

# **AxiCorp Limited**

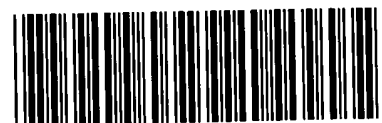
Annual Report and Financial Statements

Year Ended

30 June 2017

Company Number 06378544

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# AxiCorp Limited

## Company Information

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

# AxiCorp Limited

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# AxiCorp Limited

## Strategic Report for the Year Ended 30 June 2017

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The directors of AxiCorp Limited submit the strategic report for the year ended 30 June 2017.

### **Review of Business**

The company's retail business commenced trading in September 2014 and during the year progress was satisfactory.

### **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

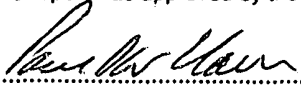
## Strategic Report for the Year Ended 30 June 2017

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### 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: 20/10/2017

# AxiCorp Limited

## Directors' Report for the Year Ended 30 June 2017

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The directors present their report and the financial statements for the year ended 30 June 2017.

### 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 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 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.

### Directors

The directors who served during the year were:

G Drapac (resigned 8 November 2016)  
A Mackinnon (resigned 8 November 2016)  
S Reeves (resigned 30 June 2016)  
P D W Hare (appointed 8 November 2016)  
S Joshi (appointed 8 November 2016)

### 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](http://www.axitrader.co.uk).

### 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.

## **AxlCorp Limited**

### **Directors' Report (continued) for the Year Ended 30 June 2017**

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#### **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.

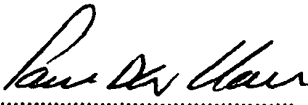
#### **Auditor**

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

#### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



.....  
**P D W Hare**  
Director

Date: 20/10/2017

# AxiCorp Limited

## Independent Auditor's Report to the Members of AxiCorp Limited

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### Opinion

We have audited the financial statements of AxiCorp Limited ("the Company") for the year ended 30 June 2017 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 2017 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 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)

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### 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 period 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 misstatement 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report.

### Responsibilities of directors

As explained more fully in the 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, and for such internal control as the directors determines 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.

# AxiCorp Limited

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

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### Auditor's responsibilities for the audit of the financial statements

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.

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 ("FRC's") website at:  
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BDO LLP

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

Date: 20 October 2017.

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 2017

	Note	2017 £	2016 £
Turnover	4	2,987,210	2,117,431
Cost of sales		(3,337)	(6,903)
<b>Gross profit</b>		<b>2,983,873</b>	<b>2,110,528</b>
Administrative expenses		(2,721,761)	(1,964,659)
<b>Operating profit</b>	5	<b>262,112</b>	<b>145,869</b>
Interest receivable		152	-
Interest payable		(4,595)	(1,988)
<b>Profit before tax</b>		<b>257,669</b>	<b>143,881</b>
Tax on profit	8	(88,691)	(27,370)
<b>Profit for the year</b>		<b>168,978</b>	<b>116,511</b>

All amounts relate to continuing operations.

There was no other comprehensive income for 2017 (2016:£NIL).

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

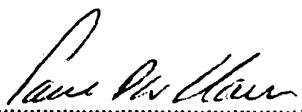
**AxiCorp Limited**  
Registered number: 06378544

**Statement of Financial Position**  
as at 30 June 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	9	109,964	49,266
<b>Current assets</b>			
Trade and other debtors	10	3,635,200	600,051
Cash at bank and in hand	11	1,453,178	536,318
		<u>5,088,378</u>	<u>1,136,369</u>
Trade and other creditors: amounts falling due within one year	12	(4,239,671)	(835,942)
<b>Net current assets</b>		<u>848,707</u>	<u>300,427</u>
<b>Total assets less current liabilities</b>		<u>958,671</u>	<u>349,693</u>
Trade and other creditors: amounts falling due after more than one year	13	-	(60,000)
<b>Net assets</b>		<u><u>958,671</u></u>	<u><u>289,693</u></u>
<b>Capital and reserves</b>			
Share capital	16	1,110,850	610,850
Accumulated losses	17	(152,179)	(321,157)
		<u>958,671</u>	<u>289,693</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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: 20/10/2017

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 2017

	Share capital £	Accumulated losses £	Total equity £
At 1 July 2015	610,850	(437,668)	173,182
<b>Comprehensive income for the year</b>			
Profit for the year	-	116,511	116,511
At 1 July 2016	610,850	(321,157)	289,693
<b>Comprehensive Income for the year</b>			
Profit for the year	-	168,978	168,978
Shares issued during the year	500,000	-	500,000
<b>At 30 June 2017</b>	<b>1,110,850</b>	<b>(152,179)</b>	<b>958,671</b>

# AxiCorp Limited

## Statement of Cash Flows for the Year Ended 30 June 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	168,978	116,511
<b>Adjustments for:</b>		
Depreciation of tangible assets	43,330	15,639
Interest payable	4,595	1,988
Interest receivable	(152)	-
Taxation charge	88,691	27,370
(Increase) in debtors	(185,914)	(506,741)
(Increase)/decrease in amounts owed by groups	(2,860,034)	-
Increase in creditors	3,863,251	203,838
(Decrease)/increase in amounts owed to groups	(582,777)	515,122
Corporation tax (paid)/received	(14,637)	-
<b>Net cash generated from operating activities</b>	<b>525,331</b>	<b>373,727</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(104,028)	(64,905)
Interest received	152	-
<b>Net cash from investing activities</b>	<b>(103,876)</b>	<b>(64,905)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	500,000	-
Interest paid	(4,595)	(1,988)
<b>Net cash used in financing activities</b>	<b>495,405</b>	<b>(1,988)</b>
<b>Net increase in cash and cash equivalents</b>	<b>916,860</b>	<b>306,834</b>
Cash and cash equivalents at beginning of year	536,318	229,484
<b>Cash and cash equivalents at the end of year</b>	<b>1,453,178</b>	<b>536,318</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,453,178	536,318
	<b>1,453,178</b>	<b>536,318</b>

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

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

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### 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 judgement 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 £848,707 (2016 - £300,427) at the reporting date and generated a profit of £168,978 (2016 - £116,511) 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.

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

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### 2. Accounting policies (continued)

#### 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.

#### 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.



# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

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### 2. Accounting policies (continued)

#### 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.

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.

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.

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

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### 2. Accounting policies (continued)

#### 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.

#### 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.

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

### 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 and intangible 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.

### 4. Turnover

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

	2017 £	2016 £
Service fees	<u>2,987,210</u>	<u>2,117,431</u>

All turnover arose within the United Kingdom.

### 5. Operating profit

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

	2017 £	2016 £
Other operating income	(854)	(12,390)
Depreciation of tangible fixed assets	43,330	15,639
Auditor remuneration - audit fee	66,972	22,500
Non audit services	-	8,040
Professional fees excluding auditor remuneration	-	327,834
Occupancy cost	170,859	-
Other operating cost	27,603	21,773
Technology cost	123,434	15,124
Travel and accommodation cost	69,919	45,522
Advertising and marketing cost	<u>219,874</u>	<u>91,027</u>

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

### 6. Employees

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

	2017 £	2016 £
Wages and salaries	1,248,742	1,166,511
Social security costs	143,544	148,732
Other costs	172,902	114,347
	<u>1,565,188</u>	<u>1,429,590</u>

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

	2017 No.	2016 No.
Sales and administration	<u>17</u>	<u>16</u>

Other costs include redundancy payments with a total value of £34,515 (2016 - £92,182).

### 7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	<u>254,317</u>	<u>120,000</u>

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

### 8. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profit/(loss) for the year	101,941	27,370
<b>Total current tax</b>	<u>101,941</u>	<u>27,370</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(13,250)	-
<b>Total deferred tax</b>	<u>(13,250)</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>88,691</u>	<u>27,370</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>257,669</u>	<u>143,881</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	51,534	28,776
<b>Effects of:</b>		
Other timing differences leading to a decrease in taxation	-	(1,406)
Other adjustments	37,157	-
<b>Total tax charge for the year</b>	<u>88,691</u>	<u>27,370</u>

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

### 9. Tangible fixed assets

	Fixtures and fittings £	Equipment, computers and software £	Total £
<b>Cost</b>			
At 1 July 2016	-	64,905	64,905
Additions	3,353	100,675	104,028
At 30 June 2017	<u>3,353</u>	<u>165,580</u>	<u>168,933</u>
<b>Depreciation</b>			
At 1 July 2016	-	15,639	15,639
Charge for the year	35	43,295	43,330
At 30 June 2017	<u>35</u>	<u>58,934</u>	<u>58,969</u>
<b>Net book value</b>			
At 30 June 2017	<u>3,318</u>	<u>106,646</u>	<u>109,964</u>
At 30 June 2016	<u>-</u>	<u>49,266</u>	<u>49,266</u>

### 10. Debtors

	2017 £	2016 £
Trade debtors	22,278	369,595
Amounts owed by group undertakings	2,860,034	-
Other debtors	674,992	168,655
Prepayments	64,646	28,162
Deferred taxation	13,250	-
Loans	-	33,639
	<u>3,635,200</u>	<u>600,051</u>

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

### 11. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>1,453,178</u>	<u>536,318</u>

At 30 June 2017, cash balances with banks included £80,344 (2016 - £80,321) 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 2017, cash balances held by the company on behalf of clients under the Financial Conduct Authority's Client Assets Sourcebook amounted to £2,297,194, US\$10,922,813, €10,095,713, CHF7,957 and PLN374,833 (2016 - £1,584,437, US\$8,136,709 €3,689,178, CHFNil and PLNNil). 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.

### 12. Creditors: Amounts falling due within one year

	2017 £	2016 £
Client funds	3,770,950	-
Trade creditors	110,909	51,383
Amounts owed to group undertakings	-	522,777
Corporation tax	101,424	27,370
Taxation and social security	91,291	90,759
Accruals and other creditors	165,097	143,653
	<u>4,239,671</u>	<u>835,942</u>

### 13. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	<u>-</u>	<u>60,000</u>

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

### 14. Financial instruments

	2017 Amortised cost £	2016 Amortised cost £
<b>Financial assets</b>		
Trade debtors	22,278	369,595
Amounts owed by group undertakings	2,860,034	-
Other debtors	685,791	168,655
Loans	-	33,639
Cash and cash equivalent	1,453,178	536,318
<b>Total</b>	<b>5,021,281</b>	<b>1,108,207</b>
<b>Financial liabilities</b>		
Trade creditors	110,909	51,383
Amounts owed to group undertakings	-	522,777
Accruals and other creditors	175,896	143,653
<b>Total</b>	<b>286,805</b>	<b>717,813</b>

### 15. Deferred taxation

	2017 £
Charged to profit or loss	13,250
<b>At end of year</b>	<b>13,250</b>

The deferred tax asset is made up as follows:

	2017 £
Accelerated capital allowances	13,250
	<b>13,250</b>



# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2017

### 16. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
1,110,850 (2016 - 610,850) Ordinary shares shares of £1 each	<u>1,110,850</u>	<u>610,850</u>

During the year 500,000 ordinary shares of £1 were issued at par.

### 17. Reserves

#### Accumulated losses

Accumulated losses represent cumulative losses of the company since incorporation, net of dividends paid and other adjustments.

### 18. Commitments under operating leases

At 30 June 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	94,345	-
Later than 1 year and not later than 5 years	373,553	-
	<u>467,898</u>	<u>-</u>

### 19. Related party transactions

During the year, service fees were charged to AxiCorp Financial Services Pty Limited, the ultimate parent, amounting to £2,987,210 (2016 - £2,117,431).

A balance of £2,860,034 was payable to AxiCorp Financial Services Pty Limited at 30 June 2017 (2016 - £522,777) and this amount is included within amounts owed to group undertakings. Certain expenses are incurred by the parent entity on the company's behalf.

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 £254,317 (2016 - £120,000).

### 20. Ultimate parent undertaking and controlling party

At 30 June 2017, the company's ultimate parent undertaking and controlling party was Axicorp Financial Services Pty Limited, a company registered in Australia.