represents commission receivable from brokerage activities and profits and losses on proprietary trading activities.

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

The proprietary trading transactions are executed on a matched principle basis on the same day. The sales and the purchase of the financial instruments have been netted off and shown as the profits and losses on proprietary trading.

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

Fixtures and fittings	- 25% reducing balance
Computer equipment	- 33.33% straight line

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. However deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position dates.

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to the local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Foreign currencies
Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

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2. **ACCOUNTING POLICIES - continued**

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Fixed asset investments
Fixed asset investments are valued at cost less any provision if appropriate.

Financial assets
The company's principal financial assets consist of cash and cash equivalents and trade debtors. Trade debtors are measured initially at transaction price and subsequently at amortised cost.

Financial liabilities and equity instruments
The company's principal financial liabilities include trade creditors and accruals which are measured initially at transaction price and subsequently at amortised cost.

Cash and cash equivalents
For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand and deposits held on call with the banks, all of which are available for use by the company unless otherwise stated.

3. **REVENUE**

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by class of business is given below:

	31.12.15	31.12.14
	£	£
Commission receivable	**360,828**	660,497
Proprietary trading	**333,494**	140,694
	694,322	801,191

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

4. **STAFF COSTS**

	31.12.15	31.12.14
	£	£
Wages and salaries	**314,288**	207,187
Social security costs	**30,275**	24,097
Other pension costs	**27,940**	22,313
	372,503	253,597

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4. **STAFF COSTS - continued**

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

	31.12.15	31.12.14
Management	2	2
Administration	2	2
	4	4

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees and the director.The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £27,940 (2014 : £22,313).

The above disclosure includes the director of the company.

5. **DIRECTORS' EMOLUMENTS AND KEY MANAGEMENT COMPENSATION**

	31.12.15	31.12.14
	£	£
Director's remuneration	175,833	117,589

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	1	1

The director of the company, is considered to be the key management personnel of the company. The benefits comprises of salary, pension contributions and bonuses earned during the current and the previous year.

6. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.15	31.12.14
	£	£
Depreciation - owned assets	1,892	1,816
Auditors' remuneration	8,840	7,830
Foreign exchange differences	2,961	4,170
Fees to Auditors' for accounting services	1,680	1,103

7. **TAXATION**

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

	31.12.15	31.12.14
	£	£
Current tax:		
UK corporation tax	25,743	52,901
Tax on profit on ordinary activities	25,743	52,901

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7. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.15	31.12.14
	£	£
Profit on ordinary activities before tax	125,891	252,805
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20.770%)	25,178	52,508
Effects of:		
Expenses not deductible for tax purposes	253	641
Capital allowances in excess of depreciation	-	(248)
Depreciation in excess of capital allowances	312	-
Total tax charge	25,743	52,901

During the year the UK corporation tax rate was reduced.

8. **DIVIDENDS**

	31.12.15	31.12.14
	£	£
Ordinary shares of £1 each		
Interim	100,000	100,000

9. **PROPERTY, PLANT AND EQUIPMENT**

	Fixtures and fittings	Computer equipment	Totals
	£	£	£
COST			
At 1st January 2015	539	5,043	5,582
Additions	-	330	330
At 31st December 2015	539	5,373	5,912
DEPRECIATION			
At 1st January 2015	135	2,538	2,673
Charge for year	101	1,791	1,892
At 31st December 2015	236	4,329	4,565
NET BOOK VALUE			
At 31st December 2015	303	1,044	1,347
At 31st December 2014	404	2,505	2,909

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10. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	31.12.15	31.12.14
	£	£
Painting	17,000	17,000

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.15	31.12.14
	£	£
Trade debtors	48,165	30,780
Amounts owed by group undertakings	-	100,000
Other debtors	220,772	334,817
Prepayments and accrued income	7,614	4,457
	276,551	470,054

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.15	31.12.14
	£	£
Trade creditors	8,813	7,369
Tax	25,746	52,901
Social security and other taxes	8,455	14,011
Other creditors	44	3,921
Accruals and deferred income	95,200	39,330
	138,258	117,532

13. FINANCIAL INSTRUMENTS

	31.12.15	31.12.14
	£	£
Financial assets measured at amortised cost	268,937	465,597
Financial liabilities measured at amortised cost	8,857	11,290

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.15	31.12.14
			£	£
150,000	Ordinary	£1	150,000	150,000

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15. **RESERVES**

	Retained earnings £
At 1st January 2015	493,862
Profit for the year	100,148
Dividends	(100,000)
At 31st December 2015	494,010

16. **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 AC Global Market 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.

17. **RELATED PARTY DISCLOSURES**

The following related party transactions were undertaken:

Corporate entity owned by Alma Grand SA
During the year the company paid £24,000 (2014 - £24,000) for serviced office rent.

The balance owed at the year end is £6,000 (2014- £6,000).

During the year the company was recharged expenses of £6,000 (2014 - £12,085).

Ultimate parent company
The loan of £100,000 was repaid by the ultimate parent company.

18. **FIRST YEAR ADOPTION - TRANSITION TO FRS 102**

The company has adopted FRS 102 for the year ended 31 December 2015. No adjustments arose on transition and no adjustments were required to be made to the comparative year.

19. **COMPARATIVES**

The sales of bonds included in the turnover and the purchase of bonds included in the cost of sales have been netted off and shown as the profits and losses on proprietary trading as these transactions are executed on a matched principle basis on the same day.

PILLAR 3 RISK DISCLOSURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The information provided below on the pages nineteen to twenty three are required to be disclosed in accordance with the rules adopted by the Financial Conduct Authority (FCA) concerning Pillar 3 disclosures required by AC Global Markets Limited ("the Firm") and does not form part of the audited accounts.

Introduction and Application of the Directive Requirements
With the introduction on 1 January 2014 of Basle III in Europe and the subsequent implementation of the Capital Requirements Directive IV ("CRD") and the Capital Requirements Regulations ("CRR") established a revised regulatory capital framework governing the amount and the type of capital credit institutions and investment firms must maintain within the European Union. The FCA implemented a new set of prudential requirements, the Prudential Sourcebook for Investment Firms ("IFPRU") which replaced Chapter 11 of the Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU").

Investment Firms carrying on certain types of investment business will be subject to the requirements of MiFID and as a result subject to what is known as the CRD. The CRD framework consists of three pillars:

- **Pillar 1** – this is calculated with reference to the company's base capital resource requirement and a variable capital requirement. The base capital resource requirement and the variable capital requirement are together referred to as the company's Capital Resource Requirement (CRR).

- **Pillar 2** – required the company to assess regularly the amount of internal capital it considers adequate to cover all of the risks to which it is exposed to within the context of its overall risk management framework. This requires the calculation of an Internal Capital Adequacy Assessment Process (ICAAP) and is designed to identify additional capital that may be needed to cover risks that are not fully considered by Pillar 1, or are not considered at all. This process is the responsibility of the company and will form a key input into the FCA's supervisory review process.

- **Pillar 3** – This establishes additional public disclosure requirements which should be made in the Financial Statements of the company and will allow market participants to assess key information about its underlying risks, management controls and capital adequacy.

Disclosure Policy
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 clients and counterparties. If information has been omitted for any of the above stated reasons, a statement explaining the rational has been included in the relevant section.

Publication Frequency
The Company will be disclosing Pillar 3 annually. The disclosures will be as at the Accounting Reference Date (ARD) which is currently 31 December.

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

Management Objectives and Policies
The company is governed by its director who determines its business strategy and risk appetite. The director is also responsible for establishing and maintaining the corporate governance arrangements, defining and implementing Risk Management framework that can quantify and monitor the risks of the business taking into consideration also the relevant laws, and FCA principles and rules.

AC GLOBAL MARKETS LIMITED (REGISTERED NUMBER: 07126254)

PILLAR 3 RISK DISCLOSURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

The director has identified that business, reputational, operational, market and credit risks are the main areas that the company has potential exposure. Annually the director with the assistant of the compliance officer formally reviews the risks, controls and other risk mitigation arrangements and assesses their effectiveness. Where material risks are identified as having a financial impact; these risks are evaluated as part of the business planning and capital management concerning whether the existing regulatory capital of the firm 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 Requirements

The company is authorised and regulated by the Financial Conduct Authority and its Financial Conduct Register (FRN) number is 520929. Its brokerage activities including proprietary bond trading and therefore its IFPRU categorization is a "Full Scope" and an IFPRU €730K.firm. The risks to which the company is exposed are principally those of a fiduciary and operational in nature and are managed according to its operational and compliance risk guidelines including its ethical standards.

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, any current year losses are also taken into account The company's risk calculations being a Full Scope were as follows:

The Credit Risk Capital Requirement as at 31 December 2015 was £177,221

Pillar 1 Operational Risk Requirement of £93,714

The market risk exposure was £nil as at 31 December 2015 as there were no trading positions.

The company does not adapt the Internal Ratings based approach and hence is not applicable.

Own Funds

The company is an IFPRU 730K Full-Scope Licence Firm because it deals for its own account. It does not manage individual portfolios and does not hold Client monies. An IFPRU firm must maintain at all times capital resources equally, or in excess of the base requirement £550,305.

The "Total Risk Exposure Amount" (TREA), for the company is defined as Credit Risk Capital and Operational Risk Capital adequacy purposes. Additionally, the company has no Innovative Tier 1 capital instruments or deductions.

Common Equity Tier 1 Capital		£544,108
Tier 2 Capital		Nil
Total Risk Exposure Amount (TREA)		£1,348,648
Core Tier 1 and Total Capital Ratio		40%
Surplus Common Equity Capital over Minimum Base		£6,197
CET1	4.5% of TREA i.e. 1,348,648 *4.5%	£60,689
TIER 1 Capital	6.5% of TREA i.e. 1,348,648 * 6%	£80,919
Total Capital Ratio	8.0% of TREA i.e. 1,348,648 * 8%	£107,892

Overall Pillar 2 Rule
Under Pillar II of the Capital Resources Directive (CRD), the company is required to establish an Internal Capital Adequacy Assessment Process (ICAAP). This is an ongoing monitoring process. The ICAAP report is calculated by the compliance officer and presented to the director for formal review and approval. The data and assumptions used in the assessment of risk and capital adequacy are assessed and updated on a regular basis where necessary. This includes stress testing of various scenarios. Should new risks materialize, or be identified, the company will incorporate these risks into the overall review process. As a brokerage firm the major risks the company is exposed to are non-collection of brokerage fees and operational risk.

Counterparty Credit risk Exposure
The company adopts the simplified standardised approach to credit risk. The primary activity of the company is only the execution trading activities with some limited proprietary trading entered into on a matched principle basis. Therefore the company is mainly exposed to indirect Credit risks, such as those arising from counterparty trading and settlement activities, which is a consequence of undertaking this type of trading activity. This risk is considered low, as the amounts due are from primarily from institution funds or market counterparties.

Standardised Approach Risk Calculation
For Pillar 1 regulatory capital calculation of Credit Risk, as an IFPRU Firm, the Standardised Approach is the method of calculating risk weights and not the Simplified method.

	Exposure (000's)	Risk Weight	Risk Weighted Exposure Amount (000's)
Fixed Assets	18	100%	18
Bank and Institution	756	20%	151
Corporates	8	100%	8
	782		**177**

Note: The assigned Risk Weight percentages for rated and unrated institutions and corporates are Articles 120 and 121 defined in Regulation (EU) No 575/2013 - Capital Requirements Regulation (CRR).

Market risk
Market risk is the vulnerability of movements in the value of financial instruments on the proprietary positions of its trading book. The company is not exposed to market risk on any client orders as these positions are matched on an agency basis. For proprietary trading, there are no positions retained on the balance sheet of the company, as all inter-day trading is executed on a matched basis and taking advantage of any arbitrage opportunities between different counterparty bid/ask prices in the bond market.

PILLAR 3 REMUNERATION CODE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

Decision Making & Disclosure for Determining Remuneration Policy

The company being regulated by the Financial Conduct Authority (FCA) as an IFPRU Full Licence and is subject to the FCA Rules on remuneration. These are contained in the Remuneration Code located in the SYSC Sourcebook of the FCA Handbook (SYSC 19A for IFPRU firms). The Remuneration Code (the "RemCode") includes the total remuneration of Code Staff split by fixed and variable components. Total remuneration is based on balancing both financial and non-financial indicators together with the performance of the company and the employees. The company will monitor the fixed to variable compensation to ensure SYSC 19 is adhered to with respect to total compensation where applicable.

The policy of the company is designed to ensure that it complies with the RemCode and its internal compensation arrangements:

- are consistent with and promotes sound and effective risk management;
- do not encourage excessive risk taking;
- include measures to avoid conflicts of interest; and
- are in line with the business strategy of the company, objectives, values and long-term interest.

Proportionality

The FCA have sought to apply proportionality in the first instance by categorising firms into Three levels. The company classification is the Third Proportionality level and as such, this disclosure is made in line with the requirements for a Level 3 Firm.

Application of the requirements

The company is required to disclose certain information on at least an annual basis regarding our Remuneration Policy and practices for those staff whose professional activities have a material impact on the risk profile of the business. However, the disclosure is made in accordance with the size, nature, scope and complexity of the activities of the company.

Summary of the information on the decision-making process used for determining the remuneration policy.

- the policy of the company has been agreed by the senior management in line with the RemCode principles laid down by the FCA.
- due to the size, nature and complexity of the company, we are not required to appoint an independent remuneration committee.
- the policy of the company will be reviewed as part of annual process and procedures, or following a significant change to the business requiring an update to its internal capital adequacy assessment.

Summary of methodology between pay and performance

- employees are rewarded based on their contribution to the overall strategy of the business particularly in the area of operations.
- other factors such as performance, reliability, effectiveness of controls, business development and contribution to the business are taken into account when assessing the performance of the senior management responsible for the infrastructure of the company.

PILLAR 3 REMUNERATION CODE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

Quantitative Information on remuneration:

In view of the low headcount and number of employees classified as Code Staff, the company has taken the decision that disclosing detailed remuneration data could potentially jeopardise the privacy of individual personal and also jeopardise the competitive position of its business. Accordingly, the aggregated remuneration total was a figure of £234,000 of which £81,000 was the variable remuneration.