

**REGISTERED NUMBER: 08995119 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019  
FOR  
RX SECURITIES LIMITED**

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FOR THE YEAR ENDED 30 APRIL 2019**

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**RX SECURITIES LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 APRIL 2019**

**DIRECTOR:**

Dr S Devani

**REGISTERED OFFICE:**

1 The Old Stables  
Eridge Park  
Tunbridge Wells  
Kent  
TN3 9JT

**REGISTERED NUMBER:**

08995119 (England and Wales)

**AUDITORS:**

Synergee Limited  
Statutory Auditors  
1 The Old Stables  
Eridge Park  
Tunbridge Wells  
Kent  
TN3 9JT

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 APRIL 2019**

The director presents his strategic report for the year ended 30 April 2019.

Rx Securities is a full service investment bank dedicated solely to the healthcare sector and servicing both institutional investors and life science companies. Its services include objective equity research for institutional investors, strategic M&A and corporate advice, and fund raisings for both private and public companies. Its team is composed of individuals who have extensive specialist experience and a proven track record. The Company's objective is to be regarded as Europe's primary specialist investment banking house for the sector as measured by the number of retained corporate clients. Rx's business model is flexible involving a low risk infrastructure model. The business plan is based on conservative estimates of deal flow and winning retained clients, which generates growing recurring revenues.

**REVIEW OF BUSINESS**

Over the last 12 months the company continued to pursue its strategy of becoming the leading dedicated investment bank solely focussed on the healthcare sector. A number of new client retainers were achieved and the overall client base increased year-on-year. However, underlying market conditions have been challenging with investor appetite for risk diminished and fundraising activity subdued. This market trend has been a challenge for many small/mid cap brokers. Despite the difficult macro conditions, the company believes its low risk infrastructure model provides a competitive advantage and as a result is likely to see an increase in demand for the company's services in the medium term.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The banking activities of the life sciences sector are highly cyclical. The sector is high growth and high risk and banking activities are correlated to the broader risk appetite of capital markets. The Director of the company recognises there will be fluctuating periods of high and low activity and as a result the company has been structured to be flexible, with a low fixed cost base to cope with this cyclicity. The company's client base is pan-European and the impact of BREXIT is unclear in relation to passporting of financial services to these clients. Furthermore, should London's appeal as a financial centre diminish post-BREXIT, this is likely to have a detrimental impact on the operations of Rx Securities.

**KEY PERFORMANCE INDICATOR**

While overall profitability of the business is critical, and the company has a minimum financial capital requirement from an FCA regulatory perspective, the Directors recognise that revenue and profitability will be variable. A key performance indicator for the company is the number of retained clients - as at 30 April 2019 this was 15 (13 at 30 April 2018).

**ON BEHALF OF THE BOARD:**

Dr S Devani - Director

15 August 2019

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 30 APRIL 2019**

The director presents his report with the financial statements of the company for the year ended 30 April 2019.

**DIVIDENDS**

The total distribution of dividends for the year ended 30 April 2019 will be £ 33,600 .

**FUTURE DEVELOPMENTS**

The directors do not consider there to be any future developments that will impact the company or its operation, other than the described principal risks and uncertainties within the Strategic Report.

**DIRECTORS**

Dr S Devani has held office during the whole of the period from 1 May 2018 to the date of this report.

Other changes in directors holding office are as follows:

C I Collins - deceased 8 March 2019

**FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are set out in the Pillar 3 disclosure of the Capital Requirements Directive as a separate appendix to these financial statements.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**RX SECURITIES LIMITED (REGISTERED NUMBER: 08995119)**

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 30 APRIL 2019**

**AUDITORS**

The auditors, Synergee Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Dr S Devani - Director

15 August 2019

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RX SECURITIES LIMITED**

### **Opinion**

We have audited the financial statements of Rx Securities Limited (the 'company') for the year ended 30 April 2019 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors' 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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 the audit:

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

### **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 Strategic Report or the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RX SECURITIES LIMITED**

### **Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors 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.

Darren Austin (Senior Statutory Auditor)  
for and on behalf of Synergee Limited  
Statutory Auditors  
1 The Old Stables  
Eridge Park  
Tunbridge Wells  
Kent  
TN3 9JT

15 August 2019



**RX SECURITIES LIMITED (REGISTERED NUMBER: 08995119)****STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 30 APRIL 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>	4	448,871	390,552
Cost of sales		<u>(97,166)</u>	<u>(92,621)</u>
<b>GROSS PROFIT</b>		351,705	297,931
Administrative expenses		<u>(139,242)</u>	<u>(144,543)</u>
		212,463	153,388
Interest receivable and similar income		<u>13,385</u>	<u>6,892</u>
<b>PROFIT BEFORE TAXATION</b>	6	225,848	160,280
Tax on profit	7	<u>(42,842)</u>	<u>(30,744)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		183,006	129,536
Retained earnings at beginning of year as previously reported		1,003,565	436,042
Dividends	8	(33,600)	(30,000)
Prior year adjustment - corrections of material errors		-	467,987
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u>1,152,971</u>	<u>1,003,565</u>

The notes form part of these financial statements

**RX SECURITIES LIMITED (REGISTERED NUMBER: 08995119)****BALANCE SHEET  
30 APRIL 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	9	318	379
<b>CURRENT ASSETS</b>			
Debtors	10	113,980	112,561
Cash at bank		<u>1,196,734</u>	<u>1,149,347</u>
		1,310,714	1,261,908
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>(73,061)</u>	<u>(173,722)</u>
<b>NET CURRENT ASSETS</b>		<u>1,237,653</u>	<u>1,088,186</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,237,971</u>	<u>1,088,565</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	85,000	85,000
Retained earnings	15	<u>1,152,971</u>	<u>1,003,565</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>1,237,971</u>	<u>1,088,565</u>

The financial statements were approved by the director on 15 August 2019 and were signed by:

Dr S Devani - Director

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	204,469	193,471
Tax paid		<u>(141,607)</u>	<u>(54,852)</u>
Net cash from operating activities		<u>62,862</u>	<u>138,619</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(475)	-
Purchase of fixed asset investments		-	(143,412)
Sale of fixed asset investments		-	738,075
Interest received		<u>13,385</u>	<u>6,892</u>
Net cash from investing activities		<u>12,910</u>	<u>601,555</u>
<b>Cash flows from financing activities</b>			
Amount introduced by directors		6,936	1,642
Amount withdrawn by directors		(1,721)	-
Equity dividends paid		<u>(33,600)</u>	<u>(30,000)</u>
Net cash from financing activities		<u>(28,385)</u>	<u>(28,358)</u>
<b>Increase in cash and cash equivalents</b>		<u>47,387</u>	<u>711,816</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,149,347	437,531
<b>Cash and cash equivalents at end of year</b>	2	<u>1,196,734</u>	<u>1,149,347</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2019**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	£	£
Profit before taxation	225,848	160,280
Depreciation charges	536	562
Profit on disposal of fixed assets	-	(15,587)
Finance income	(13,385)	(6,892)
	212,999	138,363
(Increase)/decrease in trade and other debtors	(1,419)	71,023
Decrease in trade and other creditors	(7,111)	(15,915)
<b>Cash generated from operations</b>	<b>204,469</b>	<b>193,471</b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 April 2019**

	30.4.19	1.5.18
	£	£
Cash and cash equivalents	1,196,734	1,149,347

**Year ended 30 April 2018**

	30.4.18	1.5.17
	£	£
Cash and cash equivalents	1,149,347	437,531

The Financial Conduct Authority (FCA) mandates that the company must retain a minimum of £85,000 (2018: £85,000) in liquid assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019**

**1. STATUTORY INFORMATION**

Rx Securities Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are rounded to the nearest GBP.

**Turnover**

Turnover is recognised to the extent it is probable that economic benefit will flow to the company, and that it can be reliably measured. Turnover is measured at the fair value of consideration received or receivable, net of discounts, rebates, VAT and other sales taxes.

Turnover from the provision of services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that consideration due will be received;
- the stage of completion of the contract at the reporting date can be measured reliably, and
- the costs incurred, or to be incurred, can be measured reliably.

Turnover is derived from fixed fee and variable fee income, and is recognised in accordance to the criteria stated above. Turnover for services provided but not billed at the reporting date is accrued and recognised within debtors.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment	- 33% on cost
--------------------	---------------

Tangible fixed assets are held under the cost model, and are stated at their historical cost less accumulated depreciation and impairment losses. Cost includes directly attributable expenditure in bringing the asset into the location and condition necessary for operation.

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

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount, and are recognised in the statement of income and retained earnings.

**Financial instruments**

Other than the policy for recognition and treatment of fixed asset investments, disclosed separately, the company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors; loans from banks and other third parties; loans to related parties and investments in non-puttable ordinary shares.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment, and such impairments is recognised in total comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2019**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

The company's functional and presentation currency is GBP.

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

Foreign exchange gains and losses resulting from the settlement of transactions and from translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognised in the statement of income and retained earnings.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. A defined contribution scheme is a plan under which the company pays fixed contributions into a separate legal entity. Once the contributions have been paid, the company has no further payment obligations.

Contributions payable to the company's pension scheme are recognised in the statement of income and retained earnings in the period to which they fall due. Amounts not paid by the reporting date are shown within accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**Cash and cash equivalents**

Cash is represented by cash in hand and bank current and short term deposit accounts.

**Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2019**

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements, there are no significant judgements management has made in the process of applying the entity's accounting policies that may have an impact on the amounts recognised in the financial statements.

Key assumptions concerning the future and the impact of the UK exiting the EU (BREXIT) is discussed further within the strategic report.

The directors do not consider there to be any further key sources of estimation uncertainty at the reporting date that may give rise to significant risk of a material misstatement to the carrying amounts in the financial statements in the next financial year.

**4. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019 £	2018 £
Rendering of services	<u>448,871</u>	<u>390,552</u>
	<u>448,871</u>	<u>390,552</u>

An analysis of turnover by geographical market is given below:

	2019 £	2018 £
UK and EEA	444,372	390,552
Rest of the world	<u>4,499</u>	<u>-</u>
	<u>448,871</u>	<u>390,552</u>

**5. EMPLOYEES AND DIRECTORS**

	2019 £	2018 £
Wages and salaries	68,058	65,259
Social security costs	4,059	3,718
Other pension costs	<u>-</u>	<u>326</u>
	<u>72,117</u>	<u>69,303</u>

The average number of employees during the year was as follows:

	2019	2018
Directors	1	1
Employees	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

  

	2019 £	2018 £
Directors' remuneration	<u>11,904</u>	<u>11,529</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2019**

**6. PROFIT BEFORE TAXATION**

The profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	536	563
Profit on disposal of fixed assets	-	(15,587)
Auditors' remuneration	5,000	5,500
Other non- audit services	3,420	473
Foreign exchange differences	<u>14</u>	<u>-</u>

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	43,068	116,744
Withheld Tax	150	-
Prior year liability adj	<u>(376)</u>	<u>-</u>
Total current tax	42,842	116,744
Deferred tax	-	(86,000)
Tax on profit	<u>42,842</u>	<u>30,744</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit before tax	<u>225,848</u>	<u>160,280</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	42,911	30,453
Effects of:		
Expenses not deductible for tax purposes	240	1,174
Depreciation in excess of capital allowances	11	107
Adjustments to tax charge in respect of previous periods	(375)	-
Current tax on disposal of listed investments	-	1,973
Profit on disposal of fixed asset investments	-	(2,963)
respect of a change in tax		
Foreign taxes paid less double tax relief	55	-
Total tax charge	<u>42,842</u>	<u>30,744</u>

**8. DIVIDENDS**

	2019	2018
	£	£
Interim dividends	<u>33,600</u>	<u>30,000</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2019**

**9. TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>COST</b>	
At 1 May 2018	2,525
Additions	475
At 30 April 2019	<u>3,000</u>
<b>DEPRECIATION</b>	
At 1 May 2018	2,146
Charge for year	536
At 30 April 2019	<u>2,682</u>
<b>NET BOOK VALUE</b>	
At 30 April 2019	<u>318</u>
At 30 April 2018	<u>379</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade debtors	65,589	66,986
Other debtors	3,225	4,104
Accruals	33,702	30,864
Prepayments	<u>11,464</u>	<u>10,607</u>
	<u>113,980</u>	<u>112,561</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Tax	43,068	141,833
VAT	10,640	12,013
Other creditors	117	-
Directors' current accounts	6,936	1,721
Accrued expenses	<u>12,300</u>	<u>18,155</u>
	<u>73,061</u>	<u>173,722</u>

**12. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £	2018 £
Within one year	22,704	21,936
Between one and five years	<u>7,568</u>	<u>-</u>
	<u>30,272</u>	<u>21,936</u>

Lease payments recognised as an expense in the year were £22,074 (2018 - £21,888).

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2019**

**13. FINANCIAL INSTRUMENTS**

		2019	2018
	£		
<b>Financial assets</b>			
Measured at fair value through profit and loss		1,196,699	1,149,347
Debt instruments measured at amortised cost		<u>102,516</u>	<u>101,954</u>
<b>Financial liabilities</b>			
Measured at amortised cost		<u>14,373</u>	<u>19,673</u>
Financial assets measured at fair value through profit and loss comprise fixed asset investments and cash at bank, including short term deposit accounts.			

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors; and accrued income.

Financial liabilities measured at amortised cost comprise trade and other creditors; and accrued expenses.

**14. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
8,500,000	Ordinary	1p	<u>85,000</u>	<u>85,000</u>

Each share has full rights in the company with respect to voting, dividends and distributions.

**15. RESERVES**

Retained earnings represent distributable reserves of accumulated profits and losses.

**16. RELATED PARTY DISCLOSURES**

Key management personnel comprise the directors only. Total remuneration paid to key management personnel is disclosed in note 5 of the financial statements.

**17. ULTIMATE CONTROLLING PARTY**

The controlling party is Dr S Devani.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2019**

**18. PILLAR 3 DISCLOSURE**

**Introduction**

RX Securities Limited ('RXSL' or the 'Firm') is incorporated in UK and is regulated by the Financial Conduct Authority. The Firm's activities give it the CRD IV categorisation of a Limited License IFPRU €50k firm. The Firm is a Solo regulated entity.

This Pillar 3 disclosures have been prepared as required under EU Capital Requirement Regulation (CRR) and for no other purpose. They do not constitute any form of financial statement and must not be relied upon in making any investment decision.

**Risk Management Framework**

RXSL's Risk Management Framework fosters continuous monitoring of the risk environment and an integrated evaluation of risk and their interactions, it also ensures a consistent approach to monitoring, managing and mitigating the risks we accept and incur in our business.

The Governing Body of the Firm decides the Firm's risk appetite or tolerance for risks and ensures that the Firm has implemented an effective, ongoing risk management process, and maintain an appropriate risk management culture.

Risk within the Firm is managed by use of the following,

- An internal control framework to govern its processes and procedures, and to mitigate risks.
- Scenario analysis and stress tests on the most significant risk identified, they provide vital information of likely risk impact to the business and the Firm's financial position.

**Conservative Risk Appetite**

The Risk Appetite Statement is a consolidated view of RXSL's risk appetite and risk tolerances across all its business units. It plays a key part in the firm's risk and capital management strategy, the implementation of Risk Appetite is an essential element of achieving effective risk management across the firm.

The Risk Appetite Statement is maintained by the Board. It is based upon an enterprise wide analysis of risks, directly linked to its business strategy, funding capacity and capital planning.

Business practice

- Zero tolerance for knowingly engaging in any business, activity or association where foreseeable reputational risk or damage has not been considered and/or mitigated
- No appetite for deliberately or knowingly causing detriment to clients, or incurring a breach of the letter of spirit of regulatory requirements.
- No appetite for inappropriate market conduct by a member of staff

**Principal Risks**

RXSL divides the risks inherent in its business into three distinct risk types,

- Category 1: risks that are deemed to be material and are primarily mitigated by the effectiveness of the Firm's oversight and control arrangements.
- Category 2: risks that are mitigated by a combination of the Firm's oversight and control arrangement, but where a capital allocation is deemed to be prudent.
- Category 3: risks that are primarily mitigated by some other actions.

A schedule of material risks is included in the Risk Matrix. Material risks are key risks that in the judgement of RXSL could result in an impact of 10% or more upon the Firm's budgeted earnings profile over a 12-month horizon.

The scope of the Firm's key risks extend to the following,

- Geopolitical risk
- Regulatory demand and changes
- Credit risk, market risk and business risk
- Financial crime risk
- Cyber-threat and IT system infrastructure and resilience
- Risks arising from the receipt of services from third parties

**Capital Resources and Capital Requirements**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2019**

RXSL has adopted the Standardised Approach to the calculation of its ICAAP capital resources requirement as outlined in the Capital Requirements Regulation (EU) No 575/2013 ('CRR').

The ICAAP is prepared annually, approved by the Board of Directors, and amended when necessary, it reflects RXSL's strategy and consolidates the following:

- Risk Identification, Risk Appetite Statement and RXSL's Stress Testing Framework.
- The Financial Framework encompassing the Three-Year Planning Process, overall financial planning, management information and financial and regulatory capital reporting.
- The Capital Management Framework encompassing capital and funding planning, monitoring and control.

RXSL is a limited license CRD IV firm, Tier 1 Capital comprises of share capital and audited profit/loss reserve, Pillar 1 Capital requirements are the greater of the following,

- Base capital requirement of €50,000; or
- The sum of its credit and market risk capital requirements; or
- The fixed overhead requirement

As at 30 April 2019, the Firm's capital resources and capital requirements are shown as the following,

Common Equity Tier 1 Capital	£1,088,565
Total Own Fund	£1,088,565
Pillar 1	£63,661

**Credit Risk**

RXSL is exposed to the risks of financial losses from clients if they fail to meet their obligations to the Firm. Client credit risk is managed through the application of client credit risk policy. The Firm holds all liquid assets in cash with banks assigned high credit ratings (Moody's), trading and non-trading book limits are closely monitored and assessed.

The Firm has adopted EU CRR's Standardised Approach to calculate risk-weighted exposures. Total Credit Risk Exposure was £21,656.

**Market Risk**

RXSL is not exposed to foreign currency risk and does not deal as principal. Market risks own fund requirement was therefore £nil.

Although the Firm has substantial cash balances on its Balance Sheet, there is currently no significant exposure to interest rate fluctuations.

**Operational Risk**

The fixed overhead requirement (FOR) is computed based on the Firm's relevant fixed expenditures (excluding variable costs) as per the Firm's most recent audited annual report and accounts.

- Fixed overhead requirement was £63,661

**Remuneration Disclosure**

The FCA defines Remuneration Code Staff ('Code Staff') in SYSC 19A.3.4 as senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as those detailed above, whose professional activities have a material impact on the firm's risk profile.

The Firm has decided to treat all Directors as Code Staff.

The Managing Board of the Firm will consider the need to add any new joiners to the list of Remuneration Code Staff during the year.

**Application**

Based on the RXSL's profile, we have defined ourselves as a Proportionality Tier Three Investment firm ('Tier Three Firm') and adopted a proportioned approach to our remuneration policy. We have considered our individual needs on an ongoing basis and where appropriate disapplied certain provisions in accordance with FCA and CEBS/EBA guidance. The Managing Board will review any provisions which have been disapplied on at least an annual basis, to ensure that it continues to be appropriate.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2019**

Information concerning the decision-making process

Due to the size of the Firm, we do not consider it appropriate to have a separate remuneration committee. Instead this function is undertaken by the Managing Board. This will be kept under review and should the need arise, the Firm will consider amending this arrangement to provide greater independent review.

The Directors of the Firm are members of the Managing Board and jointly have an equal voting interest in the Firm.

The Managing Board is responsible for ensuring that the remuneration policy is developed to align with its risk tolerance. No external consultants assisted in this review. Any person with a question regarding the policy or disclosures made under this policy should refer to the Directors who are members of the Managing Board.

Information on the link between pay and performance

A Key objective in utilising the Firm's structure was to align the interests of the Directors with the overall goal of achieving the best performance over the long-term for the Firm.

Aggregated value of Directors salaries for the period to 30 April 2018

Based on the profile of the Firm, we consider we have one business area and all Directors, as Code Staff, have responsibilities that typically fall within job titles FCA guidance indicated would suggest they are senior personnel whose role impacts the risk profile of the Firm.

As such, to comply with the FCA disclosure requirement, we disclose, as per the audited account of the Firm, the total Directors salaries which, for the period to 30 April 2019 was £11,904.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.