

Company Registration No. 08171762 (England and Wales)

ADMIRAL MARKETS UK LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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ADMIRAL MARKETS UK LTD

COMPANY INFORMATION

Directors	D Laush J Kartakov E Pedersen I Rogers A Tsikhilov
Company number	08171762
Registered office	16 St. Clare Street London EC3N 1LQ
Auditors	Fisher, Sassoon & Marks 43 - 45 Dorset Street London W1U 7NA

ADMIRAL MARKETS UK LTD

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ADMIRAL MARKETS UK LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Fair review of the business

The company is regulated by the United Kingdom Financial Conduct Authority. All client trades are offset with a fellow subsidiary company, Admiral markets AS ("AMAS"), which operates in Estonia and is regulated by the Estonian Financial Supervision Authority. Under this arrangement the company is acting as a matched principal broker, and does not hold any trading positions itself. The company's main source of revenue is commission charged to AMAS based upon the volume of trades carried out by the company's clients. In addition to acting as principal to trades, AMAS provides the company with operational, marketing, and IT services.

During the course of 2015, the company continued to expand its retail client base, particularly in central and eastern Europe. This was achieved through the migration of clients from AMAS, and use of on-line and off-line marketing campaigns. Turnover increased by 317.45% in 2015 compared to 2014, reflecting the completion of the migration of clients from AMAS to the company, and the success of the marketing campaigns launched throughout the year.

Principal risks and uncertainties

The company continuously carries out an assessment of the risks which have the potential to have a significant negative impact on its financial performance and future business prospects. The company has a low appetite for risk.

Price risk:

Price risk is defined as the risk of a material loss arising from exposures to excessive price fluctuations in positions held by the company. Because all client positions are hedged with AMAS, this risk is materially mitigated.

Credit risk:

Credit risk arises where a borrower or counterparty fail to meet their financial obligations. The main source of credit risk for the company is on deposits held at third parties. No credit is extended to clients. To mitigate this risk, all customer funds are held in a UK regulated clearing bank, and the company's own funds are held across a number of European banks.

Cash flow risk:

Cash flow risks are that the company does not have sufficient financial resources to meet its obligations as they fall due. Under the company's business model, the most likely reason for this to happen would be a AMAS not being able to pay the company any amounts due, leaving the company unable to settle its obligations with its clients, or vice versa. The company has controls in place to ensure that clients do not owe more than their deposit, and is given reports by AMAS which demonstrates that they are operating within their own risk parameters.

Liquidity risk:

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk:

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

ADMIRAL MARKETS UK LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Key performance indicators

At the year end the firm had net assets of £424,141 (2014 - £207,673).

Key performance indicators are net profit margin
6.55% v 0.97% (2014)).

On behalf of the board



I Rogers

Director

20/04/2016

ADMIRAL MARKETS UK LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The company's principal activity is a broker providing online FX and CFD trading services to retail clients.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Laush	
E Pedersen	(Resigned 15 March 2015 and re-appointed 16 October 2015)
A Tsikhilov	
J Kartakov	(Appointed 1 March 2015)
I Rogers	(Appointed 1 March 2015)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Future developments

The company plans to continue the expansion of its retail client base, particularly through the opening of 10 branches during the course of 2016 in countries comprising its core European market, and also expanding in markets beyond Europe. This will be achieved by organic growth.

Auditors

The auditors, Fisher, Sassoon & Marks, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ADMIRAL MARKETS UK LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of directors' responsibilities

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

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

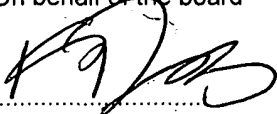
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



I Rogers

Director

20/04/2016

ADMIRAL MARKETS UK LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADMIRAL MARKETS UK LTD

We have audited the financial statements of Admiral Markets UK Ltd for the year ended 31 December 2015 set out on pages 6 to 19. 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.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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 matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Jonathan Marks (Senior Statutory Auditor)
for and on behalf of Fisher, Sassoon & Marks

20/04/2016

Chartered Accountants
Statutory Auditor

43 - 45 Dorset Street
London
W1U 7NA

ADMIRAL MARKETS UK LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	4	1,472,411	463,828
Cost of sales		(186,062)	(38,379)
Gross profit		1,286,349	425,449
Administrative expenses		(1,189,260)	(414,361)
Other operating income		2,076	-
Operating profit	5	99,165	11,088
Interest receivable and similar income	8	427	1
Interest payable and similar charges	9	(3,123)	(6,567)
Profit before taxation		96,469	4,522
Taxation	10	-	-
Profit for the financial year	18	96,469	4,522
Total comprehensive income for the year		96,469	4,522

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ADMIRAL MARKETS UK LTD

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	11		80,330		26,940
Current assets					
Debtors	13	377,548		119,250	
Cash at bank and in hand		1,515,560		485,014	
		1,893,108		604,264	
Creditors: amounts falling due within one year	14	(1,549,297)		(296,964)	
Net current assets			343,811		307,300
Total assets less current liabilities			424,141		334,240
Creditors: amounts falling due after more than one year	15		-		(126,567)
Net assets			424,141		207,673
Capital and reserves					
Called up share capital	17		377,501		257,501
Profit and loss reserves	18		46,640		(49,828)
Total equity			424,141		207,673

The financial statements were approved by the board of directors and authorised for issue on 20/04/2016 and are signed on its behalf by:



I Rogers
Director

Company Registration No. 08171762

ADMIRAL MARKETS UK LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		<u>190,001</u>	<u>(54,349)</u>	<u>135,652</u>
Period ended 31 December 2014:				
Profit and total comprehensive income for the year		-	4,522	4,522
Issue of share capital	17	<u>67,500</u>	<u>-</u>	<u>67,500</u>
Balance at 31 December 2014		<u>257,501</u>	<u>(49,828)</u>	<u>207,673</u>
Period ended 31 December 2015:				
Profit and total comprehensive income for the year		-	96,469	96,469
Issue of share capital	17	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Balance at 31 December 2015		<u>377,501</u>	<u>46,640</u>	<u>424,141</u>

ADMIRAL MARKETS UK LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23		1,099,979		192,523
Interest paid			(3,123)		(6,567)
Net cash inflow from operating activities			<u>1,096,856</u>		<u>185,956</u>
Investing activities					
Purchase of tangible fixed assets		(66,737)		(15,145)	
Interest received		427		1	
Net cash used in investing activities			<u>(66,310)</u>		<u>(15,144)</u>
Financing activities					
Proceeds from issue of shares		-		67,500	
Repayment of borrowings		-		6,567	
Net cash (used in)/generated from financing activities			<u>-</u>		<u>74,067</u>
Net increase in cash and cash equivalents			<u>1,030,546</u>		<u>244,879</u>
Cash and cash equivalents at beginning of year			485,014		240,135
Cash and cash equivalents at end of year			<u><u>1,515,560</u></u>		<u><u>485,014</u></u>

ADMIRAL MARKETS UK LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Admiral Markets UK Ltd is a company limited by shares incorporated in England and Wales. The registered office is 16 St. Clare Street, London, EC3N 1LQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Admiral Markets UK Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Admiral Markets UK Ltd is a wholly owned subsidiary of Admiral Markets Group AS and the results of Admiral Markets UK Ltd are included in the consolidated financial statements of the parent. The smallest and largest group that the results of the entity are consolidated is that headed by the ultimate parent entity and controlling party.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents net profit and loss, commission, spread and financial revenue from on line broking in contract for differences.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	5 years straight line
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

ADMIRAL MARKETS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.5 Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.6 Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Fair value measurement of financial instruments

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ADMIRAL MARKETS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

ADMIRAL MARKETS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.11 Client monies and comparative figures

The Company holds money on behalf of clients in accordance with the client money rules of its regulator. Client monies held in segregated bank and settlement accounts in accordance with regulations and the corresponding liabilities to these clients are not recognised in the Balance Sheet. At 31 December 2015, amounts held by the Company on behalf of clients in accordance with the Client Assets Rules of the Financial Conduct Authority amounted to £7,519,566 (2014: £1,664,592).

2 Change in accounting policy

The comparative figures have been restated to reflect the change in accounting policy in respect of client monies held in accordance with FCA client monies rules which was previously recognised on the balance sheet within current assets and the corresponding liabilities in current liabilities. The effect on the 2014 comparative figures was to reduce current assets and current liabilities by £1,664,592 and nil effect on net current assets.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ADMIRAL MARKETS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
Turnover		
Fees receivable	1,472,411	463,828

Other significant revenue

Interest income	427	1
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Turnover analysed by geographical market

	2015 £	2014 £
UK	1,472,411	463,828

5 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	4,521	1,447
Research and development costs	38,340	-
Fees payable to the company's auditors for the audit of the company's financial statements	12,000	5,800
Depreciation of owned tangible fixed assets	13,347	7,784
Cost of stocks recognised as an expense	186,062	38,379
Operating lease charges	51,567	38,733

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Management	2	2
Administration	8	3
	10	5

ADMIRAL MARKETS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Employees

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	278,470	130,676
Social security costs	28,299	12,666
	<u>306,769</u>	<u>143,342</u>

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	<u>103,333</u>	<u>-</u>

8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	<u>427</u>	<u>1</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>427</u>	<u>1</u>
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9 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	6,567
Interest on other loans	3,123	-
	<u>3,123</u>	<u>6,567</u>

ADMIRAL MARKETS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

10 Taxation

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	96,469	4,522
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	19,294	904
Tax effect of expenses that are not deductible in determining taxable profit	1,685	934
Tax effect of utilisation of tax losses not previously recognised	(10,301)	(366)
Permanent capital allowances in excess of depreciation	(10,678)	(1,472)
Tax expense for the year	-	-

11 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost			
At 1 January 2015	15,217	20,734	35,951
Additions	64,187	2,550	66,737
At 31 December 2015	79,404	23,284	102,688
Depreciation and impairment			
At 1 January 2015	3,804	5,207	9,011
Depreciation charged in the year	6,223	7,124	13,347
At 31 December 2015	10,027	12,331	22,358
Carrying amount			
At 31 December 2015	69,377	10,953	80,330
At 31 December 2014	11,413	15,527	26,940

12 Financial instruments

	2015 £	2014 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	311,179	101,397
Carrying amount of financial liabilities		
Measured at amortised cost	1,519,728	414,659

ADMIRAL MARKETS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Debtors		2015	2014
Amounts falling due within one year:		£	£
Trade debtors		249,052	82,140
Other debtors		62,127	19,257
Prepayments and accrued income		66,369	17,853
		<u>377,548</u>	<u>119,250</u>
14 Creditors: amounts falling due within one year		2015	2014
	Notes	£	£
Trade creditors		138,548	11,912
Amount due to parent undertaking		-	199
Amounts due to fellow group undertakings		1,322,688	253,922
Other taxation and social security		29,569	8,872
Other creditors		30	-
Accruals and deferred income		58,462	22,059
		<u>1,549,297</u>	<u>296,964</u>
15 Creditors: amounts falling due after more than one year		2015	2014
	Notes	£	£
Loans and overdrafts	16	<u>-</u>	<u>126,567</u>
16 Loans and overdrafts		2015	2014
		£	£
Other loans		<u>-</u>	<u>126,567</u>
Payable after one year		<u>-</u>	<u>126,567</u>
17 Share capital		2015	2014
		£	£
Ordinary share capital Issued and fully paid			
377,501 Ordinary shares of £1 each		<u>377,501</u>	<u>257,501</u>
During the year 120,000 ordinary shares with a nominal value of £1 each were issued at par.			

ADMIRAL MARKETS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

18 Profit and loss reserves

	2015 £	2014 £
At the beginning of the year	(49,828)	(54,349)
Profit for the year	96,469	4,522
At the end of the year	<u>46,640</u>	<u>(49,828)</u>

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Between two and five years	<u>69,030</u>	<u>-</u>

20 Events after the reporting date

There are no matters to report.

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2015 £	2014 £
Aggregate compensation	<u>103,333</u>	<u>85,833</u>

Related Party Transactions and Balances

At the year end Admiral Markets Group AS, the parent entity, was owed £9,889 (2014 - £126,766) by the company.

At the year end the company owed a fellow subsidiary, Admiral Markets AS, £1,320,313 (2014 - £251,728).

ADMIRAL MARKETS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

21 Related party transactions (continued)

At the year end the company owed a fellow subsidiary, Admiral Markets Cyprus Ltd, £4,498 (2014 £nil)

The company earned revenues from Admiral Markets AS, the sum of £1,767,008 (2014- £463,828).

The company was charged by Admiral Markets AS marketing fees of £53,339 (2014 £nil).

The company was charged by Admiral Markets Group AS interest of £3,123 (2014 £6,567).

The company was charged by Admiral Markets Cyprus Ltd commission fees of £4,399 (2014 £nil).

22 Controlling party

The entity is a wholly owned subsidiary of Admiral Markets Group AS. The parent prepares consolidated accounts which include the results of Admiral Markets UK Limited.

23 Cash generated from operations

	2015	2014
	£	£
Profit for the year after tax	96,469	4,522
Adjustments for:		
Finance costs	3,123	6,567
Investment income	(427)	(1)
Depreciation and impairment of tangible fixed assets	13,347	7,784
Movements in working capital:		
(Increase) in debtors	(258,299)	(65,782)
Increase in creditors	1,245,766	239,433
Cash generated from operations	<u>1,099,979</u>	<u>192,523</u>

ADMIRAL MARKETS UK LTD

PILLAR 3 DISCLOSURE

FOR THE YEAR ENDED 31 DECEMBER 2015

Summary

The CRD requirements have three pillars. Pillar 1 deals with minimum capital requirements; Pillar 2 deals with Internal Capital Adequacy Assessment Process ("ICAAP") undertaken by a firm and the Supervisory Review and Evaluation Process through which the firm and regulator satisfy themselves on the adequacy of capital held by the Firm in relation to the risks it faces and; Pillar 3 which deals with public disclosure of risk management policies, capital resources, capital requirements and remuneration policy. The regulatory aim of the disclosure is to improve market discipline and transparency.

The Firm is a limited license firm primarily with the permission to hold client money.

The Firm's key risks have been identified and grouped as either market, credit, interest rate, business or operational risks. The Firm has assessed these risks in its ICAAP and has set out appropriate actions to manage them.

Market Risk

The firm incurs market risk on foreign currency movements on client cash /liabilities held in foreign currencies. The firm monitors its exposure on a day to day basis.

Credit Risk

The Firm's exposure to credit risk is that clients lose more money than they have available in their accounts hence there is a failure to collect payments when they are due. Client margins are monitored on a daily basis so that minimum risk exposure occurs.

The Firm holds all cash with Banks after undertaking an assessment of the credit rating of each Bank.

Business risk

By its nature a Firm that holds client money has a higher business risk than some other types of business. However within this context the Firm again has a conservative business risk appetite.

Currently the Firm has a simple business strategy and the main business risk is the loss of client business.

Operational Risk

This incorporates the monitoring of client money processes undertaken as well as the regulatory and contingency planning done at the Firm level. Our operational risk appetite is conservative and, as a result, we invest to mitigate such risks.

Our staffing levels also provide a level of contingency cover in all critical business areas.

The Firm has documented contingency planning and disasters recovery procedures and these are regularly reviewed and tested.

We also aim to keep all aspects of our operations as simple as possible

ADMIRAL MARKETS UK LTD

PILLAR 3 DISCLOSURE

FOR THE YEAR ENDED 31 DECEMBER 2015

Interest Rate Risk

The firm does not have a material interest rate risk.

Background to the Firm

Background

The Firm is incorporated in the UK and is authorised and regulated by the FCA as an Investment Advisory Firm. The Firm's activities give it the IPRU categorisation of a "Limited Licence" and an "IFPRU €125K" firm.

As a Limited Licence Firm we are considered a Proportionality tier three firm for the purposes of the FCA's Remuneration Code.

For its Pillar 1 regulatory capital calculation of Credit Risk, under the credit risk capital component the Firm has adopted the Standardised approach of calculating risk weights.

Credit Risk calculation @ 31 December 2015

Credit Risk Capital Requirement £67,811

The Firm does not adopt the Internal Ratings Based approach and hence this is not applicable.

The Firm, being a Limited Licence Firm is not subject to the Pillar 1 Operational Risk Requirement and, therefore, this is not applicable.

The Firm has Non-Trading Book potential exposure only.

FX risk on cash balances withheld in foreign currencies at banks

FX Risk calculation @ 31 December 2015

FX Risk Capital Requirement £27,686

Disclosure: Risk Management Objectives and Policies

Risk Management Objective

The Firm has a risk management objective to develop systems and controls to mitigate risk to within its conservative risk appetite. Mr I Rogers is in charge of compliance and oversight in the firm.

Governance Framework

Ms E Pedersen, Mr D Laush, Mr A Tsikhilov, Mr J Kartakov and Mr I Rogers make up the Managing Board of Admiral Markets UK Limited. The Board meets informally on a weekly basis and formally on a monthly basis. B Waheed is responsible for compliance oversight.

Risk Framework

ADMIRAL MARKETS UK LTD

PILLAR 3 DISCLOSURE

FOR THE YEAR ENDED 31 DECEMBER 2015

The Managing Board is responsible for risk management and reviews the effectiveness of the Firm's system of internal controls to manage and mitigate the risks identified.

Overall Pillar 2 Rule

The Firm has adopted the "Structured" approach to the calculation of its ICAAP Capital Resources Requirement as outlined in the Committee of European Banking Supervisors Paper, 25 January 2006.

The ICAAP is reviewed by the Managing Board of the Firm annually, or when a material change to the business occurs.

Disclosure: Credit Risk and Dilution Risk

The Firm is primarily exposed to Credit Risk from the risk of non-collection of fees and the exposure to banks where cash held is deposited. The Firm holds all cash with a A rated UK and European banks. See above for calculation of credit risk as at 31 December 2015.

Disclosure: Operational Risk

The Firm's Fixed Overhead Requirement (FOR) is disclosed as a proxy for the Pillar 1 Operational Risk Capital calculation. The Firm's Pillar 1 Capital Resources Requirement is the higher of FOR/the sum of Market Risk and Credit Risk Requirement.

Fixed Overhead Requirement

£225,574

Disclosure: Non-Trading Book Exposures in Equities

This disclosure is not required as the Firm does not have a Non-Trading Book Exposure to Equities.

Disclosures: Exposures to Interest Rate Risk in the Non-Trading Book

Although the Firm has substantial cash balances on its Balance Sheet, there is currently no significant exposure to Interest Rate fluctuations.

Disclosures: Securitisation

This disclosure is not required as the Firm does not Securitise its assets.

Disclosures: Remuneration

The FCA defines Remuneration Code Staff ("Code Staff") in SYSC 19A.3.4 as senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as those detailed above, whose professional activities have a material impact on the firm's risk profile.

The Firm has decided to treat all Directors as Code Staff.

ADMIRAL MARKETS UK LTD

PILLAR 3 DISCLOSURE

FOR THE YEAR ENDED 31 DECEMBER 2015

The Managing Board will consider the need to add any new joiners to the list of Remuneration Code Staff during the year.

Application

Based on the Firm's profile we have defined ourselves as a Proportionality Tier Three investment firm ("Tier Three Firm") and adopted a proportioned approach to our remuneration policy. We have considered our individual needs on an ongoing basis and where appropriate disapplied certain provisions in accordance with FCA and CEBS/EBA guidance. The Managing Board will review any provisions which have been disapplied on at least an annual basis, to ensure that it continues to be appropriate.

Information concerning the decision-making process

Due to the size of the Company, we do not consider it appropriate to have a separate remuneration committee. Instead this function is undertaken by the Managing Board. This will be kept under review and should the need arise; the Company will consider amending this arrangement to provide greater independent review.

The Directors are members of the Managing Board and also jointly have an equal voting interest in the Company.

The Managing Board of Admiral Markets UK Limited is responsible for ensuring that the remuneration policy is developed to align with its risk tolerance. No external consultants assisted in this review. Any person with a question regarding the policy or disclosures made under this policy should refer to the Directors who are members of the Managing Board.

Information on the link between pay and performance

A key objective in utilising the Company's structure was to align the interests of the directors with the overall goal of achieving the best performance over the long-term for the Company.

Aggregate Value of Directors salaries for the year to 31 December 2015.

Based on the profile of the Company we consider we have one business area, market principal broker and all Directors, as Code Staff, have responsibilities that typically fall within job titles FCA guidance indicated would suggest they are senior personnel whose role impacts the risk profile of the Company.

As such, to comply with the FCA disclosure requirements, we disclose, as per the audited accounts of the Firm, the total Directors salaries which, for the period to 31 December 2015 was £103,333.