

AxiCorp Limited

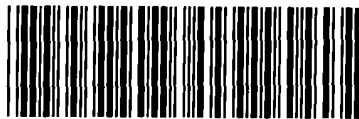
Annual Report and Financial Statements

Year Ended

30 June 2018

Company Number 06378544

TUESDAY



A7IMDXLN

A22

13/11/2018

#76

COMPANIES HOUSE

AxiCorp Limited

Company Information

Directors	P D W Hare S Joshi
Company secretary	P D W Hare
Registered number	06378544
Registered office	55 Baker Street London W1U 7EU
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

AxiCorp Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 22

AxiCorp Limited

Strategic Report for the Year Ended 30 June 2018

The directors of AxiCorp Limited submit the strategic report for the year ended 30 June 2018.

Review of Business and Principal Activity

The company's retail business commenced trading in September 2014 and during the year progress was satisfactory. The purpose of the company is to provide support services to the ultimate parent company AxiCorp Financial Services Pty Ltd.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are as follows:

Financial risk

Financial Risk is rated low as trading of all underlying client exposures will be hedged with the parent entity.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment commitments when they fall due. At the balance sheet date, the majority of its commitments are due to other Group companies and it is dependent upon the support of the parent Company to continue to operate.

Systems development risk

The company is dependent upon technology provided by its parent entity, AxiCorp Financial Services Pty Limited which manages these risks for the group. Risks arise where trading and back office systems are integrated with real time data feeds from trading exchanges. Any disruption to systems may impact client trade execution. The group monitors this risk closely and has in place a number of redundancies and mitigating processes to ensure consistent order flow and minimal disruption to clients in the event of a third party break in service.

Interest rate risk

The company does not currently earn or pay significant interest and as such it is not materially exposed to interest rate risk.

Credit risk

Credit risk is broadly defined as the possible loss due to debtors' non-payment of loans, services or goods supplied. There were no material debtors overdue at the reporting date.

Regulatory risk

The financial services sector is heavily regulated and breaches lead to fines or disciplinary action both for the company and for individual staff. Management monitors closely actual and planned changes in regulation.


AxiCorp Limited

**Strategic Report (continued)
for the Year Ended 30 June 2018**

Future Developments

The nature of the company's business offering is not expected to materially change for the foreseeable future.

This report was approved by the board and signed on its behalf.



.....
P D W Hare
Director

Date: 9/11/2018

AxiCorp Limited

Directors' Report for the Year Ended 30 June 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 judgments 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; and
- 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 to 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.

Principal activity

The principal activity of the company during the financial year was the provision of services for direct market access trading of contracts for difference and other financial instruments. There were no significant changes in principal activities during the year.

Results and dividends

The profit for the year, after taxation, amounted to £214,718 (2017 - £168,978).

The directors do not recommend that any dividend be declared in respect of the year (2017 - nil).

Directors

The directors who served during the year were:

P D W Hare
S Joshi

Pillar 3 disclosures

Details of the company's Pillar 3 disclosures, required under the Financial Conduct Authority's Prudential Sourcebook of Banks, Building Societies and Investment Firms ("BIPRU"), may be obtained from the company's website at www.axitrader.co.uk.

AxiCorp Limited

**Directors' Report (continued)
for the Year Ended 30 June 2018**

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on page 1-2. These matters relate to future developments and principal risks and uncertainties.

Disclosure of information to auditor


Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
P D W Hare
Director

Date: 9/11/2018

AxiCorp Limited

Independent Auditor's Report to the Members of AxiCorp Limited

Opinion

We have audited the financial statements of AxiCorp Limited ("the company") for the year ended 30 June 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AxiCorp Limited

Independent Auditor's Report to the Members of AxiCorp Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

We have nothing to report in respect of the following matters in relation to which 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.
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

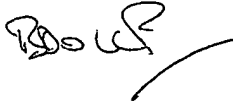
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

AxiCorp Limited

Independent Auditor's Report to the Members of AxiCorp Limited (continued)

Use of our report

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.



Neil Griggs (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 9 November 2018

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

AxiCorp Limited

**Statement of Comprehensive Income
for the Year Ended 30 June 2018**

	Note	2018	2017 £
Turnover	4	5,153,290	2,987,210
Cost of sales		(15,213)	(3,337)
Gross profit		5,138,077	2,983,873
Administrative expenses		(4,867,916)	(2,721,761)
Operating profit	5	270,161	262,112
Interest receivable		41,291	152
Interest payable		(4,836)	(4,595)
Profit before tax		306,616	257,669
Tax on profit	8	(91,898)	(88,691)
Profit for the financial year		214,718	168,978

All amounts relate to continuing operations.

There was no other comprehensive income for 2018 (2017 - nil).

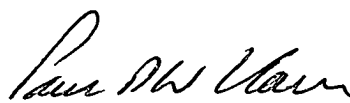
The notes on pages 12 to 22 form part of these financial statements.

AxiCorp Limited
Registered number: 06378544

Statement of Financial Position
as at 30 June 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	76,490	109,964
Current assets			
Trade and other debtors	10	1,041,758	3,635,200
Cash at bank and in hand	11	4,746,265	1,453,178
		<u>5,788,023</u>	<u>5,088,378</u>
Trade and other creditors: amounts falling due within one year	12	(4,691,124)	(4,239,671)
Net current assets		<u>1,096,899</u>	<u>848,707</u>
Total assets less current liabilities		<u>1,173,389</u>	<u>958,671</u>
Net assets		<u><u>1,173,389</u></u>	<u><u>958,671</u></u>
Capital and reserves			
Share capital	15	1,110,850	1,110,850
Retained earnings/(accumulated losses)		62,539	(152,179)
		<u>1,173,389</u>	<u>958,671</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
P D W Hare
Director

Date: 9/11/2018

The notes on pages 12 to 22 form part of these financial statements.

AxiCorp Limited

**Statement of Changes in Equity
for the Year Ended 30 June 2018**

	Share capital £	(Accumulated losses)/retained earnings £	Total equity £
At 1 July 2016	610,850	(321,157)	289,693
Comprehensive income for the year			
Profit for the year	-	168,978	168,978
Shares issued during the year	500,000	-	500,000
At 1 July 2017	1,110,850	(152,179)	958,671
Comprehensive income for the year			
Profit for the year	-	214,718	214,718
At 30 June 2018	<u>1,110,850</u>	<u>62,539</u>	<u>1,173,389</u>

AxiCorp Limited

**Statement of Cash Flows
for the Year Ended 30 June 2018**

	2018	2017
	£	£
Cash flows from operating activities		
Profit for the financial year	214,718	168,978
Adjustments for:		
Depreciation of tangible assets	63,074	43,330
Interest paid	4,836	4,595
Interest received	(41,291)	(152)
Taxation charge	91,898	88,691
Increase in debtors	(266,592)	(185,914)
Decrease/(increase) in amounts owed by groups	2,860,034	(2,860,034)
(Decrease)/increase in creditors	(2,662,256)	3,863,251
Increase/(decrease) in amounts owed to groups	3,093,706	(582,777)
Corporation tax paid	(71,895)	(14,637)
Net cash generated from operating activities	3,286,232	525,331
Cash flows from investing activities		
Purchase of tangible fixed assets	(29,600)	(104,028)
Interest received	41,291	152
Net cash from/(used in) investing activities	11,691	(103,876)
Cash flows from financing activities		
Issue of ordinary shares	-	500,000
Interest paid	(4,836)	(4,595)
Net cash used in financing activities	(4,836)	495,405
Net increase in cash and cash equivalents	3,293,087	916,860
Cash and cash equivalents at beginning of year	1,453,178	536,318
Cash and cash equivalents at the end of year	4,746,265	1,453,178
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,746,265	1,453,178
	4,746,265	1,453,178

AxiCorp Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

1. General information

AxiCorp Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the director's report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company had net current assets of £1,096,899 (2017 - £848,707) at the reporting date and generated a profit of £214,718 (2017 - £168,978) in the year. The parent company has confirmed its intention to continue to provide financial support to the company for the foreseeable future to enable it to continue to settle its external liabilities as they fall due and to enable it to meet its regulatory capital requirements. Accordingly, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

2.3 Turnover

Turnover includes fees for services provided to the parent company.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	40% straight line
Equipment, computers and software	-	40% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

AxiCorp Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

2. Accounting policies (continued)

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.7 Creditors

Liabilities are recognised as trade creditors when an invoice is received. Expenses incurred for which an invoice has not yet been received are included in accruals. Trade creditors are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Other creditors are not interest-bearing and are stated at their nominal value as any discounting of expected cash flows is considered to be immaterial.

2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

AxiCorp Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.10 Expenses

All expenses and interest payable are accounted for on an accruals basis.

2.11 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.12 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

AxiCorp Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

Tangible fixed assets (see note 9)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

AxiCorp Limited

**Notes to the Financial Statements
for the Year Ended 30 June 2018**

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Service fees	5,153,290	2,987,210
	<u>5,153,290</u>	<u>2,987,210</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2018 £	2017 £
Other operating income	(525)	(854)
Depreciation of tangible fixed assets	63,074	43,330
Auditor remuneration - audit fee	33,800	35,550
Occupancy cost	288,169	170,859
Other operating cost	120,043	27,603
Technology cost	107,789	123,424
Travel and accomodation cost	118,423	69,919
Advertising and marketing cost	560,359	219,874
	<u>560,359</u>	<u>219,874</u>

AxiCorp Limited

**Notes to the Financial Statements
for the Year Ended 30 June 2018**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2018	2017
	£	£
Wages and salaries	2,008,880	1,248,742
Social security costs	304,289	143,544
Other costs	332,125	172,902
	<u>2,645,294</u>	<u>1,565,188</u>

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

	2018	2017
	No.	No.
Sales and administration	<u>21</u>	<u>17</u>

Other costs include redundancy payments with a total value of £73,187 (2017 - £34,515).

7. Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	<u>308,100</u>	<u>254,317</u>

The highest paid director received remuneration of £159,300 (2017 - £119,317).

AxiCorp Limited

**Notes to the Financial Statements
for the Year Ended 30 June 2018**

8. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profit for the year	91,898	101,941
Total current tax	91,898	101,941
Deferred tax		
Origination and reversal of timing differences	-	(13,250)
Total deferred tax	-	(13,250)
Taxation on profit on ordinary activities	91,898	88,691

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	306,616	257,669
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	58,257	51,534
Effects of:		
Other adjustments	33,641	37,157
Total tax charge for the year	91,898	88,691

AxiCorp Limited

**Notes to the Financial Statements
for the Year Ended 30 June 2018**

9. Tangible fixed assets

	Fixtures and fittings £	Equipment, computers and software £	Total £
Cost			
At 1 July 2017	3,353	165,580	168,933
Additions	20,442	9,158	29,600
At 30 June 2018	<u>23,795</u>	<u>174,738</u>	<u>198,533</u>
Depreciation			
At 1 July 2017	35	58,934	58,969
Charge for the year on owned assets	1,381	61,693	63,074
At 30 June 2018	<u>1,416</u>	<u>120,627</u>	<u>122,043</u>
Net book value			
At 30 June 2018	<u>22,379</u>	<u>54,111</u>	<u>76,490</u>
At 30 June 2017	<u>3,318</u>	<u>106,646</u>	<u>109,964</u>

10. Debtors

	2018 £	2017 £
Trade debtors	-	22,278
Amounts owed by group undertakings	-	2,860,034
Other debtors	895,693	674,992
Prepayments	132,815	64,646
Deferred taxation	13,250	13,250
	<u>1,041,758</u>	<u>3,635,200</u>

AxiCorp Limited

**Notes to the Financial Statements
for the Year Ended 30 June 2018**

11. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	4,746,265	1,453,178
	<u><u>4,746,265</u></u>	<u><u>1,453,178</u></u>

At 30 June 2018, cash balances with banks included £80,373 (2017 - £80,344) of cash deposits which are subject to a legal charge in favour of a third party as a security deposit for the company's merchant facility.

At 30 June 2018, cash balances held by the company on behalf of clients under the Financial Conduct Authority's Client Assets Sourcebook amounted to £1,862,233, US\$19,595,849, €4,244,209, CHF209,435 and PLN1,679,697 (2017 - £2,297,194, US\$10,922,813, €10,095,713, CHF7,957 and PLN374,833). The company has no beneficial interest in these deposits and accordingly they are not included in the company's statement of financial position.

The company has an electronic fund transfer facility of £250,000 with Lloyds Bank plc.

12. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Client funds	877,314	3,770,950
Trade creditors	261,034	110,909
Amounts owed to group undertakings	3,093,706	-
Corporation tax	121,427	101,424
Taxation and social security	154,465	91,291
Accruals and other creditors	183,178	165,097
	<u><u>4,691,124</u></u>	<u><u>4,239,671</u></u>

AxiCorp Limited

**Notes to the Financial Statements
for the Year Ended 30 June 2018**

13. Financial instruments

	2018 Amortised cost £	2017 Amortised cost £
Financial assets		
Trade debtors	-	22,278
Amounts owed by group undertakings	-	2,860,034
Other debtors	895,693	674,992
Cash and cash equivalents	4,746,265	1,453,178
Total	5,641,958	5,010,482
Financial liabilities		
Trade creditors	261,034	110,909
Amounts owed to group undertakings	3,093,706	-
Accruals and other creditors	183,178	165,097
Total	3,537,918	276,006

14. Deferred taxation

	2018 £
At beginning of year	13,250
Charged to profit or loss	-
At end of year	13,250

The deferred tax asset is made up as follows:

	2018 £
Accelerated capital allowances	13,250
	13,250

AxiCorp Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

15. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
1,110,850 Ordinary shares shares of £1 each	<u>1,110,850</u>	<u>1,110,850</u>

16. Commitments under operating leases

At 30 June 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	131,280	94,345
Later than 1 year and not later than 5 years	212,566	373,553
	<u>343,846</u>	<u>467,898</u>

17. Related party transactions

During the year, service fees were charged to AxiCorp Financial Services Pty Limited, the ultimate parent, amounting to £5,153,290 (2017 - £2,987,210).

A balance of £3,339,833 was payable to AxiCorp Financial Services Pty Limited as at 30 June 2018 and this amount is included within amounts owed to group undertakings (2017 - £2,860,034 receivable from the company). A balance of £47,914 (2017 - nil) is receivable from AxiCorp EMENA Ltd (Cyprus) and an amount of £198,213 (2017 - nil) is receivable from AxiCorp MENA DMCC. Overall, the net amount due to AxiCorp Financial Services Pty Ltd and its group undertakings is £3,093,706.

Key management personnel include all directors and senior managers across the company who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services to the company was £308,100 (2017 - £254,317).

18. Ultimate parent undertaking and controlling party

At 30 June 2018, the company's ultimate parent undertaking and controlling party was AxiCorp Financial Services Pty Limited, a company registered in Australia.