

## **AxiCorp Limited**

Annual Report and Financial Statements

Year Ended

30 June 2022

Company Number 06378544

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## **AxiCorp Limited**

### **Company Information**

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<b>Directors</b>	P D W Hare S Joshi (resigned 30 June 2022)
<b>Company secretary</b>	K le Roux
<b>Registered number</b>	06378544
<b>Registered office</b>	1 Finsbury Market London EC2A 2BN
<b>Independent auditor</b>	BDO LLP 55 Baker Street London EC1A 4AB

## **AxiCorp Limited**

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**AxiCorp Limited**  
**Strategic Report**  
**Strategic Report**  
**for the Year Ended 30 June 2022**

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The director of AxiCorp Limited submits the strategic report for the year ended 30 June 2022.

**Review of Business and Principal Activity**

The company's retail business commenced trading in September 2014 and during the year progress was satisfactory. The purpose of the company is to provide support services to the ultimate parent company AxiCorp Financial Services Pty Ltd (AFSPL).

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.

On 24 March 2022 the Company applied to the Financial Conduct Authority (FCA) to have its regulatory licence cancelled.

On 28 May 2022 the company's regulated business was novated to a fellow subsidiary, Axi Financial Services (UK) Limited (AFSUK), and on June 1 the contracts of all employees of the Company were also novated to AFSUK.

The Company has ceased regulatory operations and awaits confirmation that the FCA has cancelled its licence, before starting the process to liquidate.

**Principal risks and uncertainties**

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

***Liquidity risk***

Liquidity risk is the risk that the Company will be unable to meet its payment commitments when they fall due. The Company has transferred its material commitments to AFSUK and retains cash funds for any other commitments that may arise.

**Future Developments**

The Company plans to liquidate its operations once its regulated licence has been cancelled by the FCA.

**Going concern**

The Director has concluded that is not appropriate to prepare the financial statements on a going concern basis given the intention to liquidate the Company. The financial statements have therefore been prepared on a basis that is consistent with UK accounting standards, amended to reflect the fact that the 'going concern' assumption is not appropriate. The 'normal' recognition and measurement requirements of UK accounting standards have been used as the starting point for accounting.

## **AxiCorp Limited**

### **Strategic Report**

#### **Section 172 (1) Statement**

The directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its sole member, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term.
  - long term decisions are agreed at Board level and with the support of the AFSPL executive team. A Company director is a member of AFSPL's Risk and Audit Committee giving a clear channel to raise such matters.
- the interests of the Company's employees.
  - the Company's employees are part of the wider AFSPL employee programme, which encompasses employee interests e.g. there are regular "townhall" meetings with the Chief Executive Officer (CEO).
- the need to foster the Company's business relationships with suppliers, customers and others;
  - as a regulated entity the Company carries out training to ensure employees treat customers fairly. Suppliers' are paid promptly in line with invoice terms.
- the impact of the Company's operations on the community and the environment;
  - the Board addresses this through encouraging various behaviours e.g. using electronic methods for communication to minimise travel.
- the desirability of the Company maintaining a reputation for high standards of business conduct;
  - as a regulated entity the Company has monitoring programmes to ensure business is conducted to the highest standards.
- and to act fairly between members of the Company
  - the directors and senior managers have direct reports to an Executive member of the AFSPL team to ensure that actions consider the interests of the sole member.

#### **Key Performance Indicators (KPIs)**

As the Company has ceased regulatory operations there are no relevant KPIs to disclose.

The key risks of the business are considered in Note 16 of the financial statements.

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



.....  
**P D W Hare**  
Director

Date: 7 December 2022

## **AxiCorp Limited**

### **Directors Report**

The directors present their report and the financial statements for the year ended 30 June 2022.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £2,922,413 (2021 - £1,189,151).

On 8 December 2021 the Company paid a dividend of £1,600,000.

The director does not recommend that any dividend be declared in respect of the year (2021 - nil).

#### **Directors**

The directors who served during the year were:

P D W Hare

S Joshi (resigned 30 June 2022)

#### **Directors' responsibilities**

The directors are responsible for preparing the strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 to 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.

#### **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.axi.com](http://www.axi.com).

## **AxiCorp Limited**

### **Directors Report**

**(continued)**

#### **Going concern assessment**

The Director assesses the Company's going concern for a period of at least 12 months from the signing of the annual report and financial statements. The assessment has been undertaken by considering the risk factors and events arising subsequent to year end, outlined in the Strategic Report, and the strategic decision to cease trading.

In making this assessment the Director considered the intentions of AFSPL to consolidate all its European operations into the Company's fellow subsidiary Axi Financial Services (UK) Limited (AFSUK).

As detailed in the Strategic Report, the Director of the entity has made the strategic decision to cease operations as it has transferred all client relationships and employees to AFSUK. As the wind up is strategically driven, rather than a forced liquidation, all liabilities will continue to be met as they fall due up in the intervening period. Based on the current intentions and timeframe, the Director has concluded that is not appropriate to prepare the financial statements on a going concern basis. The financial statements have therefore been prepared on a basis that is consistent with UK accounting standards, amended to reflect the fact that the 'going concern' assumption is not appropriate. Refer to note 2 to the financial statement for further details regarding the basis of preparation.

#### **Streamlined Energy and Carbon Report**

Energy and carbon information is not disclosed because the Company is a low energy user as defined in the Environment Reporting Guidelines.

#### **Matters covered in the strategic report**

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on page 1-2. These matters relate to future developments and principal risks and uncertainties.

#### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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



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**P D W Hare**  
Director

Date: 7 December 2022

## **AxiCorp Limited**

### **Independent Auditor's Report to the Members of AxiCorp Limited**

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#### **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 30 June 2022 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.

We have audited the financial statements of AxiCorp Limited ("the Company") for the year ended 30 June 2022 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Emphasis of matter – basis of preparation**

We draw attention to Note 2.1 to the financial statements which explains that the directors intend to wind up the company and therefore do not consider the company to be a going concern. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 2. Our opinion is not modified in respect of this matter.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **AxiCorp Limited**

### **Independent Auditor's Report to the Members of AxiCorp Limited**

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#### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of Directors**

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.
- We identified those laws and regulations that could reasonably be expected to have a material impact on the financial statements of the Company through discussions with management and from our knowledge and

## AxiCorp Limited

### Independent Auditor's Report to the Members of AxiCorp Limited

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experience of regulated brokerage firms. We consider the most significant laws and regulations to include the Companies Act 2006, FCA rules, requirements of PAYE and VAT legislation and FRS 102 (UK GAAP).

- We assessed the extent of compliance with the laws and regulations identified above through: making enquiries of management; reviewing correspondence with regulators; reviewing minutes of board meetings; and inspecting legal expenditure for evidence of potential non-compliance, litigation or claims.
- We held a discussion among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. Furthermore, we communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- Using a risk based approach we identified journals that could be indicative of fraud and agreed these to supporting documentation.
- We assessed whether there was evidence of management bias that may have represented a risk of material misstatement in respect of areas of estimation or judgement.
- We tested a sample of expenditure transactions to ensure that they were valid and reported in the correct accounting period.

Our audit procedures were designed to respond to the risk faced by the Company, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Timothy West*

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**Timothy West (Senior Statutory Auditor)**

For and on behalf of BDO LLP, statutory auditor  
London, W1U 7EU  
8 December 2022

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

**AxiCorp Limited**

**Statement of Comprehensive Income  
for the Year Ended 30 June 2022**

	Note	2022 £	2021 £
Turnover	4	13,242,655	10,811,360
Cost of sales		(4,626,396)	(5,159,411)
<b>Gross profit</b>		<b>8,616,259</b>	<b>5,651,949</b>
Administrative expenses		(4,982,820)	(4,160,026)
<b>Operating profit</b>	5	<b>3,633,439</b>	<b>1,491,923</b>
<b>Profit on ordinary activities before taxation</b>		<b>3,633,439</b>	<b>1,491,923</b>
Tax on profit	8	(711,026)	(302,772)
<b>Profit for the Year</b>		<b>2,922,413</b>	<b>1,189,151</b>
<b>Total Comprehensive Income for the Year</b>		<b>2,922,413</b>	<b>1,189,151</b>

The notes on pages 15 to 26 form part of these financial statements.

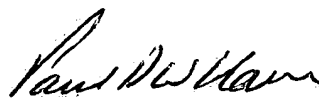
**AxiCorp Limited**  
**Registered number: 06378544**

**Statement of Financial Position**  
**as at 30 June 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	9	-	39,171
<b>Current assets</b>			
Trade and other debtors	10	41,387,416	4,190,703
Cash at bank and in hand	11	17,896,791	24,879,297
		<u>59,284,207</u>	<u>29,070,000</u>
Trade and other creditors: amounts falling due within one year	12	(54,410,395)	(25,557,772)
<b>Net current assets</b>		<u>4,873,812</u>	3,512,228
<b>Total Assets less Current Liabilities</b>		<u><u>4,873,812</u></u>	<u><u>3,551,399</u></u>
<b>Capital and reserves</b>			
Share capital	14	1,610,850	1,610,850
Retained earnings		3,262,962	1,940,549
<b>Total Capital and Reserves</b>		<u><u>4,873,812</u></u>	<u><u>3,551,399</u></u>

The notes on pages 15 to 26 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
 .....  
**P D W Hare**  
 Director

Date: 7 December 2022

**AxiCorp Limited**

**Statement of Changes in Equity  
for the Year Ended 30 June 2022**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 July 2020	1,610,850	751,398	2,362,248
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,189,151	1,189,151
At 1 July 2021	1,610,850	1,940,549	3,551,399
<b>Comprehensive income for the year</b>			
Dividend paid	-	(1,600,00)	(1,600,000)
Profit for the year	-	2,922,413	2,922,413
<b>At 30 June 2022</b>	<b>1,610,850</b>	<b>3,262,962</b>	<b>4,873,812</b>

The notes on pages 15 to 26 form part of these financial statements.

**AxiCorp Limited**

**Statement of Cash Flows  
for the Year Ended 30 June 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,633,439	1,189,151
<b>Adjustments for:</b>		
Depreciation and impairment of tangible assets	123,410	14,851
Interest received		
Taxation charge	711,026	302,772
Decrease in debtors	180,162	1,299,805
(Increase)/Decrease in amounts owed by group undertakings	(37,376,874)	6,103,516
(Increase)/Decrease in creditors	(249,643)	158,206
Increase/(Decrease) in amounts owed to group undertakings	28,391,239	(4,195,404)
Exchange gain/(loss) on cash and cash equivalents	1,103,389	(1,294,937)
Tax paid	(711,026)	(302,772)
<b>Net cash generated from operating activities</b>	<b>(4,194,878)</b>	<b>3,275,188</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(84,239)	-
<b>Net cash from/(used in) investing activities</b>	<b>(84,239)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(1,600,000)	-
<b>Net cash from/(used in) financing activities</b>	<b>(1,600,000)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,879,117)</b>	<b>3,275,188</b>
Cash and cash equivalents as at 1 July 2021	24,879,297	20,309,172
Exchange (loss)/gain on cash and cash equivalents	(1,103,389)	1,294,937
<b>Cash and cash equivalents as at 30 June 2022</b>	<b><u>17,896,791</u></b>	<b><u>24,879,297</u></b>

## **AxiCorp Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2022**

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#### **1. General information**

AxiCorp Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations, and its principal activities are set out in the strategic report.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The Director assesses the Company's going concern for a period of at least 12 months from the signing of the annual report and financial statements. The assessment has been undertaken by considering the risk factors and events arising subsequent to year end, outlined in the Strategic Report, and the strategic decision to cease trading.

In making this assessment the Director considered:

- the intentions of AFSPL Executive committee;

As detailed in the Strategic Report, the Director of the Company has made the strategic decision to cease operations. Subsequent to the balance sheet date all trading operations have ceased and the Director intends to wind up the business by March 2023. As the wind up is strategically driven, rather than a forced liquidation, all liabilities will continue to be met as they fall due up in the intervening period.

Based on the current intentions and timeframe, the Director has concluded that it is not appropriate to prepare the financial statements on a going concern basis. There were no material effects as a result of the financial statements being prepared on a basis other than going concern.

##### **2.3 Turnover**

Turnover includes fees for services provided to the parent company.

Fees are a combination of costs plus a mark-up for routine services and in addition a proportion of total Group profit or loss is allocated to the Company based on certain performance criteria.

##### **2.4 Pension Costs**

The Company makes contributions to a defined contribution scheme on behalf of certain employees.

Costs are charged to the profit and loss account in the period to which the contribution relates to.

**Notes to the Financial Statements  
for the Year Ended 30 June 2022**

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**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 33%	straight line
Equipment, computers and software	- 20%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.7 Cash and cash equivalents**

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

**2.8 Creditors**

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

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



**Notes to the Financial Statements  
for the Year Ended 30 June 2022**

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**2.9 Financial instruments**

The company only enters basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are off set and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

## **AxiCorp Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2022**

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#### **2.11 Expenses**

All expenses and interest payable are accounted for on an accrual basis.

#### **2.12 Operating leases**

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

#### **2.13 Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

#### **2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing the financial statements, management were not required to make any estimates or judgements which materially affect reported income, expenses, assets, liabilities or disclosure of contingent assets and liabilities, aside from assessment of completeness of liabilities and the recoverability of debtors and those estimates and adjustments otherwise disclosed. Both are assessed by the Board on available evidence.

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2022

### 4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Service fees	13,242,655	10,811,360
<b>Total service fees</b>	<b>13,242,655</b>	<b>10,811,360</b>

### 5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	123,410	14,851
Auditor remuneration -Audit fee	34,455	42,255
- Audit related assurance services	23,200	23,000
- Taxation	513	8,550
- Other	-	4,553
Occupancy cost	275,995	282,815
Technology cost	29,803	95,643
Travel and accommodation cost	65,744	663
Advertising and marketing cost	1,107,028	764,444

Audit and CASS fees of £57,765 have been charged to the profit and loss account of AFSP and not charged to the Company's profit and loss account.

**AxiCorp Limited**

**Notes to the Financial Statements  
for the Year Ended 30 June 2022**

**6. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2022 £</b>	<b>2021 £</b>
Wages and salaries	<b>2,673,347</b>	<b>1,917,043</b>
Social security costs	<b>470,205</b>	<b>228,861</b>
Pension costs	<b>69,031</b>	<b>43,087</b>
	<b><u>3,212,583</u></b>	<b><u>2,188,991</u></b>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2022 No.</b>	<b>2021 No.</b>
Sales and administration	<b><u>42</u></b>	<b><u>26</u></b>

**7. Directors' remuneration**

	<b>2022 £</b>	<b>2021 £</b>
Directors' emoluments	<b><u>411,187</u></b>	<b><u>316,281</u></b>

The highest paid director received remuneration of £248,399 (2021 - £150,000).

£8,400 (2021 - £8,186) was paid by the Company as pension contributions for directors during the year.

# AxiCorp Limited

## Notes to the Financial Statements for the Year Ended 30 June 2022

### 8. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profit for the year	490,596	290,006
Under accrual prior year	220,430	12,766
<b>Total current tax</b>	<b>711,026</b>	<b>302,772</b>
<b>Taxation on profit on ordinary activities</b>	<b>711,026</b>	<b>302,772</b>
<b>Factors affecting tax charge for the year</b>		
The tax assessed for the year is £20,673 higher than (2021 - £6,541 higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:		
	2022 £	2021 £
Profit on ordinary activities before tax	3,633,439	1,491,923
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	690,353	283,465
<b>Effects of:</b>		
Prior year under accrual	220,430	-
Other adjustments	(6,643)	28,392
Adjustment to prior year from change to transfer pricing policy	(193,114)	-
Release of deferred tax provision	-	(9,085)
<b>Total tax charge for the year</b>	<b>711,026</b>	<b>302,772</b>

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023.

**AxiCorp Limited**

**Notes to the Financial Statements  
for the Year Ended 30 June 2022**

**9. Tangible fixed assets**

	Fixtures and fittings £	Equipment, computers and software £	Total £
<b>Cost</b>			
At 1 July 2021	41,151	44,041	85,192
Additions	-	84,239	84,239
Disposals	(3,729)	(21,483)	(25,212)
At 30 June 2022	<u>37,422</u>	<u>106,797</u>	<u>144,219</u>
<b>Depreciation</b>			
At 1 July 2021	21,790	24,231	46,021
Charge for the year on owned assets	7,976	31,809	39,785
Impairment of assets	11,385	72,240	83,625
Disposals	(3,729)	(21,483)	(25,212)
At 30 June 2022	<u>37,422</u>	<u>106,797</u>	<u>144,219</u>
<b>Net book value</b>			
At 30 June 2022	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2021	<u>19,361</u>	<u>19,810</u>	<u>39,171</u>

**10. Debtors**

	2022 £	2021 £
Client funds due	-	12,651
Amounts owed by group undertakings	40,762,332	3,385,458
Other debtors	625,084	709,393
Prepayments	-	83,201
<b>Total</b>	<u>41,387,416</u>	<u>4,190,703</u>

Other debtors include rent deposits of £Nil (2021- £181,896) that are due after more than one year.

**AxiCorp Limited**

**Notes to the Financial Statements  
for the Year Ended 30 June 2022**

**11. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u><b>17,896,791</b></u>	<u><b>24,879,297</b></u>

At 30 June 2022, cash balances with banks included £80,502 (2020 - £80,502) 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 2022, cash balances held by the company on behalf of clients under the Financial Conduct Authority's Client Assets Sourcebook amounted to; £Nil, US\$ Nil, €Nil, AUD Nil, CHF Nil and PLN Nil (2021 - £1,854,705, US\$5,967,529, €3,061,092, AUD 460,824, CHF286,726 and PLN1,360,740). The company has no beneficial interest in these deposits and accordingly they are not included in the company's statement of financial position.

**12. Creditors: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	<b>4,975</b>
Amounts owed to group undertakings	<b>53,254,499</b>	<b>24,863,260</b>
Corporation tax	<b>1,000,358</b>	<b>290,006</b>
Taxation and social security	-	<b>84,033</b>
Accruals and other creditors	<b>155,538</b>	<b>315,498</b>
<b>Total</b>	<u><b>54,410,395</b></u>	<u><b>25,557,772</b></u>

**AxiCorp Limited**

**Notes to the Financial Statements  
for the Year Ended 30 June 2022**

**13. Financial instruments**

	<b>2022 Amortised cost £</b>	<b>2021 Amortised cost £</b>
<b>Financial assets</b>		
Amounts owed by group undertakings	41,200,471	3,385,458
Other debtors	625,084	709,393
Cash and cash equivalents	17,896,791	24,879,297
<b>Total</b>	<u><b>59,722,346</b></u>	<u><b>28,974,148</b></u>
<b>Financial liabilities</b>		
Trade creditors	-	4,975
Amounts owed to group undertakings	53,254,499	24,863,260
Accruals and other creditors	155,538	315,498
<b>Total</b>	<u><b>53,410,037</b></u>	<u><b>25,183,733</b></u>

**14. Share capital**

	<b>2022 £</b>	<b>2021 £</b>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,610,850- Ordinary shares of £1 each	<u><b>1,610,850</b></u>	<u><b>1,610,850</b></u>

**15. Commitments under operating leases**

At 30 June 2022 the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2022 £</b>	<b>2021 £</b>
Not later than 1 year	19,399	156,813
Later than 1 year and not later than 5 years	-	566,637
	<u><b>19,399</b></u>	<u><b>723,450</b></u>



**Notes to the Financial Statements  
for the Year Ended 30 June 2022**

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**16. Financial Risk Management**

**Credit Risk**

The Company is exposed to risk if debts are not repaid to the Company. Material exposures are considered daily by senior management and the AFSPL treasury team.

**Concentration of credit risk**

At 30 June 2022, the Company's single largest counterparty exposure was £18,099,732 held with an unrated institution. (2021 - £16,532,745 with an "A" rated institution).

**Liquidity Risk**

All the firm's non-derivative financial liabilities are due for payment within one year. The firm does not hold any derivative financial liabilities.

The firm manages its liquidity risk through the management of its working capital requirements.

**Interest rate risk**

The Company has limited exposure to interest rate risk on its cash positions and any borrowings. Such exposures are managed as efficiently as possible, given that working capital needs to be maintained. Cash at bank is usually invested in short term deposits with maturities no greater than three months. Borrowings consist of an overdraft with a variable interest rate. The effect of a 100 basis points increase/decrease in interest rates would not have a material impact on pre-tax profits or equity.

**Capital Risk Management**

The Company manages its capital, defined as the company's equity capital and reserves, to ensure that it can operate as a going concern and exceed the minimum capital requirements set out by the FCA. The Company held surplus capital over the FCA requirements throughout the year.

The Company's pillar 3 disclosure is available from its website [www.axi.com](http://www.axi.com).

**Fair value of financial assets and liabilities held at amortised cost**

The separate disclosure of the fair value of financial assets and liabilities held at amortised cost is not deemed necessary as the carrying amount is considered to be a reasonable approximation of fair value.

## AxiCorp Limited

### Notes to the Financial Statements for the Year Ended 30 June 2022

#### 17. Related parties

The intermediate and ultimate parent company is AxiCorp Financial Services Pty Ltd. Group accounts are obtainable from the Company Secretary AxiCorp Limited 1 Finsbury Market, London EC2A 2BN. Accordingly, the company has taken advantage of the exemption available under FRS102 not to disclose balances with fellow wholly owned subsidiaries.

The Company has no subsidiaries.

During the year, service fees were charged to AxiCorp Financial Services Pty Limited, the ultimate parent, amounting to £13,242,655 (2021 - £10,811,360).

The ultimate parent company provides accounting and support services to the Company.

Amounts due from/(to) fellow Group companies:

	30 June 2022	30 June 2021
	£	£
AxiTrader Limited	(53,254,499)	(10,139,349)
OuFu (Shenzhen) Consulting Services Ltd	889	-
Australia Axi Financial	-	(8)
ForexTell	-	(8)
One Financial Markets Asia Limited	9,337	1,159
PsyQuation Pty Limited	760,982	52,204
AxiCorp China	891,194	322,544
Star Financial Systems	983,636	291,358
CB Financial Services-DED	-	54,383
Solaris EMEA Limited (Cyprus)	1,246,980	223,899
Aximena DMCC	-	416,870
AxiCorp PTE.LTD	5,439,414	546,012
Axi Financial Services (UK) Limited	13,768,308	1,477,030
AxiCorp Financial Services Pty Limited	17,661,592	(14,723,896)

Net amount due to AxiCorp Financial Services Pty Ltd and its group undertakings	<b>(12,492,167)</b>	<b>(21,477,802)</b>
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Key management personnel include all directors and senior managers across the company who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services to the company was £436,512 (2021 - £490,231).

#### 18. Ultimate parent undertaking and controlling party

At the year end the director considers the ultimate controlling party to be Adam Wilson by virtue of his control of AxiCorp Financial Services Pty Ltd, the ultimate controlling company incorporated in Australia.

After the year end the ultimate controlling party changed to Rajesh Yohannan by virtue of his control of AxiCorp Financial Services Pty Ltd, the ultimate controlling company incorporated in Australia.