

Company Registration Number: 04631395

UKFOREX LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2016**



UKFOREX LIMITED**COMPANY NUMBER 04631395**

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

CONTENTS

GENERAL INFORMATION	3
STRATEGIC REPORT	4
DIRECTORS' REPORT.....	6
STATEMENT OF COMPREHENSIVE INCOME	10
STATEMENT OF FINANCIAL POSITION.....	11
STATEMENT OF CHANGES IN EQUITY	12
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016.....	13

UKFOREX LIMITED**COMPANY NUMBER 04631395****GENERAL INFORMATION****Directors**

N Lacey (Appointed on 10th November 2015)
M Ledsham (Appointed on 31st July 2015)
J Sullivan (Resigned on 10th November 2015)
J Tilley (Appointed on 8th June 2015, resigned 22nd December 2015)
S Griffin (Resigned 31st July 2015)

Registered office

85 Gracechurch Street,
First floor,
London
EC3V 0AA

Chartered Accountants and Statutory Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT
UNITED KINGDOM

Company number

04631395

UKFOREX LIMITED**COMPANY NUMBER 04631395****STRATEGIC REPORT**

In accordance with a resolution of the directors (the "Directors") of UKForex Limited (the "Company"), the Directors submit herewith the Strategic Report of the Company as follows:

PRINCIPAL ACTIVITIES:

The Company is regulated by the Financial Conduct Authority ("FCA"). The principal activity of the Company for the financial year ended 31 March 2016 was the provision of foreign exchange services to the customers of the OzForex Group Limited and its subsidiaries ('the OzForex Group').

The Company is limited by shares and was incorporated and is domiciled in the United Kingdom.

The Company is a wholly owned subsidiary of OzForex Limited, an entity incorporated in Australia and its ultimate parent company OzForex Group Limited, an entity incorporated in Australia and listed on the Australian Stock Exchange (ASX: 'OFX').

In the opinion of the Directors, there were no significant changes to the principal activities of the Company during the financial year under review not otherwise disclosed in this report.

REVIEW OF OPERATIONS

The profit for the financial year ended 31 March 2016 was £682,628, a decrease of 8 per cent from £744,137 in the prior year.

Net operating profit for the year ended 31 March 2016 was £866,915, and decreased of 7 per cent on the prior year.

Total operating expenses for the year ended 31 March 2016 were £5,781,587, a decrease of 8 per cent on the prior year.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the OzForex Group and are not managed separately. Accordingly, the principal risks and uncertainties of OzForex Group Limited, which include those of the company, are discussed on page 29 of the group's annual report which does not form part of this report.

FINANCIAL RISK MANAGEMENT

The risks which the Company is exposed to are managed on a globally consolidated basis for the Group as a whole, including all subsidiaries, in all locations. The OzForex Group's internal approach to risk ensures that risks in subsidiaries are subject to the same rigour and risk acceptance decisions.

Risk is an integral part of the OzForex Group's businesses. The main risks faced by the Company are credit risk, liquidity risk, interest rate risk and foreign exchange risk. Additional risks faced by the Company include operational, legal, compliance and documentation risk. Responsibility for management of these risks lies with the individual businesses giving rise to them. It is the role of the Chief Operating Officer, Chief Executive Officer and Legal Counsel to ensure appropriate assessment and management of these risks.

The Chief Operating Officer reports to the Risk Committee on a quarterly basis. The Risk Committee identifies, quantifies and assesses all material risks and sets prudential limits. Where appropriate, these limits are approved by the Executive Committee and the Board.

Credit risk

The carrying amount of financial assets included in the balance sheet represents the Company's maximum exposure to credit risk in relation to those assets.

The Company does not have any significant exposure to any individual customer, counterparty or industry.

Fees receivable are usually settled within 30 days of becoming due and receivable.

STRATEGIC REPORT (CONTINUED)**Credit risk (continued)**

Credit risk is the potential loss arising through the default of counterparties to financial assets. The Company is not exposed to any material credit risk due to cash being held with highly rated financial institutions. All credit exposure for the Company is within the United Kingdom and Australia.

Credit exposures, approvals and limits are controlled within the Group's credit risk framework.

Liquidity risk

The Company does not have any long term or short term debt finance provided by external institutions. Funding is provided by the immediate parent entity to ensure the Company has sufficient funds for operations and planned expansion.

Interest rate risk

Changes in market interest rates impact upon the level of future cash flows.

The Company has both interest bearing assets that include cash balances and amounts owing to OzForex Limited, all of which earn a variable rate of interest.

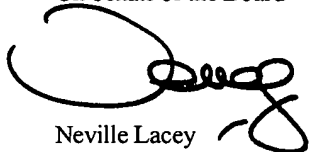
Foreign currency risk

The Company has foreign exchange exposures which include amounts payable to other Group undertakings which are denominated in non-functional currencies. The directors will revisit the appropriateness of the Company's foreign exchange management policy should the Company's operation change in size or nature.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business and the information provided elsewhere in this report, the directors are of the opinion that the production of KPIs in the Directors' Report is not necessary for an understanding of the development, performance or position of the business. KPIs are monitored at the Group level.

On behalf of the Board



Neville Lacey
Director
29 November 2016

UKFOREX LIMITED**COMPANY NUMBER 04631395****DIRECTORS' REPORT**

The directors present their report and the audited financial statements for UKForex Limited ('the Company') for the year ended 31 March 2016.

These accounts are prepared under Financial Reporting Standards 101 ('FRS 101'). This new standard was adopted for the first time in the current period as it is applicable for accounting periods beginning on or after 1 January 2015. All comparatives have been adjusted accordingly.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

N Lacey (Appointed on 10th November 2015)
 M Ledsham (Appointed on 31st July 2015)
 J Sullivan (Resigned on 10th November 2015)
 J Tilley (Appointed on 8th June 2015, resigned 22nd December 2015)
 S Griffin (Resigned 31st July 2015)

RESULTS

The Company's profit for the financial year was £682,628 (2015: £744,137).

DIVIDENDS PAID OR PROVIDED FOR

A dividend of £723,000 was paid during the year. On 16 May 2016 the Company declared a final dividend of £688,000 for the year ending 31 March 2016.

STATE OF AFFAIRS

There were no significant changes in the state of the affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report.

POST BALANCE SHEET DATE EVENTS

At the date of this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the period not otherwise disclosed in this report.

LIKELY DEVELOPMENTS, BUSINESS STRATEGIES AND PROSPECTS

The Company does not envisage any changes in activities for the foreseeable future

Disclosure of qualifying third party indemnity provision

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

CREDITORS PAYMENT POLICY

It is the Company's policy to agree the terms of payment to creditors at the start of business with that supplier, ensure that suppliers are aware of the terms of payment and to pay in accordance with its contractual and other legal obligations.

OTHER DISCLOSURES

Charitable donations were paid during the year ended 31 March 2016 to Rays of Sunshine and Crisis UK for a total of £3,090.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

DIRECTORS' REPORT (CONTINUED)**STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)**

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS

Pursuant to section 487(2) of the Companies Act 2006, the auditors of the Company are deemed re-appointed for each financial year unless the Directors or the members of the Company resolve to terminate their appointment. As at the date of these financial statements the Directors are not aware of any resolution to terminate the appointment of the auditors.

Disclosure of information to Auditors

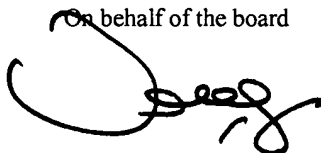
Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- Each director has taken all the steps that he/she ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

On behalf of the board



Neville Lacey
Director
29 November 2016

Independent auditors' report to the members of UKForex Limited

Report on the financial statements

Our opinion

In our opinion, UKForex Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.
-

What we have audited

The financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), comprise:

- Statement of financial position as at 31 March 2016;
- Statement of comprehension income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of UKForex Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Jonathan Hinchliffe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 December 2016

UKFOREX LIMITED**COMPANY NUMBER 04631395**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover		6,648,502	7,174,749
Administrative expenses		(5,530,063)	(5,968,130)
Other operating charges		<u>(251,524)</u>	<u>(274,999)</u>
Profit on ordinary activities before income tax	3	866,915	931,620
Income tax expense on ordinary activities	5	(184,287)	(187,483)
Profit for the financial year		<u>682,628</u>	<u>744,137</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>682,628</u>	<u>744,137</u>

Turnover and profit on ordinary activities before taxation relate wholly to continuing operations.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 13 to 21 form part of these financial statements.

UKFOREX LIMITED**COMPANY NUMBER 04631395****STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	Note	2016 £	2015 £
FIXED ASSETS			
Property, plant and equipment	8	105,514	114,805
		<u>105,514</u>	<u>114,805</u>
CURRENT ASSETS			
Cash and cash equivalents	9	6,560,287	6,496,895
Receivables from immediate parent entity	10	2,972,471	5,627,274
Other receivables	11	202,379	246,252
Deferred tax asset	6	-	2,777
		<u>9,735,137</u>	<u>12,373,198</u>
CREDITORS:			
Amounts falling due within one year	12	8,209,558	10,865,556
Deferred tax liability	6	4,085	-
NET CURRENT ASSETS		<u>1,521,494</u>	<u>1,507,642</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,627,008</u>	<u>1,622,447</u>
Provision for liabilities and charges	13	131,171	104,126
NET ASSETS		<u>1,495,837</u>	<u>1,518,321</u>
Equity			
Called up share capital	14	2	2
Share-based payment reserve		22,475	4,587
Retained earnings		1,473,360	1,513,732
TOTAL SHAREHOLDERS' FUNDS		<u>1,495,837</u>	<u>1,518,321</u>

The notes on pages 13 to 21 form part of these financial statements.

The financial statements on pages 10 to 21 were approved by the board of directors on 29 November 2016 and were signed on its behalf by:



Neville Lacey
Director

UKFOREX LIMITED**COMPANY NUMBER 04631395****STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital £	Share-based payment reserve £	Retained earnings £	Total shareholders' funds £
Balance at 1 April 2014	2	2,938	1,735,008	1,737,948
Profit for the financial year	-	-	748,724	748,724
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	748,724	748,724
Charge from parent for equity-settled share-based payments	-	1,649	-	1,649
Dividends paid	-	-	(970,000)	(970,000)
Balance at 31 March 2015	2	4,587	1,513,732	1,518,321
Profit for the financial year	-	-	682,628	682,628
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	682,628	682,628
Charge from parent for equity-settled share-based payments	-	17,888	-	17,888
Dividends paid	-	-	(723,000)	(723,000)
Balance at 31 March 2016	2	22,475	1,473,360	1,495,837

The notes on pages 13 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**1. ACCOUNTING POLICIES****a) Basis of preparation**

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

New Accounting Standards and amendments to Accounting Standards and Interpretations that became effective in the current financial year

The Financial Reporting Council revised financial reporting standards ("FRSs") in the UK and Republic of Ireland for accounting periods beginning on or after 1 January 2015. The revisions fundamentally reform United Kingdom Generally Accepted Accounting Practices ("UK GAAP"), replacing the previous standards ("previous UK GAAP").

The Company has transitioned from previous UK GAAP, and these financial statements have been prepared under new FRS 101 Reduced Disclosure Framework ("FRS 101"), which applies the recognition and measurement requirements of International Financial Reporting Standards ("IFRS") as adopted by the European Union with reduced disclosures. The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

There was no impact on the company's balance sheet and income statement as a result of adopting FRS 101 and hence no reconciliation of reserves or comparatives has been presented.

The following exemptions from the requirements of IFRS as adopted by the EU have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Certain share based payment disclosures in respect of Group equity instruments (IFRS 2 Share-based payment paragraphs 45(b) and 46 to 52);
- Statement of compliance with IFRS - Paragraph 16, IAS 1 Presentation of financial statements;
- Third balance sheet on retrospective accounting policy changes, restatements, or reclassifications (paragraph 40 A-D, IAS 1 Presentation of financial statements);
- Cash flow statement and related notes IAS 7 Cash flow statements;
- Disclosures in relation to new or revised standards issued but not yet effective (paragraph 30 and 31, IAS 8 Accounting policies, changes in accounting estimates and errors);
- Key management compensation disclosures (paragraph 17, IAS 24 Related Party Disclosures);
- Related party transactions with wholly owned group undertakings (IAS 24 Related Party Disclosures).

b) Turnover

Turnover is derived from the provision of foreign exchange related services on behalf of Ozforex Limited. Turnover for the year comprises management fee income, which is allocated from the parent, on a cost plus 15% (2015: cost plus 15%) basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

c) **Interest**

Interest receivable and similar income and interest payable and similar charges are brought to account on an accruals basis.

d) **Cash and cash equivalents**

Cash at bank comprises cash on hand and deposits held at call with banks.

e) **Taxation and Deferred Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided fully in respect of all timing differences between the accounting and tax treatment of income and expenses, at the reporting date, the anticipated reversal of which will result in a change in the future liability to tax. The provision is calculated using the rates expected to be applicable when the asset or liability crystallises based on current tax rates and law and is measured on a non-discounted basis. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

f) **Performance based remuneration**

Short term incentives

Bonuses are expected to be settled within 12 months of the reporting date.

Share based payments

Long term incentive plan

The Company recognises a share based payment expense in relation to performance rights granted to its employees with an offsetting adjustment recognised as a contribution to capital from the shareholders. The performance rights are measured at their grant dates based on their fair value using the number expected to vest. This amount is recognised as an expense evenly over the respective vesting periods.

The company annually revises its estimates of the number of shares that are expected to vest. Where appropriate, the impact of revised estimates is reflected in the income statement over the remaining vesting period, with a corresponding adjustment to the share based payment reserve.

The long term incentive plan is based on the grant of performance rights that vest into shares on a one-to-one basis at no cost to the employee. Settlement of the performance rights is made in ordinary shares.

Performance rights granted to employees of the Company were granted on 1 October 2014 and have a vesting date of 7 June 2016.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
(CONTINUED)****1. ACCOUNTING POLICIES (CONTINUED)****g) Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided in equal monthly instalments on a straight line basis over the estimated useful lives of the assets. The rates of depreciation are as follows:

Furniture and fittings	25%
Computer equipment	25 -33%
Leasehold improvements*	20%

* Where remaining lease terms are less than five years, leasehold improvements are depreciated over the remaining lease term.

Useful lives and residual values are reviewed annually and reassessed in light of commercial and technological developments. If an asset's carrying value is greater than its recoverable amount due to an adjustment to its useful life, residual value or impairment, the carrying amount is written down immediately to its recoverable amount.

h) Tangible Fixed Assets and Depreciation (continued)

Adjustments arising from such items and on disposal of fixed assets are recognised in the profit and loss account. Gains and losses on disposal are determined by comparing proceeds with the asset's carrying amount and are recognised in the profit and loss account. When revalued assets are sold it is Company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

i) Leases

Leases entered into by the Company as lessee, are primarily operating leases. The total fixed payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

j) Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to sterling using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

k) Provision for Liabilities and Charges

A provision is recognised where the Company has a present legal or constructive obligation to make a payment as a result of a past event where it is more probable than not that a transfer of economic benefit will be required to settle the obligation and the amount can be reliably estimated.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
(CONTINUED)****2. SEGMENTAL REPORTING****Business and geographical Segments**

All income and expenses are derived or incurred as part of the Company's role of providing foreign exchange services in the United Kingdom and the European Economic Area.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2016	2015
	£	£
Wages and salaries	2,406,085	2,082,621
Social security costs	289,977	240,357
	<u>2,696,062</u>	<u>2,322,978</u>
Operating lease rentals	101,966	138,690
Foreign exchange losses	3,332	24,963
Depreciation charges	48,524	46,147
Auditors' remuneration:		
Fees payable to the Company's auditors for the audit of the Company	20,064	19,740
Other services relating to taxation	10,600	10,900

4. EMPLOYEE INFORMATION

The average number of persons employed by the Company during the year calculated on a monthly basis was:

	2016	2015
	No.	No.
Average number persons employed	42	40
	<u>42</u>	<u>40</u>

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
(CONTINUED)****5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

Analysis of tax charge for the year

	2016 £	2015 £
Current tax:		
UK corporation tax at 20% (2015: 21%)	177,425	203,510
Total current tax	177,425	203,510
Deferred tax:		
Origination and reversal of timing differences	6,862	(16,027)
Total deferred tax	6,862	(16,027)
Tax on profit on ordinary activities	184,287	187,483

Factors affecting tax charge for the year

The taxation charge for the year ended 31 March 2016 is higher (2015: higher) than the standard rate of corporation tax in the United Kingdom of 20% (2015: 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before taxation	866,915	931,620
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 20% (2015: 21%)	173,383	195,640
Effects of:		
Expenses not deductible for tax purposes	12,760	4,292
Adjustments in respect of timing differences	(8,718)	7,331
Change in taxation rate	-	(3,753)
	177,425	203,510

6. DEFERRED TAX ASSET/LIABILITY

	2016 £	2015 £
At 1 April	2,777	(13,250)
Timing differences:		
Amount charged to profit and loss (note 5)	(6,862)	16,027
Deferred tax (liability)/asset recognised at 31 March	(4,085)	2,777
The deferred tax comprises:		
Timing differences in respect of leave entitlements	8,300	11,038
Accelerated capital allowance	(12,385)	(8,261)
Deferred tax (liability)/asset recognised at 31 March	(4,085)	2,777

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
(CONTINUED)****7. DIRECTORS' REMUNERATION**

	2016	2015
	£	£
Amounts paid to Directors in relation to their role as Directors of the entity	191,043	80,006
Pension contributions	-	935

The Directors did not receive any other benefits or consideration in connection with the management of the Company. All other benefits that were received by the Directors (principally performance related remuneration for OzForex Limited) were solely related to other services performed with respect to their employment with OzForex Limited.

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements £	Furniture & fittings £	Computer equipment £	Total £
COST				
At 1 April 2015	134,866	60,232	168,926	364,024
Additions	-	7,133	32,100	39,233
Disposals/scrapped	-	-	-	-
At 31 March 2016	134,866	67,365	201,026	403,257
ACCUMULATED DEPRECIATION				
At 1 April 2015	77,840	31,053	140,326	249,219
Charge for the year	14,810	10,139	23,575	48,524
Disposals/scrapped	-	-	-	-
At 31 March 2016	92,650	41,192	163,901	297,743
NET BOOK AMOUNT				
31 March 2016	42,216	26,173	37,125	105,514
31 March 2015	57,026	29,179	28,600	114,805

9. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash held with banks	6,560,287	6,496,895
	<u>6,560,287</u>	<u>6,496,895</u>

10. DEBTORS

	2016 £	2015 £
Amounts owed by immediate parent undertaking	2,972,471	5,627,274
	<u>2,972,471</u>	<u>5,627,274</u>

Amounts owed by the immediate parent undertaking are unsecured, non-interest bearing, and have no fixed date of repayment.

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
(CONTINUED)****11. OTHER RECEIVABLES**

	2016 £	2015 £
Deposits	105,878	105,878
Other receivables	61,314	50,621
Prepayments and other income	35,187	89,753
	<u>202,379</u>	<u>246,252</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	61,518	26,428
Customer deposit liabilities	7,693,947	10,389,196
Other creditors	140,394	208,167
Taxation	46,804	65,518
Accruals and deferred income	266,895	176,247
	<u>8,209,558</u>	<u>10,865,556</u>

13. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
At 1 April	108,713	94,944
Paid during the year	(177,411)	(94,944)
Charged to profit and loss	199,869	108,713
At 31 March	<u>131,171</u>	<u>108,713</u>

A provision of £89,671 (2015: £56,153) has been made in relation to bonuses payable to staff employed by the Company. Bonuses charged to the profit and loss account during the financial year of £89,671 relate to the 2016 bonus period, which is payable in June 2016.

A provision of £41,500 (2015: £52,560) has been made for employee leave entitlements. The majority of the leave entitlements are expected to be paid within 1 year.

14. CALLED UP SHARE CAPITAL

	2016 £	2015 £
ALLOTTED AND FULLY PAID		
2 (2015: 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

The ordinary shares carry one vote per share, are entitled to participate equally in dividends and, if the company was to be wound up, share in the proceeds of the company after all the debts have been settled.

15. DIVIDENDS

	2016 £	2015 £
EQUITY - ORDINARY		
Final paid 2016: £361,500 per share (2015: £485,000 per share)	<u>723,000</u>	<u>970,000</u>

In addition, the directors are proposing a final dividend for the year ended 31 March 2016 of £344,000 per share which will distribute £688,000 of shareholders' funds.

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
(CONTINUED)****16. SHARE BASED PAYMENTS**

The Group, including UKForex Limited, has a Long Term Incentive (LTI) Plan for key executives and employees identified by the Board of OzForex Group Limited, the ultimate parent company. The plan is based on the grant of performance rights that vest into shares on a one-to-one basis at no cost to the employee. Settlement of the performance rights is made in ordinary shares of OzForex Group Limited.

If the employee leaves during or before the performance period due to illness, redundancy or death, any granted rights which the Board has the discretion to allow them to vest, otherwise will lapse. If the employee leaves due to other reasons, the granted rights may be forfeited at the Board's discretion.

The plan was modified during the year to allow the issuance of share options however none were issued to UKForex employees during the year.

There were no cancellations during the year.

Issuances relevant to UKForex Limited under the OzForex Group Long Term Incentive Plan

The Group, including UKForex Limited, issued the Employee LTI rights during the 2015 financial year for select employees identified by the Board. These performance rights will vest subject to the employees who have been granted shares, remaining in employment until the vesting date. These performance rights are not subject to any performance hurdles.

As all vesting dates lie in the future, no performance rights were exercisable (or have been exercised) at balance date. The table below shows the number and fair value of performance rights granted to UKForex Limited employees.

Issuance	Grant date	Vesting date	Number of rights granted	Value of rights as at grant date	Price per share at grant date
Employee LTI rights	1 October 2014	7 June 2016	23,932	£28,479	£1.19

17. FINANCIAL COMMITMENTS

The Company has entered into lease agreements for office space which are accounted for as operating leases. At 31 March lease payments payable in the next year based on when the obligation expires are as follows:

	2016 £	2015 £
Within 1 year	156,788	133,270
Between 2 and 5 years	287,445	377,598
	<u>444,233</u>	<u>510,868</u>

18. RELATED PARTY INFORMATION

As 100% of the voting rights of the Company are controlled within the Group headed by OzForex Group Limited, incorporated in Australia, the company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the OzForex Group. The consolidated financial statements of OzForex Group Limited, within which the Company is included, can be obtained from the given address in Note 19.

19. ULTIMATE PARENT UNDERTAKING

The immediate and ultimate parent undertaking and controlling party of the Company, which is the parent undertaking of the smallest and largest group to consolidate these financial statements, is OzForex Group Limited, a company incorporated in Australia and listed on the ASX. Copies of the consolidated financial statements for OzForex Group Limited can be obtained from the Company Secretary, Level 19, 60 Margaret Street, Sydney, New South Wales, 2000, Australia.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
(CONTINUED)****20. AUDITORS AND OTHER SERVICES**

The auditors' remuneration for auditing services of the Company of £20,064 was provided by PricewaterhouseCoopers LLP for the financial year ended 31 March 2016 (2015: £19,740). These costs have been borne by the Company.

The remuneration for other services relating to taxation of £10,600 was provided by PricewaterhouseCoopers LLP for the financial year ended 31 March 2016 (2015: £10,900). These costs have been borne by the Company.

21. POST BALANCE SHEET DATE EVENTS

On 16 May 2016 the Company declared a final dividend of £688,000 (2015: 723,000) for the year ending 31 March 2016.

There were no other material post balance sheet events occurring after reporting date requiring disclosures in these financial statements.