STRATEGIC REPORT, REPORT OF THE DIRECTOR AND

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

FOR

AC GLOBAL MARKETS LIMITED

AC GLOBAL MARKETS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2014

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 2014

The director presents his strategic report for the year ended 31st December 2014.

REVIEW OF BUSINESS
The results for the year are set out on page 7 and show the profit on ordinary activities after taxation for the year as being £199,904 (2013 - £372,802). At the year end, the net assets of the company amounted to £643,862 (2013 - £543,958).

The director considers the profit achieved on ordinary activities before taxation to be very satisfactory in line with the improvement in global financial markets during the year.

The director is targeting new business with investment management firms and institutional clients during 2015.

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 - £1,241,320,940 (2013 - £1,050,432)

Liquidity ratio - 8.21 (2013 - 3.80) (current assets/current liabilities)

ON BEHALF OF THE BOARD:

....
F C De Tomasi - Director

Date: 23 APRIL 2015

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2014

The director presents his report with the financial statements of the company for the year ended 31st December 2014.

PRINCIPAL ACTIVITY

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 instruments for its own account.

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

DIVIDENDS

An interim dividend of £0.67 per share was paid on 26th February 2014. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31st December 2014 will be £100,000.

DIRECTOR

F C De Tomasi held office during the whole of the period from 1st January 2014 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.

CHARITABLE DONATIONS

During the year the company made a donation of £10,000 (2013 - £15,000) to Médecins Sans Frontières UK an independent humanitarian aid organisation.

PILLAR 3 DISCLOSURE

The company has documented the disclosure required by the Financial Conduct Authority under BIPRU 11 on pages 16 to 19 of the financial statements. The company makes Pillar 3 disclosures annually.

AC GLOBAL MARKETS LIMITED (REGISTERED NUMBER: 07126254)

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2014

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: 23 APRIL 2015

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 2014 on pages seven to fifteen. 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 four, 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 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 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

Date: 23 APRIL 2015

AC GLOBAL MARKETS LIMITED (REGISTERED NUMBER: 07126254)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2014

	Notes	31.12.14 £	31.12.13 £
TURNOVER	2	**1,241,320,940**	1,050,432
Cost of sales		**1,240,696,545**	231,276
GROSS PROFIT		**624,395**	819,156
Administrative expenses		**371,672**	336,320
OPERATING PROFIT	4	**252,723**	482,836
Interest receivable and similar income		**82**	95
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**252,805**	482,931
Tax on profit on ordinary activities	5	**52,901**	110,129
PROFIT FOR THE FINANCIAL YEAR		**199,904**	372,802

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

AC GLOBAL MARKETS LIMITED (REGISTERED NUMBER: 07126254)

BALANCE SHEET
31ST DECEMBER 2014

	Notes	31.12.14 £	£	31.12.13 £	£
FIXED ASSETS					
Tangible assets	7		2,909		1,715
Investments	8		17,000		17,000
			19,909		18,715
CURRENT ASSETS					
Debtors	9	470,054		345,189	
Cash at bank		271,431		367,496	
		741,485		712,685	
CREDITORS					
Amounts falling due within one year	10	117,532		187,442	
NET CURRENT ASSETS			623,953		525,243
TOTAL ASSETS LESS CURRENT LIABILITIES			643,862		543,958
CAPITAL AND RESERVES					
Called up share capital	12		150,000		150,000
Profit and loss account	13		493,862		393,958
SHAREHOLDERS' FUNDS	16		643,862		543,958

The financial statements were approved by the director on 23 APRIL 2015 and were signed by:

....
F C De Tomasi - Director

The notes form part of these financial statements

AC GLOBAL MARKETS LIMITED (REGISTERED NUMBER: 07126254)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2014

	Notes	31.12.14 £	31.12.13 £
Net cash inflow from operating activities	1	**216,992**	237,793
Returns on investments and servicing of finance	2	**82**	95
Taxation		**(110,129)**	5,809
Capital expenditure and financial investment	2	**(3,010)**	(19,572)
Equity dividends paid		**(100,000)**	-
		3,935	224,125
Management of liquid resources	2	**(100,000)**	-
(Decrease)/increase in cash in the period		**(96,065)**	224,125

	Notes	31.12.14 £	31.12.13 £
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		(96,065)	224,125
Change in net funds resulting from cash flows		(96,065)	224,125
Movement in net funds in the period		(96,065)	224,125
Net funds at 1st January		367,496	143,371
Net funds at 31st December		271,431	367,496

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2014

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.14	31.12.13
	£	£
Operating profit	252,723	482,836
Depreciation charges	1,816	857
Increase in debtors	(24,865)	(259,921)
(Decrease)/increase in creditors	(12,682)	14,021
Net cash inflow from operating activities	216,992	237,793

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	82	95
Net cash inflow for returns on investments and servicing of finance	82	95
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(3,010)	(2,572)
Purchase of fixed asset investments	-	(17,000)
Net cash outflow for capital expenditure and financial investment	(3,010)	(19,572)
Management of liquid resources		
Loan given to parent company	(100,000)	-
Net cash outflow from management of liquid resources	(100,000)	-

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.14	Cash flow	At 31.12.14
	£	£	£
Net cash:			
Cash at bank	367,496	(96,065)	271,431
	367,496	(96,065)	271,431
Total	367,496	(96,065)	271,431

The notes form part of these financial statements

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 from brokerage activities and from the sale of bonds.

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

Revenue relating to the sale of bonds are recognised on the date of trade.

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 balance sheet date.

Foreign currencies
Monetary 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.

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 the profit and loss account in the period to which they relate.

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

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**

	31.12.14	31.12.13
	£	£
Wages and salaries	**207,187**	183,805
Social security costs	**24,097**	18,256
Other pension costs	**22,313**	11,807
	253,597	213,868

continued...

3. **STAFF COSTS - continued**

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

	31.12.14	31.12.13
Management	2	2
Administration	2	1
	4	3

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.14	31.12.13
	£	£
Depreciation - owned assets	1,816	857
Auditors' remuneration	7,830	9,122
Foreign exchange differences	4,170	833
Fees to Auditors' for accounting services	1,103	810
Director's remuneration	117,589	116,667

5. **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	52,901	110,129
Tax on profit on ordinary activities	52,901	110,129

continued...

5. **TAXATION - continued**

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.14	31.12.13
	£	£
Profit on ordinary activities before tax	252,805	482,931
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.770% (2013 - 23%)	52,508	111,074
Effects of:		
Expenses not deductible for tax purposes	641	(424)
Capital allowances in excess of depreciation	(248)	(394)
Tax losses adjustment	-	(127)
Current tax charge	52,901	110,129

6. **DIVIDENDS**

	31.12.14	31.12.13
	£	£
Ordinary shares of £1 each		
Interim	100,000	-

7. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings	Computer equipment	Totals
	£	£	£
COST			
At 1st January 2014	-	2,572	2,572
Additions	539	2,471	3,010
At 31st December 2014	539	5,043	5,582
DEPRECIATION			
At 1st January 2014	-	857	857
Charge for year	135	1,681	1,816
At 31st December 2014	135	2,538	2,673
NET BOOK VALUE			
At 31st December 2014	404	2,505	2,909
At 31st December 2013	-	1,715	1,715

continued...

8. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	31.12.14	31.12.13
	£	£
Painting	17,000	17,000

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£	£
Trade debtors	30,780	15,383
Amounts owed by group undertakings	100,000	-
Other debtors	334,817	328,276
Prepayments and accrued income	4,457	1,530
	470,054	345,189

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£	£
Trade creditors	7,369	22,049
Tax	52,901	110,129
Social security and other taxes	14,011	9,034
Other creditors	3,921	-
Accruals and deferred income	39,330	46,230
	117,532	187,442

11. OPERATING LEASE COMMITMENTS

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

	Land and buildings	
	31.12.14	31.12.13
	£	£
Expiring:		
Between one and five years	24,000	24,000

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.14	31.12.13
			£	£
150,000	Ordinary	£1	150,000	150,000

continued...

13. RESERVES

	Profit and loss account £
At 1st January 2014	393,958
Profit for the year	199,904
Dividends	(100,000)
At 31st December 2014	493,862

14. 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.

15. RELATED PARTY DISCLOSURES

Albemarle Asset Management Limited
During the year the company paid £24,000 (2013 - £25,200) serviced office rent to Albemarle Asset Management Limited. The balance owed by the company at the year end is £6,000 (2013- £6,000).

During the year the company was recharged expenses of £12,085 (2013 - £5,690) by Albemarle Asset Management Limited. At the balance sheet date included in accruals is £nil (2013-£5,690).

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

Alma Grand SA
Ultimate parent company

During the year an interest free loan of £100,000 was given.

	31.12.14 £	31.12.13 £
Amount due from related party at the balance sheet date	100,000	-

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.14 £	31.12.13 £
Profit for the financial year	199,904	372,802
Dividends	(100,000)	-
Net addition to shareholders' funds	99,904	372,802
Opening shareholders' funds	543,958	171,156
Closing shareholders' funds	643,862	543,958

PILLAR 3 RISK DISCLOSURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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

Introduction and background
The Capital Requirements Directive IV ('CRD') 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. The CRD 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 where necessary maintain additional capital.
- Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position.

The rules in the PRA & FCA Prudential Source Book for Investment firms ("IFPRU") 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 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.

Risk 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 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 FCA 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 Conduct Authority and its Financial Conduct Register number is 520929. Its broker activities including proprietary bond trading and therefore its IFPRU categorisation is a "Full Scope" and an IFPRU €730K.firm. 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.

PILLAR 3 RISK DISCLOSURE STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2014

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 Company Risk calculations being a Full Scope were as follows:

The Credit Risk Capital Requirement as at 31 December 2014 was £251,000

Pillar 1 Operational Risk Requirement of £107,000.

The Market Risk Exposure was Nil as at 31 December 2014 as there were no trading positions.

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

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 is non-collection of brokerage fees and operational risk.

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.

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

Market risk
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.

Operational risk
Operational risk is the loss resulting from inadequate or failed internal processes, people and systems, or from external events. As such, operational risk spans a wide and diverse range of potential risks, including: loss of key staff; IT system failures; loss of data; telecommunications failures; loss of power supply; failure or disruption of a critical business process; disaster occurrences, natural or otherwise. Operational risks are identified, mitigated and / or managed at the Company by senior individuals who are alert to the risks faced by the area of the business they are responsible e.g. Trading, Operations, Finance, Compliance, etc.

The Company's Financial Resources Requirement is the higher of Base Capital, or the sum of Operational Risk and Credit Risk Requirement.

Base Capital Requirement £566,946

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.

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 any client monies. An IFPRU firm must maintain at all times capital resources equal to or in excess of the Base Capital Requirement of £566,946.

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.

During the 12 month accounting period to 31 December 2014, the Company complied fully with all capital requirements and operated well within regulatory requirements. At the accounting reference date, the Company held the following capital position:

Common Equity Tier 1 Capital	£736,317
Tier 2 Capital	£nil
Total Risk Exposure Amount (TREA)	£1,597,992
Core Tier 1 and Total Capital Ratio	46%
Surplus Common Equity Capital over Minimum Base	£169,371

Common Equity Tier 1 Capital of 4.5% of TREA. The Company's minimum requirement based on the above TREA is £71,909.

Tier 1 Capital of 6% of TREA. The Company's minimum requirement based on the above TREA is £95,879.

Total Capital (Own Funds) of 8% of TREA. The Company's minimum requirement based on the above TREA is £127,839.

We currently have a Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital (Own Funds) of £736,317 (46% of TREA).

PILLAR 3 REMUNERATION CODE STATEMENT FOR THE YEAR ENDED TO 31ST DECEMBER 2014

Decision Making & Disclosure of compliance with Remuneration Code

The Company has in place internal policies, practices and procedures consistent with the FCA's rules. The Board forms the remuneration committee and the Director fully acknowledges his responsibilities under the Code including his overriding responsibility to ensure that the firm's remuneration policies, practices and procedures:

- are in line with the business strategy, objectives and long-term interests and values of the firm;
- 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 firm;
- 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.

All decisions in relation to the remuneration of code staff are made and approved by the firm's Remuneration committee, with no input from the shareholder. 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 firm'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.

The Remuneration committee believes that its Remuneration Code policies, procedures and practices are fully aligned with the firm's clients and that the success of the firm and subsequent payment of variable remuneration is correlated to the success of the firm's trading activities both in the firm and its clients.

The following groups of employees have been identified as meeting the FCA criteria of code staff:

1) Directors
2) Significant Influence

The Company's code staff, all of whom have been approved by the FCA to perform a controlled function, received aggregate remuneration of £169,000 in the year ended 31st December 2014, which was broken down between £ 142,000 in fixed remuneration and £27,000 in variable remuneration.