

Company Registration No. 08489114 (England and Wales)

AXELOS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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AXELOS LIMITED

COMPANY INFORMATION

Directors	D C Tierney J T J Steel R P Gray R J McCarthy (Appointed 31 January 2018) M Hunt E Bannerman (Appointed 27 July 2018) M Basham (Appointed 21 November 2018)
Secretary	Capita Group Secretary Limited
Company number	08489114
Registered office	30 Berners Street London England W1T 3LR
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Banker	Barclays Bank PLC 1 Churchill Place London E14 5HP

AXELOS LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditor's Report to the Members of Axelos Limited	4 - 5
Statement of Comprehensive Income	6
Balance Sheet	7 - 8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 28

AXELOS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present the Strategic Report and Financial Statements for the year ended 31 December 2018.

Review of the business

The principal activity of the Company is that of managing and developing intellectual property around best practice management methodologies and frameworks. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year. The Company operates within the Capita Specialist Services division of Capita plc.

As shown in the Company's Statement of Comprehensive Income on page 6, the Company's turnover has increased from £37,236,644 in 2017 to £48,118,921 in 2018. This represents a 29 percent increase from 2017 driven by an increase in exam royalties. Operating profit has increased from £18,312,895 to £26,782,641. This represents a 46 percent increase from 2017 driven by growth in revenue offset by operational investment.

The Balance Sheet on pages 7-8 of the Financial Statements shows the Company's financial position at the year end. Net assets have decreased from £99,732,532 to £95,891,978. Details of amounts owed by/to its parent Company and fellow subsidiary undertakings are shown in notes 11, 13 and 23 to the Financial Statements.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the Company. Monitoring exposure to risk and uncertainty is an integral part of the Company's structured management processes. The principal risks that the Company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Principal risks and uncertainties

The Company is subject to various risks and uncertainties during the ordinary course of its business many of which result from factors outside of its control. The Company's risk management framework provides reasonable (but cannot provide absolute) assurance that significant risks are identified and addressed. An active risk management process identifies, assesses, mitigates and reports on strategic, financial, operational and compliance risk.

The principal themes of risk for the Company are:

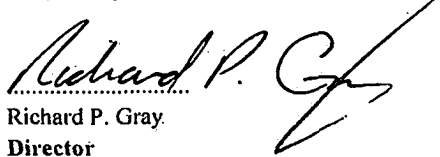
- *Strategic*: changes in economic and market conditions such as contract pricing and competition.
- *Financial*: significant failures in internal systems of control and lack of corporate stability.
- *Operational*: including recruitment and retention of staff, maintenance of reputation and strong supplier and customer relationships, operational IT risk, and failures in information security controls.
- *Compliance*: non-compliance with laws and regulations. The Company must comply with an extensive range of requirements that govern and regulate its business, and decisions by regulators can affect the Company's business and operations and these effects are often adverse.

To mitigate the effect of these risks and uncertainties, the Company adopts a number of systems and procedures, including:

- Regularly reviewing trading conditions to be able to respond quickly to changes in market conditions.
- Applying procedures and controls to manage compliance, financial and operational risks, including adhering to a strict internal control framework.

The Board believes Axelos has implemented appropriate controls and risk governance techniques across its businesses.

On behalf of the Board


Richard P. Gray
Director

26 June 2019.

AXELOS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their Directors' Report and Financial Statements for the year ended 31 December 2018.

Results and dividends

The results for the year are set out on page 6.

During the year, the Company paid a dividend of £24,793,000 (2017: £11,384,000).

Directors

The Directors who held office during the year and up to the date of signature of the Financial Statements were as follows:

P H Hepworth	(Resigned 20 November 2018)
M R Taylor*	(Resigned 13 July 2018)
C G Sellers	(Resigned 31 January 2018)
D C Tierney	
J T J Steel	
B H A Butsana-Sita	(Resigned 27 July 2018)
R P Gray	
R J McCarthy	(Appointed 31 January 2018)
M R Hunt	
E Bannerman	(Appointed 27 July 2018)
M R Basham	(Appointed 21 November 2018)

*Alternate director

Auditor

In accordance with section 487(2) of the Companies Act 2006, the auditor, KPMG LLP, will be deemed to be reappointed and therefore continue in office.

Political donations

The Company made no political donations and did not incur any political expenditure during the year (2017: nil).

Human rights

We aspire to conduct business in a way that values and respects the human rights of all our stakeholders. Our Human Rights Policy details our commitments to upholding the principles of human rights, as set out in the UN Declaration of Human Rights and the International Labour Organisation Core Labour Principles. We comply with all relevant legislation, including the UK Modern Slavery Act which is detailed further online.

AXELOS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of 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 they have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

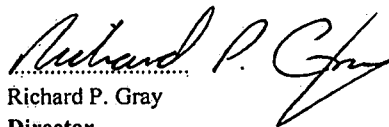
Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps he/she might reasonably be expected to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Qualifying third party indemnity provisions

The Company has granted an indemnity to the Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the Board


Richard P. Gray
Director

26 June 2019.

Registered Office:
30 Berners Street
London
England
W1T 3LR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXELOS LIMITED

Opinion

We have audited the financial statements of Axelos Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF AXELOS LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

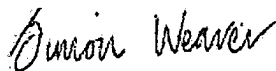
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Simon Weaver (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

26 June 2019

AXELOS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Revenue	3	48,118,921	37,236,644
Cost of sales		<u>(6,210,937)</u>	<u>(6,454,509)</u>
Gross profit		41,907,984	30,782,135
Administrative expenses		<u>(15,125,343)</u>	<u>(12,469,240)</u>
Operating profit	4	26,782,641	18,312,895
Net finance costs	5	<u>(1,321,390)</u>	<u>(1,856,903)</u>
Profit before tax		25,461,251	16,455,992
Income tax expense	6	<u>(4,508,805)</u>	<u>(3,191,399)</u>
Total comprehensive income for the year		<u>20,952,446</u>	<u>13,264,593</u>

The notes on pages 10 to 28 form an integral part of the Financial Statements.

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the Statement of Comprehensive Income.

AXELOS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Non-current assets			
Property, plant and equipment	8	112,962	134,267
Intangible assets	9	100,588,036	106,738,661
Contract fulfilment assets	10	300,419	444,344
		<u>101,001,417</u>	<u>107,317,272</u>
Current assets			
Contract fulfilment assets	10	100,140	111,086
Trade and other receivables	11	5,247,140	6,654,505
Cash	12	48,704,267	49,723,547
		<u>54,051,547</u>	<u>56,489,138</u>
Total assets		<u>155,052,964</u>	<u>163,806,410</u>
Current liabilities			
Trade and other payables	13	3,747,287	4,610,544
Deferred income	14	669,489	1,178,015
Financial liabilities	15	9,400,000	9,400,000
Income tax payable		7,041,676	2,729,341
		<u>20,858,452</u>	<u>17,917,900</u>
Non-current liabilities			
Deferred tax	6	2,381,519	1,908,848
Deferred income	14	1,800,000	2,400,000
Financial liabilities	15	34,121,015	41,847,130
		<u>38,302,534</u>	<u>46,155,978</u>
Total liabilities		<u>59,160,986</u>	<u>64,073,878</u>
Net assets		<u>95,891,978</u>	<u>99,732,532</u>

AXELOS LIMITED

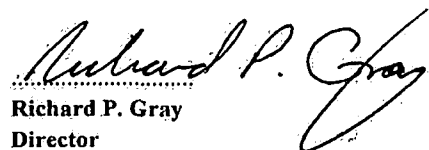
BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Capital and reserves			
Issued share capital	16	1	1
Share premium		74,939,134	74,939,134
Retained earnings		20,952,843	24,793,397
Total equity		<u>95,891,978</u>	<u>99,732,532</u>

The notes on pages 10 to 28 form an integral part of the Financial Statements.

Approved by the Board and authorised for issue on 26 June 2019.


Richard P. Gray
Director

Company Registration No. 08489114

AXELOS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
At 1 January 2017	1	74,939,134	22,912,804	97,851,939
Profit for the year	-	-	13,264,593	13,264,593
Total comprehensive income for the year	-	-	13,264,593	13,264,593
Equity dividends paid	-	-	(11,384,000)	(11,384,000)
At 31 December 2017	1	74,939,134	24,793,397	99,732,532
Profit for the year	-	-	20,952,446	20,952,446
Total comprehensive income for the year	-	-	20,952,446	20,952,446
Equity dividends paid	-	-	(24,793,000)	(24,793,000)
At 31 December 2018	1	74,939,134	20,952,843	95,891,978

Share capital

The balance classified as share capital is the nominal proceeds on issue of the Company's equity share capital, comprising 100 ordinary shares of 1p each.

Share premium

The amount paid to the Company by shareholders, in cash or other consideration, over and above the nominal value of shares issued to them.

Retained earnings

Net profits kept to accumulate in the Company after dividends are paid and retained in the business as working capital.

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

1.1 Basis of preparation

Axelos Limited is a company incorporated and domiciled in the UK.

The Financial Statements are prepared under the historical cost basis except where stated otherwise and in accordance with applicable accounting standards.

The Company has sufficient financial resources together with long standing relationships with clients and suppliers. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

1.2 Compliance with accounting standards

The Company has prepared and presented these Financial Statements by applying the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but made amendments, where necessary, in order to comply with the Companies Act 2006. The Company has applied FRS 101 - Reduced Disclosure Framework in the preparation of its Financial Statements and these are contained on pages 6 to 28.

The Company's ultimate parent undertaking, Capita plc, includes the company in its consolidated statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and are available to the public and may be obtained from company's website on <http://investors.capita.com>.

In these Financial Statements, the Company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital, property, plant and equipment and intangible assets;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- certain disclosures as required by IFRS 15; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Capita plc include equivalent disclosures, the Company has also taken the disclosure exemptions under FRS 101 available in respect of the disclosures required by IFRS 7 Financial Instruments.

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (continued)

1.3 Change in accounting policy

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of IFRS 9 Financial Instruments.

Initial adoption of IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification, measurement and impairment. The Company has applied IFRS 9 retrospectively, with the initial application date of 1 January 2018. There has been no restatement to the comparative balances for the period beginning 1 January 2017 as there are no requirements under the standard to restate comparatives.

The Company has performed an assessment to understand the requirements of IFRS 9 and how these differ from IAS 39 and has concluded there is no significant impact on the Financial Statements from the date of adoption. There were no differences between previous carrying amounts and consequently no adjustment has been made to opening retained earnings. The updated accounting policy is set out in note 1.12.

Annual improvements to IFRS Standards 2014–2016 Cycle

As part of its annual improvement's cycles, the International Accounting Standards Board amended various standards primarily with a view to removing inconsistencies and clarifying wording.

IFRIC 22: Foreign Currency Transactions and Advance Consideration

These amendments are intended to eliminate diversity in practice when recognising the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration received or paid in a foreign currency.

1.4 Revenue recognition

Revenue is earned within the United Kingdom. The Company operates globally.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Transactional (Point in time) contracts

The Company delivers a range of goods or services in all reportable segments that are transactional services for which revenue is recognised at the point in time when control of the goods or services has transferred to the customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria. Transactional revenue is recognised at the point of billing.

Principal versus agent

The Company has arrangements with some of its customers whereby it needs to determine if it acts as a principal or an agent as more than one party is involved in providing the goods and services to the customer. The Company acts as a principal if it controls a promised good or service before transferring that good or service to the customer. The Company is an agent if its role is to arrange for another entity to provide the goods or services.

Where the Company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent revenue is recorded at a net amount reflecting the margin earned.

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.4 Revenue recognition (continued)

Contract fulfilment assets

Contract fulfilment costs are divided into (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred.

When determining the appropriate accounting treatment for such costs, the Company firstly considers any other applicable standards. If those other standards preclude capitalisation of a particular cost, then an asset is not recognised under IFRS 15.

Utilisation, derecognition and impairment of contract fulfilment assets

The Company utilises contract fulfilment assets over the expected contract period using a systematic basis that mirrors the pattern in which the Company transfers control of the service to the customer. The utilisation charge is included within administrative expenses.

A contract fulfilment asset or capitalised costs to obtain a contract is derecognised either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

Where the relevant contracts or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract.

Deferred and accrued income

Payments for transactional goods and services may be at delivery date, in arrears or part payment in advance. Where payments made are greater than the revenue recognised at the period end date, the Company recognises a deferred income contract liability for this difference. Where payments made are less than the revenue recognised at the period end date, the Company recognises an accrued income contract asset for this difference.

1.5 Goodwill

Goodwill is stated at cost less any accumulated impairment losses. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the Financial Statements of this departure.

1.6 Intangible assets

Capitalised development is valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life, which is typically 5 years. Research expenditure is written off to the Statement of Comprehensive Income in the period in which it is incurred. All amortisation expenditure is charged to administrative expenses within the Statement of Comprehensive Income. Development expenditure is written off in the same way unless the Company is satisfied as to the technical, commercial and financial viability of individual projects.

The Directors have deemed it appropriate to amortise acquired intellectual property over a 10 year period. Intellectual property is generally refreshed on average every 7 to 10 years, with the assets continuing to generate a return post the 10 year period. Internally developed intangibles are amortised over a 5 year period.

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (continued)

1.7 Property, plant and equipment

Property, plant and equipment is 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:

Leasehold improvement	over the period of the lease
Fixtures, fittings & equipment	4 - 5 years
Computer equipment	3 - 5 years

1.8 Leasing

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

1.9 Taxation

Tax on the income for the year comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the Balance Sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill;
- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each Balance Sheet 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 deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(continued)

1.10 Pensions

The Company participates in a defined contribution scheme and these contributions are charged to the Statement of Comprehensive Income in the year in which they are due. The scheme is funded, and contributions are paid to separately administered funds. The assets of the scheme are held separately from the Company. The Company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking, which pays the Group liability centrally. Any unpaid contributions at the year-end have been accrued in the accounts of Capita Business Services Limited.

The Company also has employees who are members of a defined benefit scheme operated by the Group – the Capita Pension & Life Assurance Scheme (the “Capita DB Scheme”).

The Capita DB Scheme closed to future accrual of benefit on 30 November 2017 for the majority of active members where these members were subsequently offered membership of the Group’s principal defined contribution scheme. However, there remain employees of the Company accruing benefits on a defined benefit basis in the Capita DB Scheme.

As there is no contractual agreement or stated Group policy for charging the net defined benefit cost of the Capita DB Scheme to participating entities, the net defined benefit cost of the Capita DB Scheme is recognised fully by the principal employer (Capita Business Services Limited, a fellow subsidiary undertaking). The Company then recognises a cost equal to its contribution payable for the period. The contributions payable by the participating entities are determined on the following basis:

- the Capita DB Scheme provides benefits on a defined benefit basis funded from assets held in a separate trustee-administered fund;
- the Capita DB Scheme is a non-segregated scheme but there are around 200 different sections in the scheme where each section provides benefits on a particular basis (some based on final salary, some based on career average earnings) to particular groups of employees;
- at each funding assessment of the Capita DB Scheme (carried out triennially), the contribution rates for those sections containing active members are calculated. These are then rationalised such that sections with similar employer contribution rates (when expressed as a percentage of pensionable pay) are grouped together and an average employer contribution rate for each of the rationalised groups calculated; and
- the Company's contribution is consequently calculated by applying the appropriate average employer contribution rates to the pensionable pay of its employees participating in the Capita DB Scheme.

A full actuarial valuation of the Capita DB Scheme is carried out every three years by an independent actuary for the Trustee, with the last full valuation carried out at 31 March 2017. The next scheme funding assessment is expected to be carried out with an effective date of 31 March 2020.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to Statement of Comprehensive Income.

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1.12 Financial instruments

Investments and other financial assets

(i) Classification

Applicable from 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI) or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest; are measured at FVOCI.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

(iv) Impairment

From 1 January 2018, the Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.13 Impairment of non-financial assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability:

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Significant accounting judgements, estimates and assumptions

The preparation of Financial Statements in conformity with generally accepted accounting principles requires the Directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the Financial Statements and the reported income and expense during the reported periods. Although these judgements and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement and impairment of goodwill, the estimated useful lives of intangible assets, and other intangibles. The measurement of intangible assets other than goodwill on a business combination involves estimation of future cash flows and the selection of a suitable discount rate. The Company determines whether goodwill is impaired on an annual basis and thus requires an estimation of the value in use of the cash-generating units to which the intangible assets are allocated. This involves estimation of future cash flows and choosing a suitable discount rate.

3 Revenue

The total revenue of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

	Notes	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):			
Net foreign exchange loss/(gains)		2,630	(23,252)
Depreciation of property, plant and equipment	8	75,392	66,680
Amortisation of intangible assets	9	7,659,553	7,532,326
Operating lease rentals - plant and machinery		2,656	-
Operating lease rentals - other assets		-	23,469
Operating lease rentals - land and building		669,486	584,239

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £16,900 (2017: £12,600). The Company has taken advantage of the exemption provided by regulations 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the Company accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

The Company does not hold title to the lease on land and building assets. Rather the company is recharged these costs by the leaseholder, Capita Business Services Limited.

5 Net finance costs	2018 £	2017 £
Other interest income	(352,495)	(114,140)
Discount unwind on contingent settlement debt	1,673,885	1,971,043
	<u>1,321,390</u>	<u>1,856,903</u>

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Income tax

The major components of income tax expense for the years ended 31 December 2018 and 2017 are as follows:

	2018 £	2017 £
Current income tax		
Current income tax charge	4,378,241	2,729,341
Adjustments in respect of prior years	(342,107)	130,994
	<u>4,036,134</u>	<u>2,860,335</u>
Deferred income tax		
Origination and reversal of temporary differences	414,903	393,207
Adjustment in respect of prior periods	57,768	(62,143)
	<u>472,671</u>	<u>331,064</u>
Total tax charge reported in the income statement	<u>4,508,805</u>	<u>3,191,399</u>

The reconciliation between tax charge and the accounting profit multiplied by the UK corporation tax rate for the years ended 31 December 2018 and 2017 is as follows:

	2018 £	2017 £
Profit before tax	25,461,251	16,455,992
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	<u>4,837,637</u>	<u>3,167,778</u>
Adjustments in respect of current income tax of prior years	(342,107)	130,994
Adjustments in respect of deferred tax of prior years	57,768	(62,143)
Non-deductible expenses	4,319	6,812
Impact of changes in statutory tax rates	(48,812)	(52,042)
Total tax adjustments	<u>(328,832)</u>	<u>23,621</u>
Total tax charge reported in the income statement	<u>4,508,805</u>	<u>3,191,399</u>

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Income tax (continued)

	Balance Sheet		Income Statement	
	2018	2017	2018	2017
	£	£	£	£
Deferred tax liabilities				
Accelerated capital allowances	(2,558,619)	(2,131,697)	426,922	480,303
Other temporary difference	177,100	222,849	45,749	(149,239)
	<u> </u>	<u> </u>		
Net deferred tax liability	(2,381,519)	(1,908,848)		
	<u> </u>	<u> </u>		
Deferred income tax expense			472,671	331,064
			<u> </u>	<u> </u>

The UK corporation tax rate will decrease from 19% to 17% from 1 April 2020. The deferred tax is calculated reflecting this future reduction.

7 Dividend paid	2018	2017
	£	£
Final for 2018 paid: £247,930 per share (2017: £113,840 per share)	24,793,000	11,384,000
	<u> </u>	<u> </u>
Total dividend paid	24,793,000	11,384,000
	<u> </u>	<u> </u>

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Property, plant and equipment

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2018	143,524	91,600	80,936	316,060
Additions	-	-	54,087	54,087
Asset retirement	(50,595)	(57,600)	(28,107)	(136,302)
At 31 December 2018	92,929	34,000	106,916	233,845
Depreciation and impairment				
At 1 January 2018	96,153	67,010	18,630	181,793
Depreciation	28,367	18,320	28,705	75,392
Asset retirement	(50,595)	(57,600)	(28,107)	(136,302)
At 31 December 2018	73,925	27,730	19,228	120,883
Net book value				
At 31 December 2017	47,371	24,590	62,306	134,267
At 31 December 2018	19,004	6,270	87,688	112,962

9 Intangible fixed assets

	Acquired Intellectual Property	Capitalised Development	Goodwill	Total
	£	£	£	£
Cost				
At 1 January 2018	61,340,510	7,727,461	65,761,451	134,829,422
Additions	-	1,508,928	-	1,508,928
Asset retirement	-	(1,419,167)	-	(1,419,167)
At 31 December 2018	61,340,510	7,817,222	65,761,451	134,919,183
Amortisation and impairment				
At 1 January 2018	24,536,204	3,554,557	-	28,090,761
Amortisation	6,134,051	1,525,502	-	7,659,553
Asset retirement	-	(1,419,167)	-	(1,419,167)
At 31 December 2018	30,670,255	3,660,892	-	34,331,147
Net book value				
At 31 December 2017	36,804,306	4,172,904	65,761,451	106,738,661
At 31 December 2018	30,670,255	4,156,330	65,761,451	100,588,036

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Contract fulfilment assets

	Non- current	Current	Total
Cost			
As at 1 January 2018	444,344	111,086	555,430
Utilised during the year	(143,925)	(10,946)	(154,871)
At 31 December 2018	300,419	100,140	400,559
Net book value			
At 31 December 2018	300,419	100,140	400,559
At 31 December 2017	444,344	111,086	555,430

11 Trade and other receivables

Current	2018	2017
	£	£
Trade receivables	5,054,816	4,992,571
Accrued income	122,744	280,402
Prepayments	55,670	77,739
VAT recoverable	13,910	-
Amounts due from parent & fellow subsidiary undertaking	-	1,303,793
	<u>5,247,140</u>	<u>6,654,505</u>

12 Cash

	2018	2017
	£	£
Cash at bank and in hand	48,704,267	49,723,547
	<u>48,704,267</u>	<u>49,723,547</u>

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Trade and other payables

Current	2018	2017
	£	£
Trade payables	517,515	507,804
Other payables	100	1,044
Other taxes and social security	-	779,318
Accruals	2,822,514	3,071,444
Amounts due to parent and fellow subsidiary undertaking	407,158	250,934
	3,747,287	4,610,544

14 Deferred income

	2018	2017
	£	£
Current		
Deferred income	669,489	1,178,015
	669,489	1,178,015
Non-current		
Deferred income	1,800,000	2,400,000
	1,800,000	2,400,000

15 Financial liabilities

	2018	2017
	£	£
Current		
Deferred consideration payable	9,400,000	9,400,000
	9,400,000	9,400,000
Non-current		
Deferred consideration payable	34,121,015	41,847,130
	34,121,015	41,847,130

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15 Financial liabilities (continued)

The deferred consideration payable is due to be paid in equal instalments from 2018 to 2023. These payments are contingent on the profits of the entity. The balance as at 31 December represents the present value of those payments. Interest is recognised in the Statement of Comprehensive Income each year representing the unwinding of the discount applied.

16 Issued share capital

	2018	2017	2018	2017
	Numbers	Numbers	£	£
Allotted, called up and fully paid				
Ordinary A shares of 1p each	49	49	0.49	0.49
Ordinary B shares of 1p each	51	51	0.51	0.51
At 31 December	100	100	1	1

17 Financial commitments

At 31st December 2018 the Company was committed to making the following payments under non-cancellable operating leases and other agreements:

	Land and buildings	
	2018	2017
	£	£
Operating leases which expire:		
Within one year	-	6,000
Total	-	6,000

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

18 Employee benefits

The Company participates in both defined benefit and defined contribution pension schemes.

Contributions in respect of the defined contribution schemes payable by the Company during the year amounted to £131,903 (2017: £183,146)

The Company has current and former employees who are members of the Capita Pension and Life Assurance Scheme (the "Capita DB Scheme"), a defined benefit scheme. This is a non-segregated scheme but there are around 200 different sections in the scheme where each section provides benefits on a particular basis (some based on final salary, some based on career average earnings) to particular groups of employees.

The Capita DB Scheme closed to future accrual of benefit on 30 November 2017 for the majority of active members – where these members were subsequently offered membership of the group's principal defined contribution scheme. However, there remain a number of employees of the Company accruing benefits on a defined benefit basis in the DB Scheme.

The pension charge for the Company in relation to the Capita DB Scheme for the year was £11,177 (2017: £20,351).

A full actuarial valuation of the Capita DB Scheme is carried out every three years by an independent actuary for the Trustee, with the last full valuation carried out at 31 March 2017. Amongst the main purposes of the valuation is to agree a contribution plan such that the pension scheme has sufficient assets available to meet future benefit payments, based on assumptions agreed between the Trustee and the Principal Employer (Capita Business Services Limited, a fellow subsidiary undertaking). The 31 March 2017 valuation showed a funding deficit of £185m (31 March 2014: £1.4m). This equates to a funding level of 86.1% (31 March 2014: 99.8%).

As a result of the funding valuation, the Principal Employer and the Trustee agreed the payment of additional contributions totalling £176m between November 2018 and 2021 with the intention of removing the deficit calculated as at 31 March 2017 by 2021.

In addition, the Principal Employer agreed an average employer contribution rate of 28.1% (excluding employee contributions made as part of a salary sacrifice arrangement) towards the expected cost of benefits accruing.

The next scheme funding assessment will be carried out with an effective date of 31 March 2020.

The Capita DB Scheme is a multi-employer pension scheme and the Company is a participating employer. As such a Section 75 debt (which is a statutory debt due from a participating employer to the trustees of a defined benefit pension scheme which is in deficit) could be triggered on:

- a participating employer ceasing to employ any active members and other group companies continuing to do so;
- a participating employer leaving a multi-employer defined benefit pensions scheme;
- the insolvency of a participating employer; or
- the winding-up of a scheme.

Currently, the Section 75 debt is assessed by reference to a buy-out basis (i.e. an estimate of what it would cost to insure the benefits with an external insurance company). The amount would be payable to the Trustee of the Capita DB Scheme unless an alternative arrangement were agreed. In the event that it fell due, the actual Section 75 debt would depend on: when it was triggered and the relevant liability data at that time; market conditions and Section 75 assumptions at that time; as well as the size of the total liabilities and assets in the Capita DB Scheme as a whole.

For the purpose of the consolidated accounts of Capita plc, an independent qualified actuary projected the results of the 31 March 2017 funding valuation to 31 December 2018 on the relevant accounting requirements.

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AXELOS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2018****18 Employee benefits (continued)**

The major assumptions for the valuation at 31 December 2018 were as follows: rate of price inflation RPI/CPI 3.2% p.a./2.2% p.a. (2017: 3.2% p.a./2.2% p.a.); rate of the salary increase: 3.2% p.a. (2017: 3.2% p.a.); rate of increase for pensions in payment (where RPI inflation capped at 5% p.a. applies: 3.1% p.a. (2017: 3.1% p.a.); discount rate: 2.85% p.a. (2017: 2.5% p.a.).

The Capita DB Scheme assets at fair value at 31 December 2018 totalled £1,136.0m (2017: £1,101.3m). The actuarially assessed value of Capita DB Scheme liabilities at 31 December 2018 was £1,342.7m (2017: £1,493.4m) indicating that the Capita DB Scheme had a net liability of £206.7m (2017: net liability of £392.1m). These figures are quoted gross of deferred tax. The full disclosure is available in the consolidated accounts of Capita plc.

19 Employees**Number of employees**

The average monthly number of employees (including non-executive directors) during the year were:

	2018 Number	2017 Number
Sales	18	14
Administration	33	30
Operations	53	46
	104	90

	2018 £	2017 £
Employee costs		
Wages and salaries	6,922,450	5,756,658
Social security costs	786,144	696,472
Pension costs	131,786	203,497
	7,840,380	6,656,627

20 Directors' remuneration

	2018 £	Restated 2017 £
Remuneration for qualifying services	1,299,993	973,356
Company pension contributions to defined contribution schemes	19,410	16,392
	1,319,403	989,748
	2018 £	2017 £
Remuneration disclosed above include the following amounts paid to the highest paid Director:		
Remuneration for qualifying services	773,964	566,662
	773,964	566,662

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20 Directors' remuneration (continued)

The remaining Directors have not provided qualifying services to the company and are paid by other companies related to the shareholders. Such remuneration, including re-imbursement of expenses incurred by them, has not been allocated to the company. The number of Directors whose remuneration is borne by another Capita entity is 4 and The Cabinet Office is 3.

2017 figures have been re-stated to include NI contributions.

The figures disclosed are inclusive of LTIP amounts.

The aggregate of the amount of money paid to or receivable by Directors employed by the Company, under long-term incentives schemes in respect of qualifying services in the year ended 31 Dec 2018 was £381,973 (2017: £438,699). LTIP amounts disclosed include Employer's NI.

21 Controlling party

The Company is controlled by its immediate parent undertaking, Capita Business Services Limited, a Company incorporated in England and Wales with a holding of 51%.

The Company's ultimate parent undertaking of Capita Business Services Limited is Capita plc, a Company incorporated in England and Wales. The accounts of Capita plc are available from the registered office at 30 Berners Street, London, England, W1T 3LR.

The Solicitor for the Affairs of Her Majesty's Treasury holds the remaining 49% of the shares.

22 Post balance sheet events

There are no significant events which have occurred after the reporting period.

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

23 Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Total
Purchase of Goods/ Services					
	Capita plc	December 31, 2018	65,398	-	65,398
		December 31, 2017	57,813	-	57,813
	Capita Business Services Limited	December 31, 2018	2,142,022	-	2,142,022
		December 31, 2017	1,870,482	-	1,870,482
	Capita Resourcing Limited	December 31, 2018	-	333,200	333,200
		December 31, 2017	-	229,887	229,887
	Capita Customer Management Limited	December 31, 2018	-	14	14
		December 31, 2017	-	-	-
	Capita Travel and Events Limited	December 31, 2018	-	694,994	694,994
		December 31, 2017	-	593,939	593,939
	Brightwave Limited	December 31, 2018	-	2,680	2,680
		December 31, 2017	-	60,609	60,609
	Knowledgepool Group Limited	December 31, 2018	-	100,891	100,891
		December 31, 2017	-	63,439	63,439
	G2G3 Group Limited	December 31, 2018	-	-	-
		December 31, 2017	-	26,009	26,009
	Fire Service College Limited	December 31, 2018	-	220	220
		December 31, 2017	-	880	880
	Capita Property and Infrastructure Limited	December 31, 2018	-	-	-
		December 31, 2017	-	615	615
	Capita Managed IT Solutions Limited	December 31, 2018	-	-	-
		December 31, 2017	-	271	271
	Capita IT Services Limited	December 31, 2018	-	2,748	2,748
		December 31, 2017	-	2,007	2,007
	Capita Workplace Technology Limited	December 31, 2018	-	16,602	16,602
		December 31, 2017	-	7,943	7,943
	Capita Employee Benefits (Consulting) Limited	December 31, 2018	-	-	-
		December 31, 2017	-	100	100
	The Write Research Company Limited	December 31, 2018	-	1,050	1,050
		December 31, 2017	-	37,028	37,028
	Thirty Three LLP	December 31, 2018	-	50,702	50,702
		December 31, 2017	-	10,600	10,600
	Capita Translation & Interpreting Limited	December 31, 2018	-	51,791	51,791
		December 31, 2017	-	32,775	32,775

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

23 Related party transactions (continued)

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiaries	Total
Purchase of Goods/ Services					
	Udata Infrastructure (UK) Limited	December 31, 2018	-	360	360
		December 31, 2017	-	-	-
	Voice Marketing Limited	December 31, 2018	-	53,486	53,486
		December 31, 2017	-	-	-
	Western Mortgage Services Limited	December 31, 2018	-	440	440
		December 31, 2017	-	-	-
	TrustMarque Solutions Limited	December 31, 2018	-	3,531	3,531
		December 31, 2017	-	-	-
	ComputerLand UK Ltd	December 31, 2018	-	10	10
		December 31, 2017	-	-	-
	Total	December 31, 2018	<u>2,207,420</u>	<u>1,312,719</u>	<u>3,520,139</u>
		December 31, 2017	<u>1,928,295</u>	<u>1,066,102</u>	<u>2,994,397</u>
Sales of Goods/ Services					
	Capita plc	December 31, 2018	146,280	-	146,280
		December 31, 2017	-	-	-
	Total	December 31, 2018	<u>146,280</u>	<u>-</u>	<u>146,280</u>
		December 31, 2017	<u>-</u>	<u>-</u>	<u>-</u>

AXELOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

23 Related party transactions (continued)

The closing balances of accounts with Related Parties are as follows:

Nature of Transaction	Name of Company	Year	Holding Company	Fellow Subsidiary	Total
Net balances					
	Capita plc	December 31, 2018	(6,099)	-	(6,099)
		December 31, 2017	1,308,653	-	1,308,653
	Capita Business Services Limited	December 31, 2018	(241,240)	-	(241,240)
		December 31, 2017	(141,116)	-	(141,116)
	Trust Marque Solutions Limited	December 31, 2018	-	(3,531)	(3,531)
		December 31, 2017	-	-	-
	Capita Resourcing Limited	December 31, 2018	-	(22,890)	(22,890)
		December 31, 2017	-	(18,768)	(18,768)
	Capita Travel and Events Limited	December 31, 2018	-	(110,053)	(110,053)
		December 31, 2017	-	(55,250)	(55,250)
	Capita IT Services Limited	December 31, 2018	-	(149)	(149)
		December 31, 2017	-	(164)	(164)
	Capita Workplace Technology Limited	December 31, 2018	-	(3,332)	(3,332)
		December 31, 2017	-	(609)	(609)
	Knowledgepool Group Limited	December 31, 2018	-	(13,398)	(13,398)
		December 31, 2017	-	(5,173)	(5,173)
	Capita Property and Infrastructure Limited	December 31, 2018	-	-	-
		December 31, 2017	-	(155)	(155)
	Western Mortgage Services Limited	December 31, 2018	-	-	-
		December 31, 2017	-	(23)	(23)
	Capita Translation & Interpreting Limited	December 31, 2018	-	(1,018)	(1,018)
		December 31, 2017	-	(32,775)	(32,775)
	Total	December 31, 2018	(247,339)	(154,371)	(401,710)
		December 31, 2017	1,167,537	(112,917)	1,054,620

In the above figures for purchases and sales are transactions invoiced during the period inclusive of Value Added Tax where applicable. All transactions were undertaken at normal market prices.