

Company Registration Number: 04631395

UKFOREX LIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2015



UKFOREX LIMITED**COMPANY NUMBER 04631395**

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

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

J Sullivan (Appointed on 27th January 2015)

J Tilley (Appointed on 8th June 2015)

M Ledsham (Appointed on 31st July 2015)

C Humphrey (Resigned 27th January 2015)

S Griffin (Resigned 31st July 2015)

Secretary

L Miller (appointed on 28th August 2014)

L Docker (resigned on 31st July 2015)

Alliots Registrars Limited (resigned on 28th August 2014)

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

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 2015 was the provision of foreign exchange services to the customers of the OzForex Group Limited and its subsidiaries ('the OzForex Group').

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 2015 was £744,137, an increase of 24 per cent from £598,577 in the prior year.

Net operating profit for the year ended 31 March 2015 was £931,620, and increase of 19 per cent on the prior year

Total operating expenses for the year ended 31 March 2015 were £6,243,129, an increase of 20 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.

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



Jason Sullivan
Director

22 September 2015

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 2015.

DIRECTORS

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

J Sullivan (Appointed on 27th January 2015)
 J Tilley (Appointed on 8th June 2015)
 M Ledsham (Appointed on 31st July 2015)
 C Humphrey (Resigned 27th January 2015)
 S Griffin (Resigned 31st July 2015)

RESULTS

The Company's profit after tax for the financial year was £744,137 (2014: £598,577).

DIVIDENDS PAID OR PROVIDED FOR

A dividend of £970,000 was paid during the year. On 25 May 2015 the Company declared a final dividend of £723,000 for the period ending 31 March 2015.

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 2015 to Just Giving for a total of £4,608.

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

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

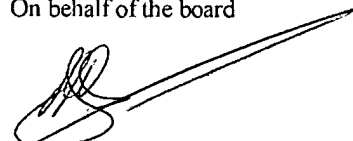
Each of the persons who is a director at the date of approval of this report confirms that:

- 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



Jason Sullivan
Director

22 September 2015

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 2015 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

UKForex Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended;
- the statement of total recognised gains and losses 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 applicable law and United Kingdom Accounting Standards (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.

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 6, 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 Strategic Report, Directors' Report and Financial Statements 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

28 September 2015

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UKFOREX LIMITED**COMPANY NUMBER 04631395**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	2014 £
Turnover		7,174,749	5,987,512
Administrative expenses		(5,968,130)	(5,038,845)
Other operating charges		<u>(274,999)</u>	<u>(167,347)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	931,620	781,320
Tax on profit on ordinary activities	5	(187,483)	(182,743)
PROFIT FOR THE FINANCIAL YEAR		<u>744,137</u>	<u>598,577</u>

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

A statement of total recognised gains and losses has not been provided as all gains and losses are dealt with in the profit and loss account.

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 23 form part of these financial statements.

UKFOREX LIMITED**COMPANY NUMBER 04631395****BALANCE SHEET
AS AT 31 MARCH 2015**

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	8	114,805	134,859
		<u>114,805</u>	<u>134,859</u>
CURRENT ASSETS			
Cash at bank and in hand	11	6,496,895	6,291,598
Amounts owed by immediate parent entity	9	5,627,274	6,650,363
Other assets	10	246,252	478,280
Deferred tax asset	6	2,777	-
		<u>12,373,198</u>	<u>13,420,241</u>
CREDITORS:			
Amounts falling due within one year	12	10,865,556	11,708,958
Deferred tax liability	6	-	13,250
NET CURRENT ASSETS		<u>1,507,642</u>	<u>1,698,033</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,622,447</u>	<u>1,832,892</u>
PROVISIONS FOR LIABILITIES AND CHARGES	13	108,713	94,944
NET ASSETS		<u>1,513,734</u>	<u>1,737,948</u>
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Share option reserve	16	4,587	2,938
Profit and loss account	15	1,509,145	1,735,008
TOTAL SHAREHOLDERS' FUNDS		<u>1,513,734</u>	<u>1,737,948</u>

The notes on pages 13 to 23 form part of these financial statements.

The financial statements on pages 10 to 23 were approved by the board of directors on 22 September 2015 and were signed on its behalf by:



J. Sullivan
Director

UKFOREX LIMITED**COMPANY NUMBER 04631395****STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2015**

	Notes	2015 £	2014 £
Cash flows from operating activities			
Total cash inflows from customers		1,787,972,343	1,385,579,676
Total cash outflows to customers, suppliers and employees		(1,786,532,236)	(1,385,056,473)
Income tax paid		(213,754)	(151,053)
Net cash flows from operating activities	18	<u>1,226,353</u>	<u>372,150</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	(1,844)
Payments for property, plant and equipment		(26,092)	(110,672)
Net cash flows used in investing activities		<u>(26,092)</u>	<u>(112,516)</u>
Cash flows from financing activities			
Dividends paid	15	(970,000)	-
Net cash flows from/ (used in) financing activities		<u>(970,000)</u>	<u>-</u>
Net increase in cash		<u>230,261</u>	<u>259,634</u>
Cash and cash equivalents at the beginning of the financial year		<u>6,291,598</u>	<u>6,024,137</u>
Exchange gains/(losses) on cash and cash equivalents		<u>(24,964)</u>	<u>7,827</u>
Cash and cash equivalents at the end of the financial year	11	<u>6,496,895</u>	<u>6,291,598</u>

The notes on pages 13 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**1. ACCOUNTING POLICIES**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The accounting policies have been applied consistently, other than where new policies have been adopted.

The particular policies adopted by the company are described below.

New Accounting Standards and amendments to Accounting Standards and Interpretations that are not yet effective

FRS 100 Application of Financial Reporting Requirements, FRS 101 Reduced Disclosure Framework and FRS 102 The financial Reporting Standard applicable in the UK and Republic of Ireland.

The company intends to adopt FRS 101 for the annual reporting period commencing from 1 April 2015. FRS 101 sets out a reduced framework which addresses the financial reporting requirements and disclosure exemptions for the individual financial statements of subsidiaries and ultimate parents that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS. Financial statements prepared under the standard will be defined as Companies Act accounts under the Companies Act 2006.

The impact of adoption of FRS 101 is being assessed, though the accounting policies of the company that are likely to be impacted are:

- Foreign currency translation
- Deferred taxation

a) Exemptions

The company has taken advantage of the exemption from presenting a cash flow statement under the terms of FRS 1 'Cash Flow Statements'.

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% (2014: cost plus 15%) basis.

c) Other Operating (Charges)/Gains

Gains and losses arising from foreign currency transactions are accounted for as other operating gains or charges respectively.

d) Interest

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

e) Cash at Bank and In Hand

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

f) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

f) Taxation and Deferred Taxation (continued)

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.

g) 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 options that are expected to become exercisable. 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.

Share option plan

The Company recognises a share option expense in relation to options granted to its employees with the offsetting adjustment recognised as a contribution of capital from the shareholders. The options are measured at their grant dates based on their fair value and 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 options that are expected to become exercisable. 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 option reserve.

The two option grants above were cancelled and cash settled by the pre-restructure shareholders as a result of listing on the ASX. No share option plans were operational during the year ended 31 March 2015.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(CONTINUED)****1. ACCOUNTING POLICIES (CONTINUED)****h) 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.

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) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

k) 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.

l) 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.

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(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:

	2015	2014
	£	£
Staff costs:		
Wages and salaries	2,082,621	1,756,224
Social security costs	240,357	283,623
Operating lease rentals	138,690	92,698
Foreign exchange losses	(24,963)	7,828
Depreciation charges	46,147	24,296
Auditors' remuneration:		
Fees payable to the Company's auditors for the audit of the Company	19,740	18,804
Other services relating to taxation	10,900	11,000

4. EMPLOYEE INFORMATION

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

	2015	2014
	No.	No.
Average number persons employed	40	34
	40	34

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(CONTINUED)****5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

Analysis of tax charge for the year

	2015 £	2014 £
Current tax:		
UK corporation tax at 21% (2014: 23%)	203,510	165,787
Total current tax	203,510	165,787
Deferred tax:		
Origination and reversal of timing differences	(16,027)	16,956
Total deferred tax	(16,027)	16,956
Tax on profit on ordinary activities	187,483	182,743

Factors affecting tax charge for the year

The taxation charge for the year ended 31 March 2015 is lower (2014: higher) than the standard rate of corporation tax in the United Kingdom of 21% (2014: 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before taxation	931,620	781,320
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 21% (2014: 23%)	195,640	179,704
Effects of:		
Expenses not deductible for tax purposes	4,292	7,493
Adjustments in respect of timing differences	7,331	(21,553)
Change in taxation rate	(3,753)	143
	203,510	165,787

6. DEFERRED TAX ASSET/LIABILITY

	2015 £	2014 £
At 1 April	(13,250)	3,706
Timing differences:		
Amount charged to profit and loss (note 5)	16,027	(16,956)
Deferred tax asset/(liability) recognised at 31 March	2,777	(13,250)
The deferred tax comprises:		
Timing differences in respect of leave entitlements	11,038	12,336
Accelerated capital allowance	(8,261)	(25,586)
Deferred tax asset/(liability) recognised at 31 March	2,777	(13,250)

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(CONTINUED)****7. DIRECTORS' REMUNERATION**

	2015	2014
	£	£
Amounts paid to Directors in relation to their role as Directors of the entity	80,006	118,156
Pension contributions	935	2,370

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 and options for OzForex Limited) were solely related to other services performed with respect to their employment with OzForex Limited.

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Furniture & fittings	Computer equipment	Total
	£	£	£	£
COST				
At 1 April 2014	134,336	52,489	151,107	337,932
Additions	530	7,743	18,234	26,507
Disposals/scrapped	-	-	(415)	(415)
At 31 March 2015	134,866	60,232	168,926	364,024
ACCUMULATED DEPRECIATION				
At 1 April 2014	62,770	20,653	119,649	203,072
Charge for the year	15,070	10,400	20,677	46,147
Disposals/scrapped	-	-	-	-
At 31 March 2015	77,840	31,053	140,326	249,219
NET BOOK AMOUNT				
31 March 2015	57,026	29,179	28,600	114,805
31 March 2014	71,566	31,836	31,457	134,859

9. DEBTORS

	2015	2014
	£	£
Amounts owed by immediate parent undertaking	5,627,274	6,650,363
	<u>5,627,274</u>	<u>6,650,363</u>

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

10. OTHER ASSETS

	2015	2014
	£	£
Deposits	105,878	105,878
Other debtors	50,621	320,473
Prepayments and other income	89,753	51,929
	<u>246,252</u>	<u>478,280</u>

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(CONTINUED)****11. CASH AT BANK AND IN HAND**

	2015 £	2014 £
Cash held with banks	<u>6,496,895</u>	<u>6,291,598</u>
	<u>6,496,895</u>	<u>6,291,598</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	26,428	53,783
Customer deposit liabilities	10,389,196	11,261,561
Other creditors	208,167	127,346
Taxation	65,518	75,762
Accruals and deferred income	<u>176,247</u>	<u>190,506</u>
	<u>10,865,556</u>	<u>11,708,958</u>

13. PROVISIONS FOR LIABILITIES

	2015 £	2014 £
At 1 April	94,944	77,341
Paid during the year	(94,944)	(77,341)
Charged to profit and loss	<u>108,713</u>	<u>94,944</u>
At 31 March	<u>108,713</u>	<u>94,944</u>

A provision of £56,153 (2014: £41,309) 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 £56,153 relate to the 2015 bonus period, which is payable in June 2015.

Employee related provisions include provision for leave entitlements. The majority of the leave entitlements are expected to be paid within 1 year.

14. CALLED UP SHARE CAPITAL

	2015 £	2014 £
ALLOTTED AND FULLY PAID		
2 (2014: 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.

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(CONTINUED)****15. PROFIT AND LOSS ACCOUNT**

	2015 £	2014 £
Profit for the year	744,137	598,577
Retained profit for the financial year	<u>744,137</u>	<u>598,577</u>
Net addition to shareholders' funds	<u>744,137</u>	<u>598,577</u>
Dividends paid	(970,000)	-
Opening shareholders' funds	1,735,008	1,136,431
Closing shareholders' funds	<u>1,509,145</u>	<u>1,735,008</u>

16. SHARE OPTION AND SHARE BASED PAYMENT RESERVES*SHARE OPTION RESERVE*

There were no share option arrangements in place during the year ended 31 March 2015. During the year ended 31 March 2014, the Parent Company (OzForex Limited) issued equity settled share-based payment arrangements to an employee of UKForex Limited, which are described below. These share-based payment arrangements were cancelled and cash settled by the pre-restructure shareholders as a result of listing of the ultimate Parent Company (OzForex Group Limited) on the Australian Securities Exchange.

The estimated fair value of each share option granted in the plan is £2.67 (A\$4.80). This was calculated by applying a trinomial option pricing model. The model inputs were the underlying share price at grant date of A\$91.95, exercise price of A\$472.23, expected volatility of 35%, no expected dividends, contractual life of 7 years and a risk-free interest rate of 5.5%.

When this plan was implemented the OzForex Group was unlisted and as such did not have access to the historical information to calculate assumed volatility rates. The volatility in the pricing model had been based on that of Western Union, a similar payments and foreign exchange business. The assessed volatility of Western Union was 21.05% over 4 years. Given that the Company's stock and options were less liquid, the volatility was adjusted upward to 35%.

	2015 £	2014 £
Expense arising from share option plans	<u>-</u>	<u>2,938</u>

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(CONTINUED)****16. SHARE OPTION AND SHARE BASED PAYMENT RESERVES (CONTINUED)****SHARE BASED PAYMENTS**

The OzForex Group (including UKForex) provides benefits to its employees in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions). The fair value of each performance right is estimated at grant date using a trinomial model and discounted for the probability of employee retention and the probability of achieving performance levels.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

Equity settled awards granted by the Parent company, OzForex Limited, to employees of subsidiaries are recognised in the subsidiaries' separate financial statements as an expense with a corresponding credit to equity. Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated.

Employee long term incentive plan

The OzForex Group established the Employee long-term incentive plan during the year ended 31 March 2015 for select employees identified by the Board. These performance rights will vest subject to the employee who have been granted performance rights, remaining in employment until the vesting date. This plan is not subject to any performance hurdles.

Set out below is a summary of the performance rights granted under as part of the Employee long term incentive plan.

Performance period end date	Balance as at 31 March 2014	Granted during the year	Exercised during the year	Forfeited/ cancelled during the year	Balance as at 31 March 2015
7 June 2016	-	16,030	-	-	16,030

As all performance periods lie in the future, no performance rights are exercisable (or have been exercised) at balance date. The table below shows the number and fair value of performance rights granted at grant date.

Grant date	Performance period	Vesting date	Number of rights granted	Value of rights as at grant date	Price per share at grant date
1 October 2014	2016	7 June 2016	16,030	£18,265 A\$35,426	£1.14 A\$2.21

Expenses arising from share-based payment transactions recognised during the period as set out below.

	2015 £	2014 £
Expense arising from share based payments	4,587	-

UKFOREX LIMITED**COMPANY NUMBER 04631395****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(CONTINUED)****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:

	2015 £	2014 £
Within 1 year	133,270	65,328
Between 2 and 5 years	377,598	601,021
	<u>510,868</u>	<u>666,349</u>

18. NOTES TO THE STATEMENT OF CASH FLOWS**Reconciliation of cash and cash equivalents**

Reconciliation of profit from ordinary activities after income tax to net cash flows from operating activities	2015	2014
	£	£
Profit from ordinary activities after income tax	744,137	598,577
Adjustments to profit from ordinary activities		
Depreciation on property, plant and equipment	46,147	24,297
Share-based payments expense	1,649	2,938
(Profit)/Loss on sale of property, plant and equipment	-	1,844
Foreign exchange revaluation	24,964	(7,827)
Fair value changes on financial assets and liabilities at fair value through profit and loss		
Changes in assets and liabilities		
Decrease/(increase) in debtors and prepayments	232,027	(370,025)
Decrease/(increase) in deferred tax assets	(16,027)	16,956
Increase in accrued charges and creditors	189,932	73,054
(Decrease)/increase in provisions for employee entitlements	13,768	17,603
Increase in tax provision	(10,244)	14,733
Net cash flows from operating activities	<u>1,226,353</u>	<u>372,150</u>

19. 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 8 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 20.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
(CONTINUED)****20. 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 9, 10 Bridge Street, Sydney, New South Wales, 2000, Australia .

21. AUDITORS AND OTHER SERVICES

The auditors' remuneration for auditing services of the Company of £19,740 was provided by PricewaterhouseCoopers LLP for the financial year ended 31 March 2015 (2014: £18,804). These costs have been borne by the Company.

The remuneration for other services relating to taxation of £10,900 was provided by PricewaterhouseCoopers LLP for the financial period ended 31 March 2015 (2014: £11,000). These costs have been borne by the Company.

22. POST BALANCE SHEET DATE EVENTS

On 25 May 2015 the Company declared a final dividend of £723,000 for the period ending 31 March 2015.

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