

Company Registration No. 07873027 (England and Wales)

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019



!RickardLuckin

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION

Directors

G Gordon
G Krater
PA Verity
CG Schmidt
N Hatzistergos
TD Dickman
K Schweighart
H Helias (Appointed 30 September 2019)

Company number

07873027

Registered office

Suite 2
Beechwood
57 Church Street
Epsom
Surrey
KT17 4PX

Auditor

Rickard Luckin Limited
Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

Bankers

Handelsbanken - Croydon
2nd Floor, Simpson House
6 Cherry Orchard Road
Croydon
London
CR0 6BA

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The directors present their annual report and financial statements for the year ended 30 June 2019.

Principal activities

Praxity - Global Alliance Limited acts as the administrative arm of Praxity IVZW, an alliance of professional firms, based in Belgium.

Results and dividends

The results for the year are set out on page 5.

Directors

As the company is limited by guarantee, the directors do not hold any shares in the company.

G Gordon

H Saven

(Resigned 31 December 2018)

GJ Meyer

(Resigned 31 December 2018)

G Krater

PA Verity

CG Schmidt

N Hatzistergos

TD Dickman

K Schweighart

A Tuinier

(Appointed 1 January 2019 and resigned 13 September 2019)

H Helias

(Appointed 30 September 2019)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the reporting date.

Auditor

The auditors, Rickard Luckin Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

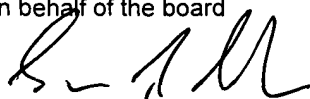
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

On behalf of the board



G Gordon

Director

Date: 26 Oct 2019

**PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF PRAXITY - GLOBAL ALLIANCE LIMITED

Opinion

We have audited the financial statements of Praxity - Global Alliance Limited (the 'company') for the year ended 30 June 2019 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF PRAXITY - GLOBAL ALLIANCE LIMITED**

Matters on which we are required to report by exception

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 Directors' Report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 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.

**Joanna Southon (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited**

**Chartered Accountants
Statutory Auditor**

18/11/19

Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

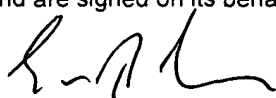
	Notes	2019 £	2018 £
Revenue	3	1,213,418	1,462,941
Gross profit		1,213,418	1,462,941
Administrative expenses		(1,201,665)	(1,395,730)
Operating profit	4	11,753	67,211
Investment revenues	7	830	61
Finance costs	8	(984)	(233)
Profit before taxation		11,599	67,039
Income tax expense	9	-	(15,402)
Profit and total comprehensive income for the year	21	11,599	51,637

The income statement has been prepared on the basis that all operations are continuing operations.

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 £	2018 £
Non-current assets			
Intangible assets	10	135,279	126,755
Property, plant and equipment	12	71,036	84,424
		<u>206,315</u>	<u>211,179</u>
Current assets			
Trade and other receivables	14	745,113	728,382
Current tax recoverable		-	4,041
Cash and cash equivalents		65,814	98,522
		<u>810,927</u>	<u>830,945</u>
Total assets		<u>1,017,242</u>	<u>1,042,124</u>
Current liabilities			
Trade and other payables	17	178,069	215,534
Net current assets		<u>632,858</u>	<u>615,411</u>
Non-current liabilities			
Deferred tax liabilities	18	19,400	19,400
Long term provisions	19	46,160	45,176
		<u>65,560</u>	<u>64,576</u>
Total liabilities		<u>243,629</u>	<u>280,110</u>
Net assets		<u>773,613</u>	<u>762,014</u>
Equity			
Retained earnings	21	<u>773,613</u>	<u>762,014</u>

The financial statements were approved by the board of directors and authorised for issue on 26/10/19 and are signed on its behalf by:



G Gordon
Director

Company Registration No. 07873027

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained earnings £
Balance at 1 July 2017	710,377
Period ended 30 June 2018:	
Profit and total comprehensive income for the period	51,637
	<hr/>
Balances at 30 June 2018	762,014
	<hr/>
Year ended 30 June 2019:	
Profit and total comprehensive income for the year	11,599
	<hr/>
Balances at 30 June 2019	773,613
	<hr/> <hr/>

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	25		49,013		248,558
Tax refunded/(paid)			4,041		(41,142)
Net cash inflow from operating activities			53,054		207,416
Investing activities					
Purchase of intangible assets		(74,475)		(97,391)	
Purchase of property, plant and equipment		(12,117)		(86,318)	
Interest received		830		61	
Net cash used in investing activities			(85,762)		(183,648)
Net (decrease)/increase in cash and cash equivalents			(32,708)		23,768
Cash and cash equivalents at beginning of year			98,522		74,754
Cash and cash equivalents at end of year			65,814		98,522

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

Company information

Praxity - Global Alliance Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Suite 2, Beechwood, 57 Church Street, Epsom, Surrey, KT17 4PX.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Intangible assets other than goodwill

Intellectual property is valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their useful lives.

Intellectual property	33 1/3% on cost
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1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20% and 33 1/3% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 Leases

Rentals payable under operating leases, less any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.16 Cash and cash equivalents

For the purposes of the cashflow statement, cash and cash equivalents comprise deposits with banks and financial institutions and bank and cash balances, net of bank overdrafts.

1.17 Members' money

Members' monies are not recognised in the balance sheet as the funds received are not considered to be assets of the company. Therefore the balances affected are shown net of members' money. Members' money held at the year end was £24,088 (2018: £14,818)

2 Adoption of new and revised standards and changes in accounting policies

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 16 Leases

IFRS 16 'Leases' is effective for periods beginning on or after 1 January 2019. The directors do not expect that adoption will have a material impact on the results or the net financial position of the company.

3 Revenue

An analysis of the company's revenue is as follows:

	2019	2018
	£	£
Revenue analysed by class of business		
Rendering of services	1,213,418	1,462,941
	<u> </u>	<u> </u>

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(951)	173
Fees payable to the company's auditor for the audit of the company's financial statements	7,350	5,815
Depreciation of property, plant and equipment	23,247	11,068
Loss on disposal of property, plant and equipment	2,258	-
Amortisation of intangible assets	59,751	39,747
	<u> </u>	<u> </u>

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019	2018
	Number	Number
Administration	12	13

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	654,963	762,768
Social security costs	71,963	66,397
Pension costs	52,108	51,944
	<u>779,034</u>	<u>881,109</u>

6 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	202,233	195,550
Company pension contributions to defined contribution schemes	27,000	27,000
	<u>229,233</u>	<u>222,550</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 : 1).

There is only one director receiving remuneration and therefore his remuneration is disclosed above.

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

(Continued)

7 Investment income

	2019	2018
	£	£
Interest income		
Bank deposits	830	18
Other interest income	-	43
	<u>830</u>	<u>61</u>
Total interest revenue	<u><u>830</u></u>	<u><u>61</u></u>

Total interest income for financial assets that are not held at fair value through profit or loss is £830 (2018 : £18).

8 Finance costs

	2019	2018
	£	£
Unwinding of discount on provisions	984	233
	<u>984</u>	<u>233</u>
	<u><u>984</u></u>	<u><u>233</u></u>

9 Income tax expense

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	-	(3,998)
	<u>-</u>	<u>(3,998)</u>
Deferred tax		
Origination and reversal of temporary differences	-	19,400
	<u>-</u>	<u>19,400</u>
Total tax charge	<u><u>-</u></u>	<u><u>15,402</u></u>

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

9 Income tax expense

(Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2019	2018
	£	£
Profit before taxation	11,599	67,039
	<u> </u>	<u> </u>
Expected tax charge based on a corporation tax rate of 19.00%	2,204	12,737
Effect of expenses not deductible in determining taxable profit	-	273
Depreciation on assets not qualifying for tax allowances	1,753	533
Other permanent differences	-	(534)
Prior year adjustment tax effect	-	2,280
Effect of change in tax rates	(413)	(2,166)
Difference between opening and closing DT margin	(3,503)	2,279
Other differences	(41)	-
	<u> </u>	<u> </u>
Taxation charge for the year	-	15,402
	<u> </u>	<u> </u>

PRAXITY - GLOBAL ALLIANCE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

10 Intangible assets

	Website and Licences
	£
Cost	
At 1 July 2017	237,299
Additions	97,391
Disposals	(147,773)
	<hr/>
At 30 June 2018	186,917
Additions - purchased	74,475
	<hr/>
At 30 June 2019	261,392
	<hr/>
Amortisation and impairment	
At 1 July 2017	168,188
Charge for the year	39,747
Eliminated on disposals	(147,773)
	<hr/>
At 30 June 2018	60,162
Charge for the year	59,751
Impairment loss	6,200
	<hr/>
At 30 June 2019	126,113
	<hr/>
Carrying amount	
At 30 June 2019	135,279
	<hr/> <hr/>
At 30 June 2018	126,755
	<hr/> <hr/>
At 30 June 2017	69,111
	<hr/> <hr/>

The Customer Management System Integration for the website is material with a net book value of £62,303 (2018: £45,464) and a remaining amortisation period of 28 months.

More information on the impairment arising in the year is given in note 11.

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11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2019 £	2018 £
In respect of:		
Intangible assets	6,200	-
	<u>6,200</u>	<u>-</u>
Recognised in:		
Administrative expenses	6,200	-
	<u>6,200</u>	<u>-</u>

An impairment has been recognised for a referral application that has not proved to be successful, the basic platform will be reused and repurposed and the asset has now been impaired to its value in use.

12 Property, plant and equipment

	Fixtures, fittings & equipment £
Cost	
At 1 July 2017	93,394
Additions	86,318
Disposals	(47,140)
	<u>132,572</u>
At 30 June 2018	132,572
Additions	12,117
Disposals	(3,011)
	<u>141,678</u>
At 30 June 2019	141,678
Accumulated depreciation and impairment	
At 1 July 2017	84,220
Charge for the year	11,068
Eliminated on disposal	(47,140)
	<u>48,148</u>
At 30 June 2018	48,148
Charge for the year	23,247
Eliminated on disposal	(753)
	<u>70,642</u>
At 30 June 2019	70,642

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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12 Property, plant and equipment

(Continued)

	Fixtures, fittings & equipment £
Carrying amount	
At 30 June 2019	71,036
At 30 June 2018	84,424
At 30 June 2017	9,174

13 Credit risk

Cash deposits and financial transactions give rise to credit risk in the event that counter parties fail to perform under the contract. The company regularly monitors the credit ratings of its counter parties and controls the amount of credit risk by adhering to limits set by the board.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk.

The company does not hold any collateral or other credit enhancements to cover this credit risk.

14 Trade and other receivables

	2019 £	2018 £
Other receivables	25,742	23,931
VAT recoverable	15,771	35,222
Amounts owed by related undertakings	659,924	609,602
Prepayments	43,676	59,627
	<u>745,113</u>	<u>728,382</u>

Included within Other receivables is an amount of £15,073 (2018: £14,261) recoverable after more than one year

15 Other receivables - credit risk

Fair value of other receivables

The directors consider that the carrying amount of other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

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16 Market risk

Market risk management

The company is exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates, arising from trading with suppliers and holding bank accounts in overseas currencies. The principal risks arise through variances in the Euro and US Dollar exchange rates. The company takes steps to mitigate such risks by dealing in sterling whenever possible.

Liquidity risk: The company manages its cash requirements in order to maximise income and minimise interest expense whilst ensuring that the company has sufficient liquid resources to meet the operating needs of its business.

17 Trade and other payables

	2019 £	2018 £
Trade payables	50,615	58,455
Accruals	98,311	126,725
Social security and other taxation	17,409	19,149
Other payables	11,734	11,205
	<u>178,069</u>	<u>215,534</u>

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2019 £	2018 £
Accelerated capital allowances	19,400	19,400
	<u>19,400</u>	<u>19,400</u>

19 Provisions for liabilities

	2019 £	2018 £
Dilapidations provision	46,160	45,176
	<u>46,160</u>	<u>45,176</u>

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19 Provisions for liabilities

(Continued)

Analysis of provisions

Provisions are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

Non-current liabilities	46,160	45,176
	<u> </u>	<u> </u>
Movements on provisions:	Dilapidations provision	
		£
At 1 July 2018		45,176
Unwinding of discount		984
		<u> </u>
At 30 June 2019		46,160
		<u> </u>

The dilapidations provision is based on the company's contractual obligation to return the leasehold premises to their original condition when the lease term ends in May 2023. An asset has been recognised in respect of this cost that has a carrying value as at the reporting date of £20,207 (2018: £25,596).

20 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £52,108 (2018 : £51,944).

21 Retained earnings

	2019 £	2018 £
At 1 July 2017 as previously reported	762,014	698,377
Prior year adjustment	-	12,000
	<u> </u>	<u> </u>
At the beginning of the year	762,014	710,377
Profit for the year	11,599	51,637
	<u> </u>	<u> </u>
At the end of the year	773,613	762,014
	<u> </u>	<u> </u>

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22 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2019	2018
	£	£
Minimum lease payments under operating leases	40,000	32,692

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£	£
Land and buildings		
Within one year	40,000	40,000
Between two and five years	116,667	156,667
	<u>156,667</u>	<u>196,667</u>

23 Capital risk management

The company is not subject to any externally imposed capital requirements.

24 Related party transactions

The company is limited by guarantee and controlled by the members of the management board none of whom has control over the company.

No guarantees have been given or received.

During the year, £nil (2018: £2,500) was paid to member firms for professional services and £nil (2018: £nil) for meeting and travel costs. At the year end, the company owed £nil (2018: £nil) to member firms.

During the year, £nil (2018: £7,000) was paid to a company part owned by the Executive Director's son for production costs. At the year end the company owed £nil (2018: £nil).

At the year end the company was owed £659,924 (2018: £609,602) by Praxity IVZW, an entity registered in Belgium, which is the sole member of Praxity- Global Alliance Limited and is controlled by a common management board.

Turnover includes service fee income of £1,213,418 (2018: £1,462,941) receivable from Praxity IVZW.

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25 Cash generated from operations

	2019	2018
	£	£
Profit for the year after tax	11,599	51,637
Adjustments for:		
Taxation charged	-	15,402
Finance costs	984	233
Investment income	(830)	(61)
Loss on disposal of property, plant and equipment	2,258	-
Amortisation and impairment of intangible assets	65,951	39,747
Depreciation and impairment of property, plant and equipment	23,247	11,068
(Decrease)/increase in provisions	-	29,943
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(16,731)	78,644
(Decrease)/increase in trade and other payables	(37,465)	21,945
Cash generated from operations	49,013	248,558