

Registration number 05762951

Axia FX Limited

Director's Report and Financial Statements

for the Year Ended 31 March 2011

Hobbs Granger Roitt LLP
Statutory Auditor
11 Eastheath Avenue
Wokingham
Berkshire
RG41 2PP



Axia FX Limited
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Axia FX Limited
Company Information

Director	D White
Company secretary	M Chambers
Registered office	225 Marsh Wall London E14 9FW
Bankers	Royal Bank of Scotland PLC Threadneedle Street 62/63 Threadneedle Street London EC2R 8LA
Auditors	Hobbs Granger Roitt LLP Statutory Auditor 11 Eastheath Avenue Wokingham Berkshire RG41 2PP

Axia FX Limited
Director's Report for the Year Ended 31 March 2011

The director presents his report and the financial statements for the year ended 31 March 2011

Director of the company

The director who held office during the year was as follows

D White

Principal activity

The principal activity of the company is a non speculative commercial currency trading and foreign exchange delivery company

Business review

Fair review of the business

The director is pleased with the reported profit for the year given the difficult trading circumstances. Whilst reported turnover and cost of sales are shown as having increased substantially, the key performance indicator is the 18.5% increase in gross profit which represents Axia's commission for currency trading on its customers behalf. Administration expenses have been closely controlled, however considerable efforts were made with marketing Axia's services to a wider market hence additional costs were incurred in this area in the form of salaries. A trend towards spot trading during the year has resulted in a reduction of reported trade debtors and creditors at 31 March 2011 and will affect reported turnover and cost of sales while the trend continues.

The company is continuing to develop its marketing strategy and in particular its partnership management services. Further improvements in the use of information technology are also ongoing.

In addition to the monthly management accounts and information that is produced and monitored against the company's plan and the previous year's performance, the director uses Key Performance Indicators (KPI's) in the management of key risks of the business and as a measure of the business efficiencies of the company. The KPI's cover the following:

- i) Sales performance is measured against budgets and the latest expectations which are updated on a regular basis,
- ii) Sales and cost of sales are monitored against budgets and current needs,
- iii) Cash is monitored against regular monthly statements and forecasts.

Principal risks and uncertainties

The company has established two trading lines and continues to monitor both external rate fluctuations and support the forward trades with adequate margin from clients.

The company is concerned about the state of the global economy and the economic down turn and has continued to manage its overheads and to build up a strong client base in order to deal with business risks.

Going Concern

Having regard to the context of post year end trading, and the related cash flow projections prepared by the director, the director considers that, barring unforeseen circumstances, the company will have adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, he considers it appropriate to continue to prepare the financial statements on the going concern basis.

Axia FX Limited
Director's Report for the Year Ended 31 March 2011

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Financial instruments

Objectives and policies

The company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or LIBOR risks. The policy is to finance working capital through share issues and funds advanced and deposited by the company's director.

The company's principle financial instruments are spot forward and foreign currency exchange contracts to fulfil contracts with its clients. The company does not enter into speculative contracts on its own account. The company also has various other financial instruments such as trade debtors and trade creditors arising in the course of its operations. Trade debtors expose the company to the usual credit and cash flow risks associated with selling on credit although these are matched to a large extent by amounts due to its clients within trade creditors.

Price risk, credit risk, liquidity risk and cash flow risk

Treasury activities take place under procedures and policies monitored by the director. They are designed to minimise the financial risks faced by the company which primarily arise from interest, currency and liquidity risks and information is given below.

Interest rate risks

The company has financed its operations primarily through the issue of equity shares.

Liquidity risk

The company's treasury management policies are designed to ensure the continuity of funding. The company has surplus cash at the year end.

Foreign currency risk

The company does not have any significant foreign currency exposure as all foreign currency is acquired under matched contracts to fulfil contracts with clients and therefore no further analysis is required under FRS13.

Disclosure of information to the auditors

The director has taken steps that he 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. The director confirms that there is no relevant information that he knows of and which he knows the auditors are unaware of.

Approved by the Board on 19/4/11 and signed on its behalf by:



D White
Director

Axia FX Limited

Statement of Director's Responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 Auditor's Report to the Members of Axia FX Limited

We have audited the financial statements of Axia FX Limited for the year ended 31 March 2011, set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Director's Responsibilities (set out on page 4), the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

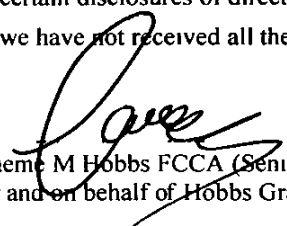
**Independent Auditor's Report to the Members of
Axia FX Limited**

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Graeme M Hobbs FCCA (Senior Statutory Auditor)
For and on behalf of Hobbs Granger Roitt LLP, Statutory Auditors

11 Eastheath Avenue
Wokingham
Berkshire
RG41 2PP

Date 20.9.2011

Axia FX Limited
Profit and Loss Account for the Year Ended 31 March 2011

	Note	2011 £	2010 £
Turnover		819,050,591	506,737,635
Cost of sales		<u>(818,116,848)</u>	<u>(505,949,907)</u>
Gross profit		933,743	787,728
Administrative expenses		(942,319)	(878,521)
Other operating income		<u>21,744</u>	<u>42,100</u>
Operating profit/(loss)	2	13,168	(48,693)
Other interest receivable and similar income	6	1,961	35
Interest payable and similar charges	7	<u>(427)</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation		14,702	(48,658)
Tax on profit/(loss) on ordinary activities	8	<u>(412)</u>	<u>5,900</u>
Profit/(loss) for the financial year	14	<u><u>14,290</u></u>	<u><u>(42,758)</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

Axia FX Limited
(Registration number: 05762951)
Balance Sheet at 31 March 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	9	<u>42,285</u>	<u>34,778</u>
Current assets			
Debtors	10	6,247,200	37,320,622
Cash at bank and in hand		<u>2,151,080</u>	<u>1,796,165</u>
		8,398,280	39,116,787
Creditors: Amounts falling due within one year	11	<u>(8,254,853)</u>	<u>(38,975,143)</u>
Net current assets		<u>143,427</u>	<u>141,644</u>
Total assets less current liabilities		185,712	176,422
Creditors: Amounts falling due after more than one year	12	<u>(71,444)</u>	<u>(76,644)</u>
Net assets		<u><u>114,268</u></u>	<u><u>99,778</u></u>
Capital and reserves			
Called up share capital	13	278,500	278,300
Share premium account	14	408,700	408,700
Profit and loss account	14	<u>(572,932)</u>	<u>(587,222)</u>
Shareholders' funds	15	<u><u>114,268</u></u>	<u><u>99,778</u></u>

Approved by the director on

19/9/11



D White
Director

Axia FX Limited
Cash Flow Statement for the Year Ended 31 March 2011

	Note	2011 £	2010 £
Reconciliation of operating profit/loss to net cash flow from operating activities			
Operating profit/(loss)		13,168	(48,693)
Depreciation, amortisation and impairment charges		20,919	12,257
Decrease/(increase) in debtors		31,073,010	(20,310,743)
(Decrease)/increase in creditors		(30,720,290)	20,780,848
Decrease in provisions		-	(15,070)
Net cash inflow from operating activities		<u>386,807</u>	<u>418,599</u>
Returns on investments and servicing of finance			
Interest received		1,961	35
Interest paid		(427)	-
		<u>1,534</u>	<u>35</u>
Taxation paid		-	(3,139)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		<u>(28,426)</u>	<u>(33,573)</u>
Net cash inflow before management of liquid resources and financing		<u>359,915</u>	<u>381,922</u>
Financing			
Repayment of loans and borrowings		(5,200)	(160,000)
Issue of shares		<u>200</u>	<u>160,000</u>
		<u>(5,000)</u>	<u>-</u>
Increase in cash	16	<u>354,915</u>	<u>381,922</u>
Reconciliation of net cash flow to movement in net debt			
	Note	2011 £	2010 £
Increase in cash		<u>354,915</u>	<u>381,922</u>
Movement in net debt	16	354,915	381,922
Net funds at 1 April	16	<u>1,796,165</u>	<u>1,414,243</u>
Net funds at 31 March	16	<u>2,151,080</u>	<u>1,796,165</u>

Axia FX Limited
Notes to the Financial Statements for the Year Ended 31 March 2011

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Going concern

The financial statements have been prepared on a going concern basis

Having regard to the context of both current and future trading, and the related cash flow projections prepared by the director, the director considers that, barring unforeseen circumstances, the company will have adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, he considers it appropriate to continue to prepare the financial statements on the going concern basis

Turnover

Turnover represents the gross value of currency transactions undertaken by the company's commercial foreign currency dealing business. Purchases of currency relating to the above transactions are treated as cost of sales

Turnover is recognised after receiving the client's authorisation to undertake a foreign currency transaction for immediate or forward delivery

Where the company enters into contracts for forward delivery with its clients, the company also enters into separate matched contracts using its' trading platform

Whenever contracts for forward delivery are open at the year end, the balance of contracts due from the client at maturity is included in debtors, and the corresponding liability with the customers in foreign currencies are included in creditors

The company purchases foreign currency from a counterparty once the transaction with the client is agreed. In the event of a client being unable to fulfil a transaction, the unfulfilled sale of currency is recognised in the financial statements. The currency purchased for sale is then resold back to the counterparty, this resale also being recognised in turnover

Depreciation

Depreciation has been computed to write off the cost less estimated residual value of tangible assets over the expected useful lives using the following rates

Asset class	Depreciation method and rate
Fixtures fittings and equipment	25% Straight line
Computer equipment	25% to 33% Straight line
Office equipment	25% Straight line
Website	25% to 33% Straight line

Axia FX Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

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Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or receive more tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantally enacted at the balance sheet date

Foreign currency

Assets and liabilities which are the subject of matched contracts are translated into sterling at the contract rate. Other assets and liabilities are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction, or if matched, at the contract rate. Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Financial instruments

The prime financial instruments utilised by the company are spot and fixed forward exchange contracts, to match clients' specific requirements

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2011	2010
	£	£
Depreciation of owned assets	20,919	12,257
Auditor's remuneration	<u>21,600</u>	<u>21,235</u>

Axia FX Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... *continued*

3 Auditor's remuneration

	2011 £	2010 £
Audit of the financial statements	18,000	15,500
Other fees to auditors		
Other services	<u>3,600</u>	<u>5,735</u>
	<u><u>21,600</u></u>	<u><u>21,235</u></u>

4 Particulars of employees

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows

	2011 No.	2010 No.
Administration and support	5	4
Sales	<u>8</u>	<u>6</u>
	<u><u>13</u></u>	<u><u>10</u></u>

The aggregate payroll costs were as follows

	2011 £	2010 £
Wages and salaries	490,903	430,163
Social security costs	<u>51,770</u>	<u>42,413</u>
	<u><u>542,673</u></u>	<u><u>472,576</u></u>

5 Director's remuneration

The director's remuneration for the year was as follows

	2011 £	2010 £
Remuneration	<u>24,683</u>	<u>26,000</u>

6 Other interest receivable and similar income

	2011 £	2010 £
Bank interest receivable	<u>1,961</u>	<u>35</u>

Axia FX Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

7 Interest payable and similar charges

	2011 £	2010 £
Interest on bank borrowings	427	-
	<u>427</u>	<u>-</u>

8 Taxation

Tax on profit/(loss) on ordinary activities

	2011 £	2010 £
Current tax		
Corporation tax charge/(credit)	412	(3,139)
Adjustments in respect of previous years	-	(2,761)
UK Corporation tax	<u>412</u>	<u>(5,900)</u>

Factors affecting current tax charge for the year

Tax on profit/(loss) on ordinary activities for the year is lower than (2010 - higher than) the standard rate of corporation tax in the UK of 21% (2010 - 21%)

The differences are reconciled below

	2011 £	2010 £
Profit/(loss) on ordinary activities before taxation	<u>14,702</u>	<u>(48,658)</u>
Corporation tax at standard rate	3,087	(10,218)
Accelerated capital allowances/other timing differences	(2,710)	(5,894)
Permanent differences	1,432	1,627
Tax losses carried forward	-	11,463
Utilisation of tax losses	<u>(1,397)</u>	<u>3,022</u>
Total current tax	<u>412</u>	<u>-</u>

Axia FX Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... *continued*

9 Tangible fixed assets

	Computer equipment £	Fixtures fittings and equipment £	Office equipment £	Website £	Total £
Cost or valuation					
At 1 April 2010	86,755	12,394	1,452	8,425	109,026
Additions	19,460	-	1,716	7,250	28,426
At 31 March 2011	106,215	12,394	3,168	15,675	137,452
Depreciation					
At 1 April 2010	57,780	12,186	1,452	2,830	74,248
Charge for the year	16,643	-	-	4,276	20,919
At 31 March 2011	74,423	12,186	1,452	7,106	95,167
Net book value					
At 31 March 2011	31,792	208	1,716	8,569	42,285
At 31 March 2010	28,975	208	-	5,595	34,778

10 Debtors

	2011 £	2010 £
Trade debtors	6,177,186	37,262,944
Other debtors	17,195	15,504
Prepayments and accrued income	52,819	42,174
	6,247,200	37,320,622

11 Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	8,215,085	38,930,343
Other taxes and social security	14,790	14,408
Accruals and deferred income	24,978	30,392
	8,254,853	38,975,143

Axia FX Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

12 Creditors: Amounts falling due after more than one year

	2011 £	2010 £
Director's loan account	<u>71,444</u>	<u>76,644</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company

	2011 £	2010 £
Director's loan	<u>71,444</u>	<u>76,644</u>

The Company's bankers RBS hold a charge dated 22 April 2009 over the debt of director's loan

13 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No.	£	No.	£
Ordinary shares of £1 each	<u>278,500</u>	<u>278,500</u>	<u>278,300</u>	<u>278,300</u>

New shares allotted

During the year 200 Ordinary shares having an aggregate nominal value of £200 were allotted for an aggregate consideration of £200

14 Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 April 2010	408,700	(587,222)	(178,522)
Profit for the year	-	14,290	14,290
At 31 March 2011	<u>408,700</u>	<u>(572,932)</u>	<u>(164,232)</u>

Axia FX Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... *continued*

15 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Profit/(loss) attributable to the members of the company	14,290	(42,758)
New share capital allotted	200	160,000
Net addition to shareholders' funds	14,490	117,242
Shareholders' funds/(deficit) at 1 April	99,778	(17,464)
Shareholders' funds at 31 March	<u>114,268</u>	<u>99,778</u>

16 Analysis of net debt

	At 1 April 2010 £	Cash flow £	At 31 March 2011 £
Cash at bank and in hand	1,796,165	354,915	2,151,080
Net funds	<u>1,796,165</u>	<u>354,915</u>	<u>2,151,080</u>

17 Related party transactions

Transactions with Directors

Mr D White

Trade debtors at 31 March 2011 include a balance of Euros 1,460,000 in the name of the director, Mr D White. As with all other customers the contract, which is at arm's length with the company, is matched with a trade creditor for Euros 1,460,000. At the Balance Sheet date the sterling value of the transactions would give rise to a potential net balance of £204,411 due to the company. The director has guaranteed to make good any difference to the company should this arise. Included within turnover is £6,288,555 of rolled transactions relating to these trades. There is a negligible effect on reported gross profit.

Other related party transactions

During the year the company made the following related party transactions

Mr D White

(Director and majority shareholder of the company)

In previous years Mr White had lent monies to the company. During the year £5,000 was repaid. Mr White has indicated that he is willing to commit this financial support to the company as long as is necessary. At the balance sheet date the amount due to Mr D White was £71,444 (2010 - £76,644).

Axia FX Limited

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

3D Currency Management Limited

(The director and majority shareholder Mr D White is also a director and shareholder in 3D Currency Management Limited)

During the year management charges of £21,000 (2010 - £42,000) were made to 3D Currency Management Limited in respect of director and staff services and for the use of office facilities. At the balance sheet date the amount due from 3D Currency Management Limited was £3,500 (2010 - £26,250)

Mrs L Francis

(Wife of director and majority shareholder Mr D White)

During the year Mrs L Francis lent £50,000 to the company on behalf of a customer, which has been subsequently repaid by the customer. At the balance sheet date the amount due to Mrs L Francis was £nil (2010 - £nil)

18 Control

The company is controlled by the director who owns 90% of the called up share capital