

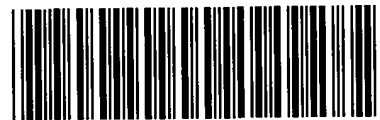
## **AxiCorp Limited**

Annual Report and Financial Statements

For the year ended 30 June 2015

Registered number: 06378544

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# AXICORP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	A Mackinnon G Drapac S Reeves
<b>Company secretary</b>	A Mackinnon
<b>Company number</b>	06378544
<b>Registered office</b>	55 Baker Street London W1U 7EU
<b>Independent Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# **AXICORP LIMITED**

## **CONTENTS**

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	<b>Page</b>
<b>Strategic report</b>	<b>3</b>
<b>Report of the directors</b>	<b>4</b>
<b>Statement of directors' responsibilities</b>	<b>5</b>
<b>Report of the independent auditor</b>	<b>6</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Cash flow statement</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 16</b>

# AXICORP LIMITED

## STRATEGIC REPORT

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The directors of AxiCorp Limited submit the strategic report for the year ended 30 June 2015.

### **Review of Business**

The Company's retail business commenced trading in September 2014 under the AxiTrader brand.

### **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 trading of all underlying client exposures will be hedged with the parent entity.

#### *Liquidity risk*

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

#### *Systems development risk*

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

#### *Interest rate risk*

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

#### *Credit risk*

Credit risk is broadly defined as the possible loss due to debtors' non-payment of loans, services or 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 2015 and signed on its behalf.



A Mackinnon  
Director  
21 October 2015

# AXICORP LIMITED

## REPORT OF THE DIRECTORS'

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The directors of AxiCorp Limited submit the directors' report for the year ended 30 June 2015.

### 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.

### Review of Business

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

### Results and dividend

The loss for the year after taxation amounted to £25,782 (2014: profit of £78,204).

The directors do not recommend that any dividend be declared in respect of the year (2014: £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.

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### Political Donations

No political donations were made during the year (2014: nil)

### Qualifying third party indemnity provision

No qualifying third party indemnity provision was made during the year (2014: nil)

### 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, resigned 20 April 2015)


S Reeves was appointed after the financial year on 9 October 2015

### 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 2015 and signed on its behalf.



A MacKinnon  
Director  
21 October 2015

# **AXICORP LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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 they have been prepared in accordance with UK GAAP; 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

## REPORT OF THE INDEPENDENT AUDITOR

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

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We have audited the financial statements of AxiCorp Limited for the year ended 30 June 2015 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) as applied in accordance with the provisions of the Companies Act 2006.

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 (FRC'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 FRC'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 2015 and of its loss 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.

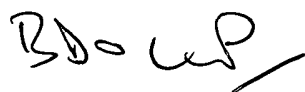
#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and 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.



Neil Griggs (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

21 October 2015

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

# AXICORP LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 £	2014 £
Turnover	2	989,900	441,308
Cost of sales		(103,664)	(59,550)
Other revenue		11,034	-
<b>Gross profit</b>		<b>897,270</b>	<b>381,758</b>
Administrative expenses		(921,295)	(283,748)
<b>(Loss)/profit on ordinary activities before tax</b>	3	<b>(24,025)</b>	<b>98,010</b>
Tax on (loss)/profit on ordinary activities	6	(1,757)	(19,806)
<b>(Loss)/profit for the financial year</b>	12	<b>(25,782)</b>	<b>78,204</b>

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 - 16 form part of these financial statements.



# AXICORP LIMITED

## BALANCE SHEET AS AT 30 JUNE 2015

Registered number: 06378544

	Note	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible assets	7	-	-	-	-
<b>Current assets</b>					
Other receivables	8	93,310		75,264	
Cash at bank	9	229,484		186,634	
		322,794		261,898	
<b>Creditors: amounts falling due within one year</b>	10	149,612		62,934	
<b>Net current assets</b>			173,182		198,964
<b>Net assets</b>			173,182		198,964
<b>Capital and reserves</b>					
Called up share capital	11		610,850		610,850
Profit and loss account	12		(437,668)		(411,886)
<b>Shareholders' funds</b>	13		173,182		198,964

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 October 2015.



A Mackinnon  
Director

The notes on pages 10 - 16 form part of these financial statements.

# AXICORP LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 £	2014 £
Net cash inflow from operating activities	14	42,850	56,638
Net cash inflow/(outflow) from financing activities	14	120,319	(114,313)
<b>Increase/ (decrease) in cash in the period</b>		<b>163,169</b>	<b>(57,675)</b>
<b>Reconciliation of net cash flow to movement in net funds/debts for the year ended 30 June 2014</b>			
Increase / (decrease) in cash in the period		163,169	(57,675)
(Increase) / decrease in short-term (advances)/ repayments from Group undertakings		(120,319)	114,313
<b>Change in net funds resulting from cash flows and movement in net funds in the period</b>		<b>42,850</b>	<b>56,638</b>
Net funds opening balance		186,634	129,996
<b>Net funds closing balance</b>	<b>14</b>	<b>229,484</b>	<b>186,634</b>

The notes on pages 10 - 16 form part of these financial statements.

# AXICORP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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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 £173,182 (2014: £198,964) at the balance sheet date and generated a loss of £25,782 (2014: profit of £78,204) 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 charges 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:

Equipment, computers, and software - 33% straight line

#### 1.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 1.5 Other receivables

Other receivables are short term in nature and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts as any discounting of expected cash flows is considered to be immaterial.

#### 1.6 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.

#### 1.7 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.

### **1.8 Trade and other payables**

Liabilities are recognised as trade payable when an invoice is received. Expenses incurred for which an invoice has not yet been received are included in accruals. Trade payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Other payables are not interest-bearing and are stated at their nominal value as any discounting of expected cash flows is considered to be immaterial.

### **1.9 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.

### **1.10 Expenses**

All expenses and interest payable are accounted for on an accruals basis

### **1.11 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 2015

### 2. Turnover

	2015 £	2014 £
Turnover is comprised as follows:		
Trading revenue	-	16,042
Service fees	989,900	425,266
	989,900	441,308

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

	2015 £	2014 £
The profit/(loss) of ordinary activities is stated after charging:		
Auditor remuneration - audit fee	20,000	19,000
Auditor remuneration - non-audit services	-	20,510
Professional fees excluding auditor remuneration	183,349	-
Occupancy cost	183,023	70,096
Other operating cost	6,160	-
Technology cost	22,402	-
Travel and accommodation cost	19,880	-

### 4. Staff costs

	2015 £	2014 £
Staff costs were as follows:		
Wages and salaries	384,369	142,256
Social security costs	51,113	16,464
Other costs	10,716	-
	446,198	158,720

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

	2015	2014
Sales and administration	7	6

### 5. Directors' remuneration

	2015 £	2014 £
Aggregate emoluments	16,800	20,000

The highest paid director received remuneration of £16,800 (2014: £20,000).

# AXICORP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 6. Taxation

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

	2015 £	2014 £
(Loss)/ profit on ordinary activities before tax	(24,025)	98,010
Current tax: (Loss)/ profit on ordinary activities before tax multiplied by average corporation tax rate of 20.75% (2014: 20.00%)	(4,985)	19,602
Effects of:		
Carry forward tax losses	-	-
Adjustments to tax charge in respect to previous periods	1,757	-
Expenses not deductible for tax purposes	-	204
Unrelieved tax losses and other deductions arising in the period	4,985	-
	1,757	19,806

The company has tax losses of £484,314 (2014: £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 2014 and 30 June 2015	14,803
<b>Accumulated depreciation</b>	
At 1 July 2014 and 30 June 2015	(14,803)
<b>Net book value</b>	
At 1 July 2014 and 30 June 2015	-

# AXICORP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 8. Other receivables

	2015 £	2014 £
Deposits	19,000	19,000
Prepayments	13,700	3,600
Amounts due from group undertakings	-	52,664
Other debtors	60,610	-
	93,310	75,264

### 9. Cash at bank

At 30 June 2015, cash balances with banks included £80,281 (2014: £80,234) 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 2015, cash balances held by the company on behalf of clients under the Financial Conduct Authority's Client Assets Sourcebook amounted to £292,979, US\$740,061 and €105,448 (2014: £815, US\$2, Euro€1 and AU\$42,247). The company has no beneficial interest in these deposits and accordingly they are not included the company's balance sheet.

### 10. Creditors

	2015 £	2014 £
Amounts owed to group undertakings	67,655	-
Trade creditors	28,346	7,190
Other creditors	10,178	-
Social security and other taxes	22,540	7,729
Accruals	20,893	28,209
Corporate tax	-	19,806
	149,612	62,934

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

### 11. Share capital

	2015 £	2014 £
Allotted, called up and fully paid 610,850 (2013 - 610,850) ordinary shares of £1 each	610,850	610,850

No shares were issued in 2015 (2014: nil).

# AXICORP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 12. Reserves

	Profit & loss account £
At 1 July 2014	(411,886)
Loss for the financial year	(25,782)
At 30 June 2015	(437,668)

### 13. Shareholders' funds

	2015 £	2014 £
At 1 July	198,964	120,760
Loss/(Profit) for the financial year	(25,782)	78,204
At 30 June	173,182	198,964

### 14. Notes to the cash flow statement

	2015 £	2014 £
<b>Reconciliation of (loss)/profit to net cash inflow/(outflow) from operating activities</b>		
(Loss)/profit for the financial year	(25,782)	78,204
Increase in other receivables	(18,046)	(25,061)
Increase in creditors	86,678	3,495
<b>Net cash inflow from operating activities</b>	<b>42,850</b>	<b>56,638</b>
<b>Financing activities</b>		
Short-term advances/(repayments) from group undertakings	120,319	(114,313)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>120,319</b>	<b>(114,313)</b>



# AXICORP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

Analysis of change in net funds	At 1 July 2014 £	Cashflows £	At 30 June 2015 £
Cash at bank	186,634	42,850	229,484
	186,634	42,850	229,484

### 15. Operating lease commitments

At 30 June 2015 the company commitments under operating leases are as follows:

	2015 £	2014 £
Expiry date within one year	-	21,600

There are currently no commitments under operating leases in the premises occupied by Axicorp Limited employees, with rent paid in arrears on a per use basis.

### 16. Related party transactions

During the year, service fees were charged to AxiCorp Financial Services Pty Limited, the ultimate parent, amounting to £989,900 (2014: £377,690).

A balance of £67,655 (2014: £52,664 receivable) was payable to AxiCorp Financial Services Pty at 30 June 2015 and this amount is included within amounts due to Group undertakings.

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

### 17. Ultimate parent undertaking and controlling party

At 30 June 2015, the company's ultimate parent undertaking and controlling party was AxiCorp Financial Services Pty Ltd, a company registered in Australia.

### 18. Post balance sheet events

There were no significant events after the balance sheet date.