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Gain Capital UK Limited
(formerly City Index Limited)

Report and Financial Statements

for the year ended 31 March 2015

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Contents

General Information

Company number	01761813	
Directors	Michael Lear Nigel Rose Ian Trussler	Chief Information Officer Chief Financial Officer Head of Compliance - EMEA & MLRO
Secretary	Bibi Ally	
Registered address	Park House 16 Finsbury Circus London EC2M 7EB United Kingdom	
Locations CITY INDEX finspreads IFX Markets global markets at your fingertips	**United Kingdom** Park House 16 Finsbury Circus London EC2M 7EB United Kingdom **China** Level 29,Lippo Plaza,222 Huaihai Zhong Road,Shanghai, 200021,China	**Eastern Europe** LIM Centre Level 14 Al. Jerozolimskie 65/79 00-697 Warsaw Poland **Middle East** Level 23 Boulevard Plaza Tower 2 Emaar Boulevard Downtown Dubai UAE
Ultimate parent Company	Gain Capital Holdings Inc. 135 Route 202/206 #11, Bedminster Township, NJ 07921, United States	
Auditor	BDO LLP 55 Baker Street London W1U 7EU United Kingdom	
Solicitors	Macfarlanes 10 Norwich Street London EC4A 1BD United Kingdom	
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP United Kingdom	Harris 115 S. LaSalle Street - 19W Chicago IL 60603 U.S.A.
		National Westminster Bank plc 135 Bishopsgate London EC2M 3UR United Kingdom

Directors' Report

The Directors present their annual report on the affairs of Gain Capital UK Limited (formerly City Index Limited) (the "Company" or "GCUK"), together with the Financial Statements and Independent Auditor's Report for the year ended 31 March 2015 (the "Financial Statements").

Principal activities

The principal activity of the Company during the year continued to be the provision of market-making and spread-trading services in a variety of financial products and markets. The product offerings currently include spread-trading on equities, equity indices, precious and base metals, soft commodities, exchange rates, interest rates, exchange traded futures and options on equities, equity indices, precious and base metals, soft commodities, exchange rates, interest rates and other financial instruments. There have not been any significant changes in the Company's principal activities in the year under review.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA"). The Company's FCA Register Number is 113942, for details see www.fca.org.uk/register.

The Directors are not aware, at the date of this report, of any changes in the Company's activities in the forthcoming year, although they continue to look for opportunities to grow the business, both organically and through acquisition.

During the year the immediate parent company was City Index (Holdings) Limited ("CIHL"). The intermediate parent company was City Index Group Limited ("CIGL"). The ultimate parent company and controlling party was IPGL Limited ("IPGL"). On 1st April 2015 CIGL sold its holding in CIHL to Gain Capital Holdings Inc, a company incorporated in Delaware USA. Gain Capital Holdings Inc is now the Company's ultimate parent company. The smallest group into which the Company is consolidated is CIHL.

Directors

The Directors who served during the year, together with those serving at the date of this report, are as follows:

Mark Preston (resigned 30 April 2015)
Michael Lear
Nigel Rose
Ian Trussler

Going concern review

The Company's business activities, the key factors likely to affect its future development, profitability, cash flows, and financial position are outlined in the Strategic Report on page 7. Set out below are the Company's objectives, policies and processes for managing its capital and financial risk. Note 2 of the Financial Statements sets out the basis upon which the Directors have made their going concern assessment. The Directors, after making due enquiries, consider there to be reasonable evidence that the Company has sufficient resources, including support from the ultimate parent company, to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

Internal audit

The Group Internal Audit Department monitors the control environment of both the Group and the Company. During the year the department was overseen by the Group Audit Committee, which comprised representatives of the CIGL Group's two (2) major shareholders and two (2) Directors of CIGL. Since the acquisition of the Company by Gain Capital Holdings Inc. the department is overseen by the Gain group Audit Committee.

Share capital

Share capital of the Company is detailed in Note 21 of the Financial Statements and the Reconciliation of Movement in Shareholders' Funds on page 11 to the Financial Statements.

Donations

During the year charitable donations made principally to charities in which the Company or its employees have an interest, amounted to £80,000 (2014: £54,000).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. It is the policy of the Company that the training, career development and promotion of disabled persons should as far as possible be identical to that of other employees. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that the appropriate training is facilitated.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on various factors affecting the performance of the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting current and future interests and developments.

Pensions

The Company offers all employees the opportunity to participate in a defined contribution scheme (see Note 8 to the Financial Statements).

Directors' and employees' remuneration

The Company maintains a compensation policy for its employees to facilitate pay-for-performance and to retain key employees. The benefits accruing under the policy are based upon employee achievement and the financial performance of the Company.

Environmental policy

Although the Company does not have a formal environmental policy it endeavours to minimise harm to the environment by adopting energy-efficient products and re-cycling the waste it produces where possible.

Directors and officers

The Company has Directors' and Officers' Liability insurance policies which covers all Directors and staff.

Events since the balance sheet date

On 1st April 2015 the Company's intermediate parent company, City Index Group Limited, sold 100% of its holding in the City Index (Holdings) Limited and its subsidiary undertakings, to Gain Capital Holdings Inc, a company incorporated in the USA. Following the sale of the Group, Gain Capital Holdings Inc is the Company's ultimate parent company.

On 4th July 2015 the Company's Singapore based subsidiary, Gain Capital Singapore Pte Limited merged with GFT Asia Pte Limited, a fellow subsidiary from within the Gain Capital Holdings group, through a process permissible under Singapore legislation called a Short Form Amalgamation, whereby the balance sheet of GFT Asia merged with that of Gain Capital Singapore Pte Limited to form a single entity. Effectively all of the trade and assets of GFT Asia have transferred to Gain Capital Singapore Pte Limited. There was no consideration payable to the immediate parent of GFT Asia Pte Limited. There were no other events occurring subsequent to the balance sheet date requiring disclosure in these Financial Statements.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Directors' statement as to disclosure of information to the auditor

The Directors who were members of the Board at the time of approving the Directors' Report are listed above. Having made enquiries of fellow Directors and of the Company's auditor, each of the Directors confirms that:

- to the best of each Director's knowledge and belief, there is no audit information (as defined by the Companies Act 2006) relevant to the preparation of their report of which the Company's auditor is unaware; and
- each Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information (as defined in the Companies Act 2006) and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.'

Auditor

BDO LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

Nigel Rose
Director & Chief Financial Officer

Park House
16 Finsbury Circus
London
EC2M 7EB
United Kingdom

13 July 2015

Strategic Report

Results

The loss for the year after taxation amounted to £358,000 (2014: £7,099,000). The Profit and Loss Account for the year is set out on page 11 and the Cash Flow Statement on page 14.

The Directors do not recommend that any dividend be declared in respect of the year (2014: £Nil).

Business review and future development

The performance of the business for the last financial year was a significant improvement on the prior year. Trading volumes and volatility in the global wholesale markets were up which had a positive on trading volumes across the retail sector. Using volume of shares traded on the FTSE and S&P combined as a surrogate for wholesale equity volumes, this showed a 0.5% increase compared to a 4% drop in the same period last year. Using EBS as a surrogate, wholesale FX volumes experienced a 6% increase compared to 20% year on year decline the year before.

These underlying wholesale market conditions during the year directly impacted the retail markets. This led to City Index seeing overall revenues increase. However FX volumes fell year on year due to increased competition in some regions and a reduction in the number promotions that had previous attracted high volume low profit business. This drop in volume particularly had an effect on revenues generated in the Middle East and China.

In terms of cost of sales, with the fall in FX volumes, rebate costs and other costs of sales fell 34% compared to the same period last year. Administrative expenses were up 10.5% compared to last year, as a result of one-off costs associated with the acquisition and planned integration of the Company by Gain Capital and increased staff costs resulting from the improvement in results for the year

All of the above has meant that the current year's EBITDA finished at £7.3m compared to the previous year's £0.4m loss, with an operating loss of £0.4m compared to the prior year loss of £6.6m.

Total net assets at the balance sheet date were £69.6m (2014: £70.0m) with the year on year decrease being attributable to the operating loss for the year. Net current assets at the year-end were £51.4m, a slight increase from the £51.2m at the end of the prior year.

The focus over the coming year will be the integration with Gain Capital which is expected to deliver significant synergies.

Key performance indicators

	Year Ended 31 March 2015	Year Ended 31 March 2014
Net Operating Income	£59.7m	£47.0m
Net Operating Income margin	71.6%	56.7%
EBITDA*	£7.26m	£(0.4m)
EBITDA margin	8.7%	(0.5)%
No. of Employees at year end	287	297
Administrative Costs	£52.4m	£47.4m

* EBITDA – Earnings before interest, tax, depreciation and amortisation

Principal risks and uncertainties

The Board is responsible for determining and managing the principal risks and uncertainties of the Company. This is subject to periodic review, at least annually and is performed in consultation with its shareholders. The Company seeks to mitigate its risks through the application of limits and controls, a monitoring process at both Company and operational level, and the use of hedging instruments and insurance policies. The Company has a Group Risk Committee, which meets at least monthly. The Company's existing risk management tools continue to be enhanced by the on-going development of a real-time risk management system across all products.

The principal risks and uncertainties faced by the Company are primarily financial risks. The principal non-financial risk faced by the Company is operational risk. All of these risks are summarised further below.

- **Credit risk**

  Credit risk represents the loss that the Company would incur if a client or counterparty failed to perform its contractual obligations. A client credit exposure exists where a client's net contractual payable to the Company is greater than the margin or other collateral received by the Company ("margin deficiency") net of any credit value adjustments made against the margin deficiency.

  A counterparty exposure exists where the Company's net contractual receivable is greater than the margin or other collateral deposited by the Company with the counterparty ("excess margin"). Clients do not normally have external credit ratings. Market counterparties generally have published credit ratings. In addition to the regular credit review of counterparties and country limits, other measures are undertaken to mitigate credit risk including holding margin or other collateral against client positions.

  The Company has a formal credit policy which determines the financial and experience criteria which a client must satisfy before being given an account which exposes the Company to credit risk, as well as determining the account limits which are allocated to a client. The Company also has potential credit risk arising from its exposure to market counterparties with which it hedges and with banks. The Company sets limits for its maximum acceptable exposure to each market counterparty and bank to which it has credit exposure. These limits are approved by the Group Risk Committee and are reviewed at least every six months (2014: six months).

- **Market risk**

  Market risk is the risk of loss arising from adverse movements in the level or volatility of market prices. Daily and intra-day margin calls are made on clients to reflect market movements affecting client positions. The Company's clients sign a terms of business agreement in which, under certain circumstances, the Company unilaterally reserves the right to close out client positions. Exposure management is dependent on the liquidity of the relevant markets and hedging policy. These policies include limits, or a methodology for setting limits, for every single liquid financial market in which the Company trades, and for markets which the Directors consider to be correlated. The limits determine the maximum net exposure arising from client activity and associated hedging. During the year the Company significantly reduced its risk profile and increased hedging levels commensurate with market volatility.

- **Currency risk**

  The principal currencies in which the Company trades are British Pounds ("GBP"), Euros and United States Dollars. This gives rise to currency risk on the translation of its net current assets (mainly net funds held on behalf of clients) together with a currency risk on the conversion of its non-British Pounds income into British Pounds. The Company hedges this risk to the extent it considers appropriate in the circumstances.

- **Liquidity risk**

  In the event of a significant movement in markets, the Company could have a short-term funding requirement to meet its payment obligations to counterparties. Any failure by the Company to meet its payment obligations could result in market counterparties closing the Company's hedge positions, which would have materially adverse consequences for the Company's business. The level of liquidity required is influenced by the level of client activity and volatility in the markets.

  The Company's policy is to hold both its own and its clients' cash reserves with a diversified range of counterparties, each of which is a major clearing bank or financial institution. Client money is held and recorded in accordance with the FCA client money rules. The Company's own money is held almost entirely on demand, as it needs to be readily available to meet short-term funding requirements. Segregated client cash is held primarily on demand but deposits of longer duration may be placed on deposit which can increase returns within an agreed maturity risk profile.

- **Regulatory capital and regulatory risk**

  The Company's activities are regulated in a number of jurisdictions and are therefore subject to various regulation and legislation relating to conduct of business, technology, the provision of internet services and additionally in the United Kingdom in relation to regulatory capital. This imposes extensive reporting requirements and continuing self-assessment and appraisal.

  The Company has both a Compliance Department and a Regulatory Capital Department which are responsible for ensuring that it meets the rules of the regulators in each jurisdiction. The Company maintains close working relationships with its regulators and seeks continually to improve its operating efficiencies and standards. The Compliance officers are in regular contact with the Directors and Senior Executive Management. The regulatory environment is constantly evolving and imposes significant demands on the resources of the Company. The Company continues to provide considerable resources to meet the regulatory requirements.

  The Company is subject to the capital adequacy supervision requirements of the FCA and has maintained adequate levels of capital within the Company during the year. The regulatory capital structure of the Company largely comprises share capital, preference shares and reserves (net of intangible assets). Capital requirements are calculated from market risk, counterparty risk, credit risk and operational risk assessments. The Company has an Internal Capital Adequacy Assessment Process ("ICAAP") as required by the FCA for establishing the appropriate amount of regulatory capital to be held. The ICAAP gives consideration to both current and projected financial and capital positions, and includes stress testing for adverse economic conditions. The ICAAP is updated, at least annually, to reflect changes to the Company's structure and the business environment. Capital adequacy is monitored on an ongoing basis by Management. The Company uses the standardised approach to market risk, the simplified approach to credit risk and the basic indicator approach to operational risk.

The liquidity regime covers adequacy of liquidity resources, controls, stress testing and the Individual Liquidity Adequacy Assessment ("ILAA") process. The ILAA informs the Board and FCA of the assessment and quantifications of the company's liquidity risk and their mitigation, and how much current and future liquidity is required.

- ***Operational risk***

  Operational risk, inherent in all businesses, is the potential for financial and reputational loss arising from failures in internal controls, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud. The Company has policies and procedures to mitigate operational risk and is currently in the process of implementing a more comprehensive operational risk management framework in conjunction with the Group Internal Audit Department.

Approved by the Board of Directors and signed on behalf of the Board.

Nigel Rose
Director & Chief Financial Officer
Park House
16 Finsbury Circus
London
EC2M 7EB
United Kingdom
13 July 2015

Independent Auditor's Report to the Members of Gain Capital UK Limited (formerly City Index Limited)

We have audited the financial statements of Gain Capital UK Limited (formerly City Index Limited) for the year ended 31 March 2015 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds, the cash flow statement and the related notes. 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 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 statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 March 2015 and of its loss 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 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.

BDO LLP

Neil Fung-On (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
13 July 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and Loss Account

(in thousands of £)		For the year ended 31 March	
	Notes	**2015**	**2014**
Trading revenue		67,789	66,894
Net finance income	4	15,576	16,132
Total Revenue		**83,365**	**83,026**
Cost of Sales		23,686	35,986
Net Operating Income		**59,679**	**47,040**
Administrative expenses		52,462	47,437
EBITDA **		**7,217**	**(397)**
Depreciation and amortisation	5	7,585	6,177
Operating loss	6	**(368)**	**(6,574)**
Interest income	7	**314**	**474**
Interest expense	8	**(56)**	**-**
Income from investments		**12**	**26**
Impairment of intercompany receivable		**-**	**(700)**
Loss on ordinary activities before taxation		**(98)**	**(6,774)**
Tax charge on loss on ordinary activities	10	(260)	(325)
Net Loss for the year from operations		**(358)**	**(7,099)**

All financial results derived from continuing operations in the current and preceding year. There are no other gains or losses other than the loss recognised in the Profit and Loss Account for the current or preceding year and accordingly no statement of recognised gains or losses is given.

** EBITDA represents earnings before interest, tax, depreciation and amortisation of intangible assets, but includes interest income classified as trading revenue.

The accompanying notes on pages 15 to 32 are an integral part of these Financial Statements.

Balance Sheet

(in thousands of £)	Notes	As at 31 March 2015	2014
Fixed assets			
Goodwill	11	4,180	6,271
Tangible fixed assets	12	14,024	12,505
		18,204	**18,776**
Current assets			
Financial assets available-for-sale	14	52	52
Trade debtors	15	24,952	29,993
Prepayments and other debtors	16	18,264	16,872
Cash at bank and in hand	17	31,256	21,946
		74,524	**68,863**
Creditors: Amounts due within one year			
Trade creditors	18	12,490	8,263
Other creditors	19	9,333	7,971
Provisions for liabilities and charges	20	1,275	1,417
		23,098	**17,651**
NET CURRENT ASSETS		**51,426**	**51,212**
NET ASSETS		**69,630**	**69,988**
Capital and reserves			
Ordinary share capital	21	122,088	122,088
Share premium		36,134	36,134
Accumulated losses		(91,968)	(91,610)
Special reserve		3,376	3,376
TOTAL EQUITY		**69,630**	**69,988**

The financial statements of Gain Capital UK Limited (formerly City Index Limited) (registered number 01761813) were approved by the Board of Directors and authorised for issue on 13 July 2015. Signed on behalf of the Board of Directors.

Nigel Rose
Director & Chief Financial Officer

Park House
16 Finsbury Circus
London
EC2M7EB
United Kingdom

The accompanying notes on pages 15 to 32 are an integral part of these Financial Statements.

Reconciliation of Movements in Shareholders' Funds

(in thousands of £)	Ordinary share capital	Preference shares	Share premium	Retained earnings	Special reserve	Total equity
Balance at 31 March 2013	**88**	**116,000**	**36,134**	**(84,511)**	**3,376**	**71,087**
Loss for the financial year	-	-	-	(7,099)	-	(7,099)
Conversion of shares	116,000	(116,000)	-	-	-	-
Issue of shares	6,000	-	-	-	-	6,000
Balance at 31 March 2014	**122,088**	**-**	**36,134**	**(91,610)**	**3,376**	**69,988**
Loss for the financial year	-	-	-	(358)	-	(358)
Balance at 31 March 2015	**122,088**	**-**	**36,134**	**(91,968)**	**3,376**	**69,630**

The share premium reserve represents the difference between the nominal value of the shares issued and the consideration received.

The special reserve of £3,376,000 was created on the cancellation of the then share premium reserve on 24 February 1995 and is non-distributable.

The accompanying notes on pages 15 to 32 are an integral part of these Financial Statements.

Cash Flow

(in thousands of £)	Notes	For the year ended 31 March 2015	2014
Net cash inflow from operating activities		**16,356**	**266**
Returns on investments and servicing of finance			
Interest income	7	314	474
Interest paid		(56)	-
Income from investments		12	26
		270	**500**
Tax paid	10	**(260)**	**(334)**
Capital expenditure and financial investment			
Purchase of tangible fixed assets	12	(7,069)	(6,330)
Disposal of tangible fixed assets		13	
		(7,056)	**(6,329)**
Net cash inflow/(outflow) before financing		**9,310**	**(5,897)**
Financing			
Ordinary shares issued	21	-	6,000
		-	**6,000**
Increase in cash at bank and in hand in the year		**9,310**	**103**

The reconciliation of net debt is detailed in Note 22 to the Financial Statements.

Reconciliation of Operating Profit to Operating Cash Flows

(in thousands of £)	Notes	For the year ended 31 March 2015	2014
Reconciliation of operating loss to operating cash flows			
Loss for the financial year		(358)	(7,099)
Interest income	7	(314)	(474)
Income from investments		(12)	(26)
Interest expense		56	-
Income tax expense	10	260	325
Operating profit/(loss)		**(368)**	**(6,574)**
Adjustments or non-cash and other items:			
Depreciation		5,494	4,086
Loss on disposal of fixed assets		43	-
Amortisation		2,091	2,091
		7,260	**(397)**
Decrease/(increase) in trade debtors		5,041	(4,089)
(Increase)/decrease in prepayments and other debtors		(1,392)	12,980
Increase/(decrease) in trade creditors		4,227	(4,515)
Increase/(decrease) in other creditors		1,362	(4,028)
(Decrease)/increase in provisions	20	(142)	315
Net cash inflow from operating activities		**16,356**	**266**

The accompanying notes on pages 15 to 32 are an integral part of these Financial Statements.

Notes to the Financial Statements

1 ORGANISATION

Gain Capital UK Limited (formerly City Index Limited) (the "Company" or "GCUK") is a private limited liability company incorporated under number 1761813 on 17 October 1983 under the United Kingdom's Companies Act 2006.

The immediate parent company is City Index (Holdings) Limited ("CIHL"), a company incorporated in the United Kingdom. The principal intermediate parent company during the year was City Index Group Limited ("CIGL"), a company incorporated in the United Kingdom and which was the top company of the operating sub-group that the Directors consider the Company to be part of. This sub-group is generally referred to as the City Index Group. The ultimate parent company and controlling party during the year was IPGL Limited ("IPGL"), which was the largest group that prepares financial statements into which the Company is consolidated. The smallest group into which the Company is consolidated is CIHL. Copies of the financial statements of IPGL and CIGL are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. On 1 April 2015 CIGL sold its holding in CIHL to Gain Capital Holdings Inc. ("GCH") a company incorporated in Delaware USA. From this date GCH became the Company's ultimate parent company.

The Financial Statements have been prepared in accordance with the provisions of the Companies Act 2006. The significant accounting policies adopted by the Company are set out in Note 2 to the Financial Statements and have been applied consistently.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA"). The Company's FCA Register Number is 113942, for details see www.fca.org.uk/register/home.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Financial Statements of the Company are prepared in accordance with the historical cost basis, except for the revaluation of certain financial instruments as described below, and in accordance with applicable United Kingdom accounting standards and with the provisions of the Companies Act 2006. The principal accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been consistently applied to the years presented. The Financial Statements are presented in thousands of British Pounds ("£" or "GBP"), which is the Company's presentation and functional currency.

Going concern The Company's business activities, key factors likely to affect its future development, profitability, cash flows, financial position and principal risks are contained within the Strategic Report and the Financial Statements.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. Therefore, after making due enquiries, including taking into consideration the following uncertainties including current market conditions, and, Gain's financial position and regulatory capital position, the Directors believe they have a reasonable basis to conclude that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

Consolidated financial statements

Under the provisions of Section 400 of the Companies Act 2006, the Company does not prepare consolidated financial statements as it is a wholly-owned subsidiary of City Index (Holdings) Limited, which does prepare consolidated financial statements that are publicly available.

Cash balances

Cash consists of cash in hand and deposits repayable on demand from financial institutions that are free from contractual encumbrances. For the purposes of the preparation of the cash flow statement, net cash and cash equivalents consist of cash and cash equivalents, net of outstanding bank overdrafts. These balances exclude client monies held by the Company (see client monies accounting policy).

Client monies not subject to the client money rules are held in non-segregated bank accounts and are included on the Balance Sheet where they are disclosed as either cash or receivables, depending on their nature, with a corresponding creditor. The return received on managing client balances is included within interest received.

Client monies

The Company holds money on behalf of clients in accordance with the client money rules of its regulators, where required. Client monies held in segregated bank accounts in accordance with regulations and the corresponding liabilities to these clients are not recognised in the Balance Sheet because the Company is not beneficially entitled to them.

Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared and approved by shareholders before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the Financial Statements are authorised for issue.

Equity share capital

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. Equity instruments issued by the Company are recorded as the proceeds received, net of external costs directly attributable to the issue. Ordinary shares and preference shares, where they share the characteristics of equity, are classified as equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as share premium.

Exceptional items

The Company presents as exceptional items on the face of the Profit and Loss Account or in the notes to the Financial Statements, those material items of income and expense which, because of their size, nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess trends in financial performance.

Financial assets and liabilities

Financial assets and liabilities are recognised on trade date. Financial assets and liabilities in the scope of Financial Reporting Standard 26 - Financial Instruments: Recognition and Measurement ("FRS 26") are classified into one of the following four categories (2014: four categories), as appropriate:

- financial assets or liabilities at fair value through profit or loss;
- financial assets available-for-sale;
- loans and receivables; or
- financial liabilities at amortised cost.

Financial assets and liabilities are initially measured at fair value including transaction costs, except for those financial assets classified as fair value through profit or loss which are initially measured at fair value. The Company determines the classification of its financial assets and liabilities at initial recognition and re-evaluates this designation at each financial year-end, where applicable.

The Company has taken advantage of the exemption contained in Financial Reporting Standard 29 not to present separate financial instrument disclosures for the Company as disclosures are made within the consolidated disclosures within the parent company group accounts.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities comprising open spread bets, contracts for difference and options are classified as derivative financial instruments in accordance with Financial Reporting Standard 26 – Financial Instruments: Disclosure and Presentation ("FRS 26"). Financial assets and liabilities at fair value are classified as held for trading if they are:

- acquired or incurred for the purpose of selling or repurchasing in the near term; or
- a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- a derivative that is not designated and effective as a hedging instrument.

The financial assets and liabilities at fair value through profit or loss are stated at fair value with any resulting gains or losses recognised in the Profit and Loss Account.

Balances arising from the above are disclosed as either trade debtors or trade creditors. Trade debtors or trade creditors represent balances with counterparties and clients where the combination of cash held on account and the valuation of financial derivative open positions result in an amount due to or from the Company. A credit valuation adjustment is established where there is objective evidence of non-collectability.

Financial assets available-for-sale

Financial assets available-for-sale are those non-derivative financial assets that are classified as available-for-sale or are not classified as being in any of the other categories and are initially recognised at cost (which includes directly attributable transaction costs). After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the Profit and Loss Account. Interest is calculated using the effective interest method and recognised in the Profit and Loss Account. Dividends on available-for-sale equity instruments are recognised as profit when the Company's right to receive payment is established.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets. Loans and receivables are initially measured at fair value, net of transaction costs incurred. Subsequent measurement is at amortised cost less any impairment, using the effective interest rate method to amortise the amount at inception to the redemption value over the life of the loan or receivable. Interest is calculated using the effective interest method and recognised in the Profit and Loss Account.

Financial Liabilities

Except for derivatives and held-for-trading liabilities, which are classified as at fair value through profit and loss on initial recognition, all other financial liabilities are carried at amortised cost using the effective interest rate method.

Fair value of financial assets and liabilities

Financial assets and liabilities purchased or sold are recorded on a trade date basis and include:

- spread trading on equities, equity indices, precious and base metals, soft commodities, exchange rates, interest rates, exchange traded futures and options; and
- fixed odds on equities, equity indices, precious and base metals, soft commodities, exchange rates, interest rates and other financial instruments.

The estimated fair value of financial assets and liabilities is made in accordance with the requirements of FRS 26. Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties on arm's length conditions, other than in a forced sale or liquidation. The fair value of assets or liabilities that are actively traded in organised financial markets is determined by reference to quoted market bid or ask prices, respectively, at the close of business on the balance sheet date.

For assets where there is no active market, fair value is determined using valuation techniques, including valuation pricing models. Valuation pricing models consider time value and volatility factors underlying financial instruments as well as other relevant economic factors. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks and counterparty credit risk. The Company's Management believes that these valuation adjustments are necessary and appropriate to state the values of financial instruments carried at fair value on the Balance Sheet.

The carrying amounts of cash and bank balances, trade and other debtors and creditors approximate their respective fair values due to the relative short-term maturity of these financial instruments.

Foreign currency translation

The Financial Statements are presented in thousands of GBP, which is the Company's presentation currency. The Company discloses the amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with FRS 26. Foreign currency transactions are recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, as well as unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the Profit and Loss Account. Unrealised exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their fair value. For a non-monetary financial asset classified as held for trading, unrealised exchange differences are recognised in the Profit and Loss Account. For non-monetary financial assets, which are classified as available-for-sale, unrealised exchange differences are recorded directly in equity until the asset is sold or becomes impaired.

Impairment of assets

At least annually, or when annual impairment testing is required, the Directors consider the carrying amounts of the Company's tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of realisable value less selling costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate. This rate reflects current market assessments of the time value of money as well as the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately as an expense.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying 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 as income immediately but there have been none to date.

Intangible assets

Intangible assets are carried at historical cost less accumulated amortisation and accumulated impairment. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Intangible assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on de-recognition of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is included in the income statement in the period of de-recognition. Intangible assets with a finite life are amortised on a straight-line basis over their expected useful lives, as follows:

- Goodwill ten (10) years

Investments in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment. For investments in subsidiaries acquired through the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued, with any premium being ignored.

Offsetting and netting

Financial assets and financial liabilities are only offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to set off the recognised amounts and where the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Operating leases

Leases of assets under which the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as expenses on a straight-line basis over the period of the lease term and are included in operating expenses, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern over which economic benefits from the leased asset are consumed.

Other creditors

Non-trading financial liabilities are recognised initially at fair value and carried at amortised cost using the effective interest rate method if the time value of money is significant.

Other debtors

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as fair value through profit and loss. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in income when the receivables are derecognised or impaired, as well as through the amortisation process. A provision for impairment is established where there is objective evidence of non-collectability.

Provisions and contingencies

Provisions are recognised when the Company has a current legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but are disclosed, unless the possibility of any future cash outflows is considered to be remote. A contingent asset is not recognised in the Balance Sheet but is disclosed when an inflow of economic benefits is probable.

Receivables from and payables to brokers and dealers

Amounts receivable from and payable to brokers and dealers represent cash in margin accounts with brokers and dealers, and payments receivable and payable on unsettled securities transactions.

Related party transactions

The Company's Financial Statements include transactions and arrangements between related parties. Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship attention is directed to its substance and not merely the legal form. During the year the Company entered into transactions, in the ordinary course of business, with related parties. A summary of such related party transactions is detailed in Note 23 to the Financial Statements.

Revenue

Revenue is recognised when it is probable that economic benefits associated with the transaction will accrue to the Company and can be reliably measured. Revenue is recognised on the following basis:

Trading revenue

Trading revenue includes gains and losses on the operation of the spread trading markets and trading in financial markets and foreign exchange gains or losses on positions, net of commissions expensed. Open positions are carried at fair market value and gains and losses arising on this valuation are recognised in revenue together with gains and losses realised on positions that have closed. Dividends receivable relating to trading activities, are recognised when the right to receive the payment is established.

Net fee and commission income from clients are recognised over the service period. Costs directly attributable to fee and commission income are included in Cost of Sales and include broker's commissions, payments to introducing brokers and clearing fees.

Interest and finance costs

Interest is recognised in the Profit and Loss Account on a time-apportioned basis by reference to the contractual amount outstanding and is charged at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts the future expected cash flows to the carrying amount of the liability. Issue costs are included in the determination of the effective interest rates. Interest receivable and interest payable to the extent it relates to a client and financing activity is disclosed net as part of net financing income or expense. All other interest is shown separately as interest income or interest expense.

Cost of sales

Cost of sales relates to expenses directly attributable to the Company's revenue and includes rebates of commission to third parties and other income sharing arrangements, client promotions and sign on bonuses, betting duties and commissions paid to sales staff.

Tangible fixed assets

Tangible fixed assets are stated at historical cost, net of accumulated depreciation and any accumulated impairment. The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Tangible fixed assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on de-recognition of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is included in the Profit and Loss Account in the period of de-recognition. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

- Furniture, office and other equipment — five years
- Computer and other equipment — three years
- Website and software development costs — three years
- Leasehold improvements — period to first break

Website development costs are capitalised only to the extent they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until further updates to the website, the development costs are charged to the Profit and Loss Account as incurred. Software development expenditure incurred on the development of the Company's trading, settlement and risk management systems is capitalised. All other software expenditure is charged to the Profit and Loss Account in the period in which it is incurred.

Costs related to repairs and renewals are charged to profit and loss when incurred and included in other operating expenses.

Taxation

Corporation taxes

Corporation taxes have been provided for in the Financial Statements in accordance with the tax legislation enacted or substantively enacted by the balance sheet date in the jurisdictions in which the Company operates. Taxable profit differs from profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The corporation tax charge comprises current and deferred taxes and is recognised in the Profit and Loss Account. Current tax is the amount expected to be paid to or recovered from the taxation authorities in respect of taxable profits or losses for the current and prior periods.

Current tax is charged or credited to the Profit and Loss Account, except when it relates to items charged or credited directly to equity, in which case the current tax is dealt with in equity.

Deferred taxes

Deferred tax is generally accounted for on all timing differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the Financial Statements. Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is charged or credited to the Profit and Loss Account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is dealt with in equity. Deferred tax measured on a non-discounted basis.

Taxes, such as non-recoverable value added taxes are recorded with in operating expenses.

3 SEGMENT REPORTING

The principal activity of the Company during the year continued to be the provision of market making and spread trading services in a variety of financial products and markets.

The management of the Company and the immediate Parent Company review the results of the Group as a whole, not by individual company, on a product and geographical basis. The results of these Group Segments are reported in the group financial statements of City Index (Holdings) Limited. The Management do not look at profit or loss on a segmental basis within the Company.

The following tables provide a breakdown of the Company's Total Revenue broken down into two distinct business streams, that is, equity or foreign exchange based (2014: Two equity and foreign exchange). A further analysis. is provided showing the Company's Total Revenue broken down into the three main geographical areas (2014: three geographical areas) in which the Company operates, being EMEA, Asia Pacific and Americas, being where clients reside.

The segment information presented is prepared according to the following broad methodologies:

- income directly associated with each segment are included in determining Total Revenue for that segment;
- income related to transactions involving multiple segments are allocated at internally agreed transfer prices or at transaction values.

(in thousands of £)	**For the year ended 31 March 2015**		
Business segment	**Equities**	**Foreign exchange**	**Total**
Trading revenues	46,177	21,612	67,789
Net financing income	11,036	4,540	15,576
Total segment revenue	**57,213**	**26,152**	**83,365**

(in thousands of £) **Geographic segment**	For the year ended 31 March 2015			
	EMEA	**Americas**	**Asia Pacific**	**Total**
Trading revenues	47,464	-	20,325	67,789
Net financing income	12,098	-	3,478	15,576
Total segment revenue	**59,562**	**-**	**23,803**	**83,365**

(in thousands of £) **Business segment**	For the year ended 31 March 2014		
	Equities	**Foreign exchange**	**Total**
Trading revenues	32,533	34,361	66,894
Net financing income	7,738	8,394	16,132
Total segment revenue	**40,271**	**42,755**	**83,026**

(in thousands of £) **Geographic segment**	For the year ended 31 March 2014			
	EMEA	**Americas**	**Asia Pacific**	**Total**
Trading revenues	44,826	70	21,998	66,894
Net financing income	12,219	17	3,896	16,132
Total segment revenue	**57,045**	**87**	**25,894**	**83,026**

4 NET FINANCE INCOME

(in thousands of £)	For the year ended 31 March	
	2015	**2014**
Interest received from clients	17,339	18,665
Interest paid to brokers	(2,827)	(3,066)
	14,512	**15,599**
Interest (paid to)/received from CIGL group companies	(116)	533
Net financing income	**15,576**	**16,132**

5 DEPRECIATION AND AMORTISATION

(in thousands of £)	For the year ended 31 March	
	2015	**2014**
Depreciation of tangible fixed assets	5,494	4,086
Amortisation of goodwill	2,091	2,091
Total depreciation and amortisation	**7,585**	**6,177**

6 OPERATING LOSS

(in thousands of £)	For the year ended 31 March 2015	2014
Operating profit is stated after charging:		
Amortisation of goodwill	2,091	2,091
Auditors' remuneration		
Audit fees payable to auditors for the audit of Company's annual accounts	210	210
Audit related assurance services	55	55
Other services relating to taxation	17	35
Charitable donations	80	54
Depreciation of tangible fixed assets	5,494	4,086
Loss on disposal of fixed assets	43	-
Foreign exchange differences	78	(274)
Exceptional items	-	(416)
Operating lease rentals - other	76	67
Operating lease rentals - land and buildings	3,057	3,392

The exceptional items totalling £416,000 in 2014 related to a credit of £945,000 received from HM Revenue and Customs in respect of VAT under-claimed in prior years; and a payment of £529,000 to HM Revenue and Customs in respect of betting duty on finance charges underpaid over the last 3 years.

7 INTEREST INCOME

(in thousands of £)	For the year ended 31 March 2015	2014
Interest received from bank accounts	314	474
Total interest income	**314**	**474**

8 INTEREST EXPENSE

(in thousands of £)	For the year ended 31 March 2015	2014
Interest paid to others	56	-
Interest paid	**56**	**-**

9 DIRECTORS AND EMPLOYEES INFORMATION

	For the year ended 31 March 2015	2014
Directors and employees		
The average number of employees (including Directors) during the year was as follows:	**No.**	**No.**
Management and administration	194	216
Information and technology	84	72
Dealing	16	16
	294	**304**
(in thousands of £)		
Staff costs during the year amounted to:		
Wages and salaries	18,082	15,326
Social security costs	1,845	1,820
Company contributions to money purchase pension schemes	711	686
	20,638	**17,832**

Total aggregate emoluments of all Directors		
Emoluments	1,680	1,492
Compensation for loss of office	-	256
Company contributions to money purchase pension plans	60	106
	1,548	**1,854**
Aggregate emoluments in respect of highest paid Director		
Emoluments	541	441
Compensation for loss of office	-	173
Company contributions to money purchase pension plans	-	22
	541	**636**

The Company maintains a compensation policy for its Directors and employees to facilitate pay-for-performance and to retain key employees. The benefits accruing under the policy are based upon Director or employee achievements and the financial performance of the Company. The Company also provides employees with health insurance and other benefits. Amounts payable under the compensation policy at reporting dates have been accrued in full in the Company's Balance Sheet and recorded as part of Administrative Expenses in the Company's Profit and Loss Account.

The Compensation for loss of office relates to cash paid to directors in respect of the termination of their employment contracts and for their loss of office as directors.

Directors' and employees' emoluments have been calculated as the sum of cash, bonuses and benefits in kind. Other than as disclosed above there are no termination, post-employment, or other long-term benefits accruing to Directors.

Pension arrangements: The Company's makes both required social contributions in accordance with local legislation on behalf of its employees and individual personal pension contributions on a limited basis. These contributions are expensed as incurred and the Company has no legal or constructive obligation to make any further payment in respect of such statutory social and pension contributions. The Company makes pension contributions to money purchase schemes in respect of four (4) Directors (2014: four (4) Directors).

10 TAX CHARGE ON LOSS/PROFIT ON ORDINARY ACTIVITIES

(in thousands of £)	**For the year ended 31 March**	
	2015	**2014**
Current tax charge		
Overseas tax	260	325
Total tax charge on profit on ordinary activities	**260**	**325**
The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:		
Loss on ordinary activities before tax	**(98)**	**(6,774)**
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate 23% (2013: 24%)	(20)	(1,558)
Factors affecting tax charge for the period		
Depreciation for period lower than capital allowances	196	(89)
Expenses not deductible for tax purposes	16	252
Amortisation of goodwill	362	397
Overseas tax rate differences	206	250
Utilisation of tax losses	(500)	-
Deferred tax losses not recognised	-	1,073
Total actual amount of current tax	**260**	**325**
Deferred tax asset not recognised at current tax rate of 20% (2014: 21%)	**8,907**	**9,460**

On 20 March 2013, the Government proposed legislation to reduce the current rate of UK corporation tax from 23% to 20% by 2015. Consequently, the Finance Act 2013 included provisions to reduce the rate of UK corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015.

The deferred tax assets are not recognised on the balance sheet as per FRS 19. These represents potential tax savings on tax losses carried forward of £37.5m (2014: £41.0m) and timing differences between depreciation of assets and capital allowances claimed of £6.8m (2014:£6.3m). The management have taken a prudent approach by not recognising these assets on the balance sheet. The rationale for such an approach is that, the Company made further losses this year and although City Index Ltd had achieved profits in the financial years ended March 2011 and 2012, these followed consecutive losses in earlier years. It is therefore inappropriate to recognise a deferred tax asset. The available tax asset on these amounts at the year end, is £8.8m (2014: £9.4m).

11 GOODWILL

(in thousands of £)	**For the year ended 31 March 2015**	**For the year ended 31 March 2014**
Cost		
Balance at 1 April	20,908	20,908
Balance at 31 March	**20,908**	**20,908**
Accumulated amortisation		
Balance at 1 April	14,637	12,546
Amortisation charge for year	2,091	2,091
Balance at 31 March	**16,728**	**14,637**
Net book value at 31 March	**4,180**	**6,271**

The net book value of goodwill relates to the acquisition on 31 March 2007 of the business, the assets and the liabilities of the United Kingdom based business of IFX Markets Limited, which continues to be operated separately under the "Finspreads" brand. The fair value to the Company of the net assets acquired was calculated to be £34,092,000. The consideration given was £55,000,000 and was financed by the issue of 55,000,000 £1 preference shares. This resulted in goodwill of £20,908,000.

Goodwill arising on acquisitions is capitalised and written off on a straight line basis over its estimated useful economic life, which is ten (10) years. Impairment tests on the carrying value of goodwill are undertaken at the end of the first full financial year following acquisition or in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

At the balance sheet date the Directors considered whether any indicators of impairment existed in respect of the Finspreads income generating unit to which goodwill relates. Finspreads continues to experience profitable trading with its separate customer base of smaller retail clients and it was concluded that no indicators of impairment were present.

12 TANGIBLE FIXED ASSETS

(in thousands of £)	For the year ended 31 March 2015				
	Leasehold improve-ments	**Office equipment, fixtures and fittings**	**Computer and other equipment**	**Website and software develop-ment**	**Total**
Cost					
Balance at 1 April 2014	4,658	1,352	11,799	16,210	34,019
Additions	-	88	1,886	5,095	7,069
Disposals	-	(64)	(20)	-	(84)
Balance at 31 March 2015	**4,658**	**1,376**	**13,665**	**21,305**	**41,004**
Accumulated depreciation					
Balance at 1 April 2014	2,277	1,161	8,827	9,249	21,514
Depreciation charge for year	397	64	1,447	3,586	5,494
Depreciation on disposals	-	(17)	(11)	-	(28)
Balance at 31 March 2015	**2,674**	**1,208**	**10,263**	**12,835**	**26,980**
Net book value at 31 March 2015	**1,984**	**168**	**3,402**	**8,470**	**14,024**
Net book value at 31 March 2014	**2,381**	**191**	**2,972**	**6,961**	**12,505**

13 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

(in thousands of £)	**City Index Asia Pte Limited**
Cost	
Balance at 1 April 2014	5,327
As at 31 March 2015	**5,327**
Impairment	
Balance at 1 April 2014	5,327
Balance at 31 March 2015	**5,327**
Net Book Value	
Balance at 31 March 2015	**-**

The subsidiaries of the Company are shown below:

Company		Domicile	Holding	Voting rights	Principal Business
City Index Asia Pte Limited	1	Singapore	Ordinary shares	100%	Financial trading and spread betting

1 Regulated in Singapore by the Monetary Authority of Singapore ("MAS").

Employee Benefit Trusts
The Company has two Employee Trusts which have not been utilised to date.

Under the provisions of Section 400 of the Companies Act 2006, the Company does not prepare consolidated financial statements as it is a 100% (2014: 100%) owned subsidiary of City Index (Holdings) Limited which does prepare consolidated financial statements.

14 FINANCIAL ASSETS AVAILABLE-FOR-SALE

(in thousands of £)	As at 31 March	
	2015	**2014**
Total financial assets available-for sale	**52**	**52**
Represented by:		
Balance at 1 April	52	52
Balance at 31 March	**52**	**52**

GCUK purchased a 10% share in CDP Soft Limited a provider of end-to-end IT solutions, software development services and IT consultancy. CDP mobile technology powers the newly launched mobile trading platform. GCUK acquired the 10% share in CDP Soft for £1,150,000. At year end the estimated fair value of the investment was £52,000 (2014: £52,000).

All available for sale investments are unquoted with fair value obtained by the directors using non observable valuation inputs, these are all classified as level three.

15 TRADE DEBTORS

(in thousands of £)	As at 31 March	
	2015	**2014**
Brokers and dealers	24,270	29,192
Clients	682	801
Total trade debtors	**24,952**	**29,993**
Included in client trade debtors are balances with related parties entered into in the ordinary course of business as follows:		
of which from CIGL group companies	387	710

At the balance sheet date the Company had the following credit risk exposures in relation to trading exposures:

(in thousands of £)	As at 31 March	
	2015	**2014**
Brokers and dealers	24,270	29,192
Clients	682	801
	24,952	**29,993**
Amount of broker and dealer trade debtors where the Company's net contractual receivable is greater than the margin or other collateral deposited by the Company with the counterparty ("excess margin").		
A	402	-
A-1	20,825	24,075
BBB	3,026	5,098
Non-rated	17	19
	24,270	**29,192**
Amount of client trade debtors where client's net contractual payable to the Company is greater than the margin or other collateral received by the Company ("margin deficiency") net of any credit adjustments made against the margin deficiency. All non-rated.	**682**	**801**

16 PREPAYMENTS AND OTHER DEBTORS

(in thousands of £)	As at 31 March	
	2015	**2014**
Prepayments	2,677	2,702
Other debtors and accrued income	1,169	351
Corporation tax recoverable	25	9
	3,871	**3,062**
Amounts due from ultimate parent company, IPGL	-	105
Amounts due from other group companies	14,393	13,656
Amounts due from CIL subsidiary companies	-	49
Total prepayments and other debtors	**18,264**	**16,872**

The amounts due from group companies are unsecured, interest free and are repayable on demand.

17 CASH AT BANK AND IN HAND

(in thousands of £)	As at 31 March	
	2015	**2014**
Cash at bank and in hand	31,243	21,452
Bank deposits	13	494
Total cash at bank and in hand	**31,256**	**21,946**
Represented by:		
OECD banks and regulated financial institutions	31,057	21,746
Non OECD banks and regulated financial institutions	199	200
	31,256	21,946
Ratings as follows:		
AA	-	-
AA-	-	480
A+	1,470	3,344
A	15,280	307
A-	14,440	17,755
BBpi	10	-
BBB-	-	36
Non-rated	56	24
	31,256	21,946

This category consists of cash in hand and deposits repayable on demand from financial institutions and are free from contractual encumbrances. These accounts with financial institutions earn interest at floating rates based on daily bank rates. The fair value of cash at bank and in hand is not materially different from the book value. The balances above exclude client monies held by the Company (see client monies accounting policy), which are set out below:

	2015	2014
Client money - segregated not recognised in Financial Statements (see Note 2 accounting policy)	**150,839**	**176,474**

National Westminster Bank Plc has a charge over the a deposit account balance of £1.8M relating to the company's merchant services provider amount

18 TRADE CREDITORS

(in thousands of £)	As at 31 March 2015	2014
Clients	12,490	8,263
Total trade creditors	**12,490**	**8,263**
Included in client trade creditors are balances with related parties entered into in the ordinary course of business as follows:		
of which to CIGL group companies	109	24
of which to IPGL group companies	5,747	1,087

19 OTHER CREDITORS

(in thousands of £)	As at 31 March 2015	2014
Accruals and deferred income	2,342	2,717
Other taxes and social security	2,075	530
Other creditors	4,400	4,621
	8,817	**7,868**
Amounts due to other CIGL group companies	420	103
Amounts due to CIL subsidiary companies	96	-
Total other creditors	**9,333**	**7,971**

The amounts due to group companies are unsecured, interest free and are repayable on demand.

20 PROVISIONS FOR LIABILITIES AND CHARGES

(in thousands of £)	Global Exchanges Provision	VAT Provision	Contract termination dispute	Total
As at 31 March 2014	**1,308**	**109**	**-**	**1,417**
Utilised in the year	(60)	-	-	(60)
(Credits)/charges to the Profit and Loss Account	(199)	(52)	169	(82)
Balance at 31 March 2015	**1,049**	**57**	**169**	**1,275**

The global exchange provision relates to the estimated costs that may be payable in the next 12 months on market information from global exchanges provided over prior years.

The VAT provision relates to a potential VAT liability due on commission payments made to some of the Group's white label partners. HM Revenues and Customs is permitted to go back four years and the provision has been calculated as the maximum amount payable if VAT was deemed to be due.

The Contract termination dispute provision relates to a dispute over the final payments due on the closure of one of the group's data centres in the US.

21 EQUITY SHARE CAPITAL

(in thousands of £)	As at 31 March 2015	2014
Authorised		
15,000,000,000 (2013: 233,306,500) ordinary shares of £0.01 each	150,000	150,000
Called up, allotted and fully paid		
12,208,869,220 (2013: 8,869,220) ordinary shares of £0.01 each	122,088	122,088

Equity shares of the Company are identical, including economic rights and voting rights. The rights, preferences, and restrictions with respect to voting, the distribution of dividends, and the repayment of capital are contained in the Memorandum and Articles of Association.

At the balance sheet date, there were no limitations on the distribution of retained earnings to shareholders. No dividends have been paid during the year (2014: £Nil).

22 ANALYSIS OF NET FUNDS

(in thousands of £)	Notes	At 1 April 2014	Cash flow	At 31 March 2015
Cash in bank and in hand		21,946	9,310	31,256
Bank overdraft		-	-	-
Cash in bank and in hand	17	21,946	9,310	31,256

	Notes	At 1 April 2013	Cash flow	At 31 March 2014
Cash in bank and in hand		21,843	103	21,946
Bank overdraft		-	-	-
Cash in bank and in hand	17	21,843	103	21,946

23 RELATED PARTY TRANSACTIONS

Parties are generally considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship attention is directed to its substance not merely the legal form. The Company's immediate parent is disclosed in Note 1 to the Financial Statements.

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at the balance sheet date were as follows:

- **Transactions with related parties**

The income and expense items with related parties for the respective years were as follows:

(in thousands of £)	For the year ended 31 March 2015	2014
Transactions with CIGL group companies:		
Net trading income	6,669	3,867
Net fee and commission expense	(1,785)	157
Net finance income	912	533
Cost of sales	(538)	(6,785)
Net group balances - net expense	5,634	(2,228)

- **Balances with related parties**

At the balance sheet dates the outstanding balances with related parties were as follows:

(in thousands of £)	As at 31 March	
	2015	**2014**
Balances with ultimate parent company, IPGL:		
Prepayments and other debtors	-	105
Trade creditors	(5,747)	(1,087)
Balances with CIGL group companies:		
Trade receivables	387	710
Prepayments and other debtors	14,393	13,705
Trade payables	(109)	(24)
Other creditors	(516)	(103)
Net group balances - net receivable	**8,408**	**13,306**

- **Terms and conditions of transactions with related parties**

Expense recharges between related parties are made on an arm's length basis. Outstanding balances with entities are, unless otherwise specified, unsecured and interest free and placed on intercompany accounts and are repayable on demand.

- **Transactions with directors and key management**

There were no transactions with the Directors other than as disclosed in the Directors' Remuneration summary detailed in Note 8 to the Financial Statements.

24 FINANCIAL COMMITMENTS AND CONTINGENCIES

- **Operating lease**

At 31 March the Company's commitments under non-cancellable operating leases were as follows:

(in thousands of £)	For the year ended 31 March	
	2015	**2014**
Future annual commitments at balance sheet date in respect of operating leases relating to land and buildings (including estimated service charges) which expire:		
Within one year	382	3
Within two to five years inclusive	101	997
Over five years	2,061	2,061
	2,544	**3,061**
Future annual commitments at balance sheet date in respect of other operating leases which expire:		
Within one year	-	24
Within two to five years inclusive	22	22
	22	**46**

- **Capital expenditure**

The company has no material committed expenditure as of 31 March 2015 (2014: £Nil).

- **Contingent Liabilities**

  The Company is a defendant to several litigation claims, some of which are for material amounts. The Company's Management believe that claims outstanding as at 31 March 2015 and 31 March 2014 are either without merit, can be successfully defended or will not have a material adverse effect on the Company's financial condition, results of operations or liquidity. On the facts known to the Directors, and supported by legal advice received, the Directors believe that these disputes and associated costs have been adequately accrued for at the balance sheet date.

- **Guarantees**

  The Company has provided a guarantee in respect of its subsidiary company City Index Asia PTE Limited ("CIA") to the Monetary Authority of Singapore ("MAS"), the financial services regulator in Singapore. The Company guarantees that it will, at the request of MAS make up any liquidity shortfall in CIA and ensure that CIA can continue to meet all of its obligations and liabilities up to a maximum of S$10m, which at the balance sheet date equated to approximately £4.8m. The Management are confident that CIA is capable of meeting its obligations and liabilities for the foreseeable future.

25 EVENTS OCCURRING SUBSEQUENT TO THE BALANCE SHEET DATE

On 1st April 2015 the Company's intermediate parent company, City Index Group Limited, sold 100% of its holding in the City Index (Holdings) Limited and its subsidiary undertakings, to Gain Capital Holdings Inc, a company incorporated in the USA. Following the sale of the Group, Gain Capital Holdings Inc is the Company's ultimate parent company.

On 4th July 2015 the Company's subsidiary, Gain Capital Singapore Pte Limited merged with GFT Asia Pte Limited, a fellow subsidiary from within the Gain Capital Holdings group, through a process permissible under Singapore legislation called a Short Form Amalgamation, whereby the balance sheet of GFT Asia merged with that of Gain Capital Singapore Pte Limited to form a single entity. Effectively all of the trade and assets of GFT Asia have transferred to Gain Capital Singapore Pte Limited. There was no consideration payable to the immediate parent of GFT Asia Pte Limited.