

## **AxiCorp Limited**

Annual Report and Financial Statements

For the year ended 30 June 2014

Registered number: 06378544

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# **AXICORP LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	A MacKinnon G Drapac J Gibson
<b>Company secretary</b>	A MacKinnon
<b>Company number</b>	06378544
<b>Registered office</b>	L10, 30 Crown Place London EC4A 4EB
<b>Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# **AXICORP LIMITED**

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# AXICORP LIMITED

## STRATEGIC REPORT

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The directors of AxiCorp Limited submit the strategic report for the year ended 30 June 2014.

### **Review of Business**

The Directors commenced formal sale negotiations of the Company to AxiCorp Financial Services Pty Limited during June 2013 which were subsequently completed by the execution of a formal Share Purchase Agreement during August 2013 following Change of Control approval by the Financial Conduct Authority. The effective date of the change of control was 1 July 2013.

Since the acquisition the Company has concentrated on establishing the London office and did not trade actively with clients until trading commenced in September 2014.

### **Future Developments**

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

### **Principal risks and uncertainties**

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

#### *Financial risk*

Financial Risk is rated low as the Company did not trade during the year. Upon the commencement of trading all underlying client exposures will be hedged with the parent entity.

#### *Liquidity risk*

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

#### *Systems development risk*

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

#### *Interest rate risk*

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

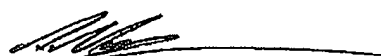
#### *Credit risk*

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

#### *Regulatory risk*

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

This report was approved by the board on 21 October 2014 and signed on its behalf.



A MacKinnon  
Director  
21 October 2014

# AXICORP LIMITED

## DIRECTORS' REPORT

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The directors of AxiCorp Limited submit the directors' report for the year ended 30 June 2014.

### Principal Activities

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

On 5 November 2013, the company changed its name from First Prudential Markets Limited to AxiCorp Limited.

### Review of Business

The review of the business is set out within the strategic report on page 3.

### Results and dividend

The profit for the year after taxation amounted to £78,204 (2013: loss of £46,573).

The directors do not recommend that any dividend be declared in respect of the year (2013: £nil).

### Future developments

The future developments are set out within the strategic report on page 3.

### Principal risks and uncertainties

The principal risks and uncertainties are set out within the strategic report on page 3.

### Pillar 3 disclosures

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

### Directors

The directors who served during the year were:

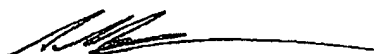
A MacKinnon	(appointed 1 October 2013)
G Drapac	(appointed 19 August 2013)
J Gibson	(appointed 12 September 2014)
E Arkenau	(resigned 20 December 2013)
S Potts	(resigned 31 October 2013)
J Potts	(resigned 11 October 2013)
M Murphie	(resigned 26 May 2014)

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

This report was approved by the board on 21 October 2014 and signed on its behalf.



A MacKinnon  
Director  
21 October 2014

# AXICORP LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

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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 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 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; 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 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.

# AXICORP LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXICORP LIMITED

We have audited the financial statements of AxiCorp Limited for the year ended 30 June 2014 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. 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 directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Financial Reporting Council's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 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.



Andrew Richardson (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
21 October 2014

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

The notes on pages 10 - 15 form part of these financial statements.

## **AXICORP LIMITED**

### **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Turnover</b>	2	441,308	218,562
<b>Cost of sales</b>		(59,550)	(83,986)
<b>Gross profit</b>		381,758	134,576
<b>Administrative expenses</b>		(283,748)	(181,149)
<b>Profit/(loss) on ordinary activities before tax</b>	3	98,010	(46,573)
<b>Tax on profit/(loss) on ordinary activities</b>	6	(19,806)	-
<b>Profit/(loss) for the financial year</b>	12	78,204	(46,573)

All amounts shown relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.



The notes on pages 10 - 15 form part of these financial statements.


## AXICORP LIMITED

### BALANCE SHEET AS AT 30 JUNE 2014

Registered number: 06378544

	Note	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Tangible assets	7		-		-
<b>Current assets</b>					
Debtors due within one year	8	75,264		28,897	
Cash at bank and in hand	9	186,634		244,309	
		261,898		273,206	
<b>Creditors: amounts falling due within one year</b>	10	62,934		152,446	
<b>Net current assets</b>			198,964		120,760
<b>Net assets</b>			198,964		120,760
<b>Capital and reserves</b>					
Called up share capital	11		610,850		610,850
Profit and loss account	12		(411,886)		(490,090)
<b>Shareholders' funds</b>	13		198,964		120,760

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 October 2014.

  
A MacKinnon  
Director

The notes on pages 10 - 15 form part of these financial statements.

## **AXICORP LIMITED**

### **CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
Net cash inflow/(outflow) from operating activities	14	56,638	(41,700)
Net cash (outflow)/inflow from financing activities	14	(114,313)	34,995
<b>Decrease in cash in the period</b>		<b>(57,675)</b>	<b>(6,705)</b>
<b>Reconciliation of net cash flow to movement in net funds/debts for the year ended 30 June 2014</b>			
Decrease in cash in the period		(57,675)	(6,705)
Decrease in advance from Group undertakings		114,313	15,005
<b>Change in net funds resulting from cash flows and movement in net funds the period</b>		<b>56,638</b>	<b>8,300</b>
Net funds at 1 July 2013		129,996	121,696
<b>Net funds at 30 June 2014</b>	<b>14</b>	<b>186,634</b>	<b>129,996</b>

# **AXICORP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

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### **1. Accounting policies**

#### **1.1 Basis of preparation**

The financial statements have been prepared under the historic cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice.

The company had net current assets of £198,964 (2013: £120,760) at the balance sheet date and generated a profit of £78,204 (2013: loss £46,573) in the period. The parent company has confirmed its intention to continue to provide financial support to the company for the foreseeable future to enable it to continue to settle its external liabilities as they fall due and to enable it to meet its regulatory capital requirements. Accordingly, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

#### **1.2 Turnover**

Turnover includes commission and financing charge on transactions executed by the Company's customers during the year and fees for services provided to the parent Company.

#### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less estimated residual value, over expected useful lives on the following bases:

Computer equipment - 33% straight line

#### **1.4 Taxation**

Current tax is provided at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **1.5 Deferred taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **1.6 Foreign currency transactions**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end exchange rates. Exchange gains and losses are included within the profit and loss account.

#### **1.7 Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

# AXICORP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 4. Turnover

	2014 £	2013 £
Turnover is comprised as follows:		
Trading revenue	16,042	218,562
Service fees	425,266	-
	<hr/> 441,308	<hr/> 218,562

### 3. Profit/(loss) on ordinary activities

	2014 £	2013 £
The profit/(loss) of ordinary activities is stated after charging:		
Depreciation	-	4,360
Auditor remuneration - audit fee	19,000	21,000
Auditor remuneration - non-audit services	20,510	12,540
Operating lease rentals	70,096	49,563
	<hr/> 129,606	<hr/> 87,463

### 4. Staff costs

	2014 £	2013 £
Staff costs were as follows:		
Wages and salaries	142,256	86,003
Social security costs	16,464	8,586
	<hr/> 158,720	<hr/> 94,589

The average numbers of employees during the year, including directors were as follows:

	2014	2013
Sales and administration	6	3

### 5. Directors' remuneration

	2014 £	2013 £
Aggregate emoluments	20,000	31,865

The highest paid director received remuneration of £20,000 (2013: £31,865).

# AXICORP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 6. Taxation

The tax assessed for the year varies from average corporation tax rate as follows:

	2014 £	2013 £
Profit/(loss) on ordinary activities	98,010	(46,573)
Current tax: Profit/(loss) on ordinary activities multiplied by average corporation tax rate of 20% (2013: 23.75%)	19,602	(11,061)
Effects of:		
Carry forward tax losses	-	9,934
Depreciation in excess of capital allowances	-	1,036
Expenses not deductible for tax purposes	204	91
	19,806	-

The company has tax losses of £479,329 (2013: £479,329). The potential asset has not been recognised in the financial statements because there is insufficient certainty as to the incidence of future taxable profits against which losses might be offset.

### 7. Tangible fixed assets

	Equipment, computers and software £
<b>At cost</b>	
At 1 July 2013 and 30 June 2014	14,803
<b>Accumulated depreciation</b>	
At 1 July 2013 and 30 June 2014	14,803
<b>Net book value</b>	
At 1 July 2013 and 30 June 2014	-

# AXICORP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 8. Debtors

	2014 £	2013 £
<b>Amounts due within one year</b>		
Trade debtors	19,000	20,497
Amounts due from group undertakings	52,664	-
Other debtors	3,600	8,400
	<b>75,264</b>	<b>28,897</b>

### 9. Cash at bank

At 30 June 2014, cash balances with banks included £80,234 (2013: £80,121) of cash deposits which are subject to a legal charge in favour of a third party as a security deposit for the company's merchant facility.

At 30 June 2014, cash balances held by the company on behalf of clients under the Financial Conduct Authority's Client Assets Sourcebook amounted to £815, US\$2, Euro€1 and AU\$42,247 (2013: £242,156, US\$29,735 and Euro€242,156). The company has no beneficial interest in these deposits and accordingly they are not included the company's balance sheet.

### 10. Creditors

	2014 £	2013 £
<b>Amounts falling due within one year</b>		
Amounts owed to group undertakings	-	114,313
Trade creditors	7,190	4,679
Other creditors	-	761
Social security and other taxes	7,729	4,223
Accruals	28,209	28,470
Corporate tax	19,806	-
	<b>62,934</b>	<b>152,446</b>

The amounts owed to group companies were interest free and repayable on demand.

### 11. Share capital

	2014 £	2013 £
Allotted, called up and fully paid 610,850 (2013 - 610,850) ordinary shares of £1 each	610,850	610,850

During the year ended 30 June 2013, 50,000 ordinary shares of £1 each were issued at par for cash.

# AXICORP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 12. Reserves

	Profit and loss account £
At 1 July 2013	(490,090)
Profit for the year	78,204
	<hr/>
At 30 June 2014	(411,886)
	<hr/>

### 13. Shareholders' funds

	2014 £	2013 £
At 1 July	120,760	117,333
Issue of share capital	-	50,000
Profit/(loss) for the year	78,204	(46,573)
	<hr/>	<hr/>
At 30 June	198,964	120,760
	<hr/>	<hr/>

### 14. Notes to the cash flow statement

	2014 £	2013 £
<b>Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Operating profit/( loss)	78,204	(46,573)
Depreciation	-	4,360
(Increase)/decrease in debtors	(25,061)	7,792
Increase/(decrease) in creditors	3,495	(7,279)
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>	56,638	(41,700)
	<hr/>	<hr/>
<b>Financing activities</b>		
Issue of shares	-	50,000
Repayment of short-term advances from group undertakings	(114,313)	(15,005)
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from financing activities</b>	(114,313)	34,995
	<hr/>	<hr/>

# AXICORP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### 14. Notes to the cash flow statement (continued)

Analysis of change in net funds	At 1 July 2013 £	Cashflows £	Other £	At 30 June 2014 £
Cash in hand	244,309	(57,675)	-	186,634
Debt due within one year	(114,313)	114,313	-	-
	129,996	56,638	-	186,634

### 15. Operating lease commitments

At 30 June 2014 the company commitments under operating leases as follows:

	2014 £	2013 £
Expiry date within one year	21,600	13,320

### 16. Related party transactions

During the year, service fees were charged to AxiCorp Financial Services Pty Limited, the ultimate parent, amounting to £377,690 (2013: nil).

A balance of £52,664 (2013: nil) was receivable from AxiCorp Financial Services Pty at 30 June 2014 and this amount is included within amounts due from Group undertakings.

There were no other transactions with the above companies during the year.

### 17. Ultimate parent undertaking and controlling party

At 30 June 2014, the company's ultimate parent undertaking was AxiCorp Financial Services Pty Ltd, a company registered in Australia. There was no ultimate single controlling party.

At 30 June 2013, the Company's ultimate parent undertaking was First Prudential Investments Group Pty Limited, a company registered in Australia. There was no ultimate single controlling party. Control of the Company passed to AxiCorp Financial Services Pty Ltd on 1 July 2013.

### 18. Post balance sheet events

There were no significant events after the balance sheet date.