Expanding our horizons

2018
Annual Report
and Accounts

PRAXIS IFM

Expertise *in action.*
Globally.

Contents

Company Information – PraxisIFM Group Limited (the Company)

Where appropriate, this report refers to the group of companies controlled by PraxisIFM Group Limited as the "Group"

Directors (the Board)

Simon Thornton (Chief Executive Officer)

Andrew Haining (Non-Executive Group Chairman)

Iain Stokes (Non-Executive Director)

Brian Morris (Non-Executive Director – appointed 15 August 2018)

Company Secretary

Shona Darling (Group Company Secretary – appointed 12 January 2018)

Julia Wilkes (Group Company Secretary – resigned 12 January 2018)

Registered Office

Sarnia House
Le Truchot
St Peter Port, Guernsey, GY1 1GR

Registered Number

30367

Listing Sponsor and Market Maker

Ravenscroft Limited
PO Box 222, Level 5, The Market Buildings
Fountain Street,
St Peter Port, Guernsey, GY1 4JG

Independent Auditors

BDO Limited
PO Box 180, Place du Pré
Rue du Pré
St Peter Port, Guernsey, GY1 3LL

ISIN

GB00BD0RGF89

LEI

213800MNA9SX4F9ZSJ58

Registrar and Location of Register of Members

Praxis Fund Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey, GY1 1GR

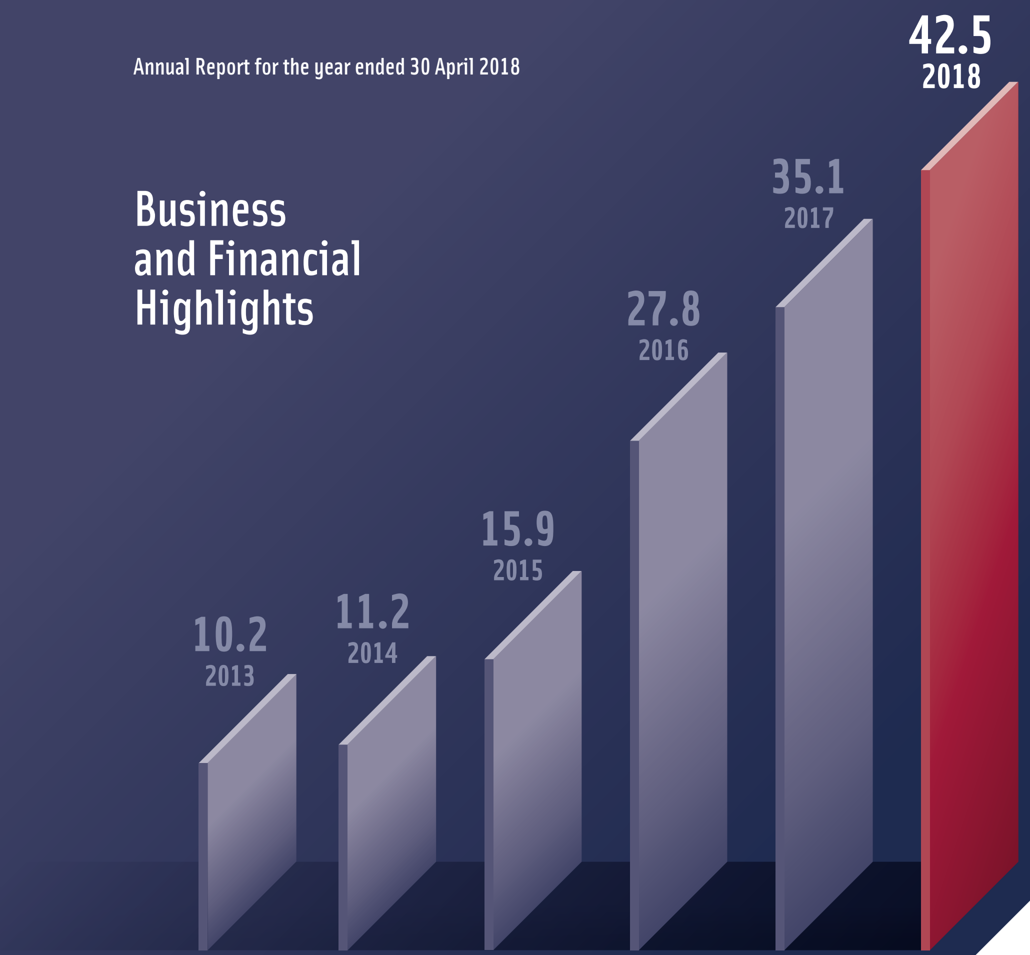
Investor Relations

For current shareholder and corporate information, including the Financial Calendar please visit www.praxisifm.com/investor-relations.

Our first year as a listed company has seen strong organic growth across all three business divisions We now have 540 people providing professional administration services across 17 jurisdictions on a common platform that incorporates brand, technology, culture, reporting and governance.

Andrew Haining, Non-Executive Chairman

Business and Financial Highlights



Revenues up by

21%

3·3m Net Profit (2017: £5.5m)

3·3p Earnings Per Share (2017: 6.8p)

7·6m EBITDA (2017: £7.9m)

After the year end, we acquired Nerine Group and Jeffcote Donnison, with offices in Guernsey, BVI, Hong Kong, Geneva, London and Isle of Man.

We opened offices in London and New York.

During the year we acquired Kompas and PES in Amsterdam and RiskCo in Utrecht.

2018: 430

2017: 300

430

We now employ 430 people in 17 jurisdictions

120

employees have joined the BAYE scheme

43%

of staff have an equity interest

(2017: 31%)

>50%

of staff qualified or studying

Chairman's Statement

Growth. Acquisition. Investment.

The Group's 21% revenue growth in our first year as a listed company reflects strong organic growth across all three business divisions and the first few months' contribution from some of the significant acquisitions we have made since we listed. I am pleased to say that this growth has been achieved whilst still maintaining our gross margins.

Our Results

The Group is growing at a significant rate. Staff numbers have increased to 540 and our jurisdictional coverage has increased to 17. We have spent considerable time and resources developing the platform that is fundamental to our continuing success. As expanded on below in both the Chief Executive Officer and Group Finance Director statements, this investment has been fully expensed in our stated EBITDA and the benefits of that investment are already being seen in our current business performance.

Business Model

The Group provides professional administration services for corporate and private clients, investment funds and pensions. These services are provided in a variety and increasing number of jurisdictions across a common platform that incorporates brand, technology, culture, reporting and governance. The other key element of our business model is a highly skilled and motivated workforce. Share ownership is a key part of this approach and the listing on The International Stock Exchange (TISE) provides us with considerable scope to incentivise and reward our employees.

Dividend and Capital Issues

The Group intends to operate a progressive dividend policy and the Board is recommending a dividend of 2p per share.

During the year, the Group raised an additional £10m from new equity and after the year end, we finalised an agreement for a new bank facility of £20m.

Strategic Progress

The outsourcing of key financial management and administrative functions across our three business divisions continues to be attractive to both corporate and individual clients. Because of our multi-jurisdictional offering, the continually evolving international landscape presents us with many opportunities to serve our clients. Increasing regulation and the importance of technology for delivering efficient solutions has increased the need for business investment and consolidation within the industry.

We believe we demonstrated as a private company our ability to acquire, integrate and develop our business. As a public company, we are looking to build on that approach and use the additional benefit of being listed to drive growth and to be at the forefront of a market that is both growing and consolidating.

The addition of RiskCo to the Group adds significant technological expertise that will enable us to develop our core systems to realise efficiency improvements and improved service to our clients.

Listing on TISE has assisted with our acquisition strategy as potential business partners have a formal valuation mechanism for the Group's equity.

The Board

At the year end, my colleagues on the board were Iain Stokes, non-executive director and audit committee chairman and Simon Thornton. After the year end, Brian Morris joined as non-executive director on 15 August 2018.

Simon and Brian have over 50 years of experience between them in the financial administration industry. Iain has extensive experience of the Group's business both from an operational perspective, particularly in funds administration and also more recently in his role as a director on a variety of fund and corporate structures. I am very grateful to Iain for his support during the year.

Together, we are building a board appropriate for the task of overseeing the growth of the Group.

The Group continues to demonstrate its ability to acquire, integrate and develop our business as a public company. We are building the brand, cultural and technological platform to be at the forefront of a market that is growing and consolidating.

Andrew Haining, Non-Executive Chairman

Our Employees

Our results this year once again reflect the dedication and quality of all our employees across the Group. We rely on their skills, experience, competence and hard work to drive our business forward. Most importantly, their passion for our mission and their commitment to delivering the best for our clients are key assets for the Group and critical to its future success. On behalf of the Board, I would like to thank all of our employees for their contribution to the Group's performance.

Chief Executive's Statement

Continued growth and acquisition

This year has seen significant activity for the Group compared with the prior year; revenue grew by 21% to £42.5m and we have yet to see the full benefit of the acquisitions made during the year.

Overall, our gross margins remained at 49%. Total comprehensive income was £3.3m against £5.5m in the prior year and EBITDA was £7.6m against £7.9m after deduction of start up and integration costs of £2.2m (£1.0m in 2017). However, the Group's cash position improved during the year, with operating cash flows up 51% to £8.3m.

We have incurred increased costs associated with being a listed company and the significant investments made by the Group in

- New offices – the Group has start up offices in the UK, Abu Dhabi, Cayman and the USA. New offices have a negative impact on our results as all the set up costs are expensed. In specific circumstances, they make more sense and take less cash than acquiring a presence
- Senior people – the Group strengthened its Executive Committee with the hiring of Kevin Scott (Chief Operating Officer), and the appointments of Frederik Bernoski (Legal Counsel), Guido Wagenaar (Head of International Expansion Services) and Marc Veen (Director, RiskCo Group)
- Finalising the remediation at Confiance, which is near completion
- Strengthening our team in preparation for the integration of the recently acquired businesses
- Enhancing and improving our systems and information security.

We believe that making these investments early is in the best interests of the Group as we continue to develop even though they have had a short term impact on profit and EBITDA development. The Group has increased its head count from 300 to 540 following the recently announced acquisitions and we have built our infrastructure to take into account that growth. Much of this activity took place towards and after the year end and therefore the full benefit of both integrating the businesses and realising cost savings from the acquisitions will only emerge during the current year.

Sales and business development

As the Group has grown and developed both organically and by acquisition, we continue to strengthen and professionalise our global sales teams. This process is being driven by Kevin Scott, COO, who previously headed up the UK and international sales teams and offices at Jupiter Asset Management.

Divisional Review

Trust and Corporate Services

Revenue in our Trust and Corporate business grew by 9% overall last year. The division achieved 12% organic growth, after adjusting for disposal of the UVL business, closed client relationships at Confiance and acquisitions. The remediation work at Confiance took longer than we originally anticipated and cost more than we originally provided for but the team has done an excellent job over the last two and a half years.

Towards the end of the year we acquired Kompas International (Kompas). Kompas is led by a very experienced team who were well known to the Group. From its headquarters in Amsterdam, Kompas provides corporate services to its international client base and is key to developing the Group's International Expansion Services offering. Subsequent to the acquisition, the team at Kompas closed two further acquisitions in the Netherlands, Private Equity Services (PES) and Global Forward Trust (Global).

PES operates in the fund administration market servicing asset holding corporate entities and providing fund administration services in Amsterdam and Curaçao. Global provides professional support to a range of international clients based in the Netherlands.

The success of the Group comes from the professional approach of our staff. At the year end, the Group employed more than 430 against 300 people last year.

Simon Thornton, Chief Executive Officer, PraxisIFM

Fund Services

Our Fund business revenue grew by 12% last year, all of which was organic growth.

Overall the gross margin fell from 44% to 40% due to a combination of factors. The Fund business has invested in Cayman and Abu Dhabi fund administration capability, opened a Jersey office and hired senior people to drive development of our private equity, Luxembourg, Jersey and New York offerings.

Pension Services

Our Pension business grew over 173% during the year. This growth was principally driven by the acquisition of a 50% interest in RiskCo Group during the year. Growth in the existing businesses was 9% on an annualised basis.

RiskCo Group is a provider of advanced technological solutions for pension and insurance administration and has offices in the Netherlands, Portugal and the Philippines. In November, RiskCo acquired the pension administration business of Aon Hewitt, Netherlands. Subsequent to the year end, it completed the acquisition of Inadmin from APG Group, Amsterdam. We are making operational changes to both the Aon and Inadmin businesses to increase their efficiency but they provide an excellent platform for the Group to expand its pension administration offering.

Chief Executive's Statement (continued)

Acquisitions

The Group takes a considered and rigorous approach to the selection, assessment, negotiation, decision making and exchange processes that surround acquisitions. The additions made in 2018 to the Group portfolio added new jurisdictions, highly skilled teams and a broader service offering.

Subsequent to the year end, the Group announced the acquisitions of Nerine Group and Jeffcote Donnison. We have known the management teams of both companies for many years.

Nerine Group

Nerine Group is headquartered in Guernsey and has offices in the BVI and Hong Kong. The business provides administration services to private and corporate clients and employs 100 people. The acquisition gives the Group an excellent and long established base in the BVI and a platform for development in Asia. The Nerine BVI office was significantly affected by Hurricane Irma and we are particularly grateful to the team for their resilience and fortitude during what was a very difficult time for the islands during and in the aftermath of the natural disaster.

Jeffcote Donnison

With offices in London, the Isle of Man and Hong Kong, Jeffcote Donnison's footprint complements the Group's and Nerine's existing offices, and gives the Group an experienced team in London to develop our UK private client and corporate administration business.

Information Technology

Information security

The financial services sector is in a period of significant technological change and PraxisIFM has made technology a core strand of its development strategy.

The Group has carried out a full review of its IT estate in light of recent news surrounding heightened risks of security breaches. The Group has invested significant capital expenditure to ensure our systems and client data remains as secure as current standards enable.

During the year, the Group attained the UK accreditation of Cyber Essentials Plus. This is a UK standard that requires stringent security measures to be applied to networks, access and software updates.

Technical capability

If we are to provide our clients with an intelligent and cost effective service and to effectively manage our risks, we believe that we need to continually invest in our administration systems and to automate processes where possible.

With the acquisition of 50% of RiskCo, the Group has significantly strengthened its in house IT and software development capabilities. Given its team's experience in developing technological solutions and project management, we believe we can continue to improve our operational efficiency.

Brand refresh

As part of our Group development, as well as our expansion into new geographic territories, the Group has undertaken a full review of our brand presence.

The outcome is a refresh of our brand that we believe better positions us as a developing and expanding international business.

The brand refresh has also been extended across our Group website and marketing material, with the intention of ensuring consistency and visible progress across our entire suite of client facing collateral.

Having taken the appropriate time and external, as well as internal, input for this work we feel both positive and well positioned for the next phase in our development.

Integration

The recent acquisition activity requires carefully planned integration into the Group. Underlying the plans is a core principle to see minimal disruption to client interaction and service delivery.

We fully integrate core areas of the business

- Brand and marketing
- IT networks and systems
- Performance management
- Financial reporting and monitoring
- Governance and culture
- Offices

As noted earlier, subsequent to the year end, and as part of its integration process, the Group implemented changes after the balance sheet date that will deliver significant savings and we see further opportunities to reduce costs.

Our People

The success of the Group comes from the professional approach of our people. At the year end, the Group employed more than 430 against 300 people last year and our office count has increased from nine to 17. With Nerine and Jeffcote Donnison, we now have 540 staff. We actively encourage all our colleagues to undertake professional qualifications and engage in continuing professional development. We believe this ethos delivers a high level of professionalism across the Group that is at the core of our culture and business approach.

We want our employees to benefit from their collective efforts and the Group's success. Over 43% of staff members have an equity interest in the Group and 65% of the Group is owned by our staff.

We actively encourage all our colleagues to undertake professional qualifications and engage in continuing professional development. We believe this ethos delivers a high level of professionalism across the Group that is at the core of our culture and business approach.

Simon Thornton, Chief Executive Officer, PraxisIFM

Group Finance Director's Report

The year ending 30 April 2018 has seen the Group develop a platform for growth.

Group performance

Group revenues have grown to £42.5m (2017: £35.1m). EBITDA for the year was £7.6m (2017: £7.9m).

The core areas of the Group continue to deliver significant revenue growth and generate cash. This enables the Group to take measured commercial risk within new markets and activities that the Board believes will deliver future value.

As described above, each of the core divisions have delivered organic revenue growth during the year. The Trust division grew by 12% organically and had new additions of £1.2m from acquisitions during the year. The disposal of UVL removed £1.0m of revenues from the Group. The Funds division grew by 12%, all of which was organic. Pensions has grown significantly, driven by the addition of £3.6m from RiskCo and 9% growth of the existing businesses.

During the year, the Group has taken on senior people and entered several new territories in addition to the execution of several acquisitions during the year and after the balance sheet date.

The Board and executive management team believe that this approach has created a strong base from which the Group will be able to expand operations and drive long term growth.

There are several specific areas that the Board is monitoring closely that have impacted the Group's overall performance during the year. The Board's opinion is that the underlying activities continue to be important to the Group's future development.

- We continue to invest in new offices which take some time to bed in. As these were outside of our acquisition activity, the associated establishment and development costs of £0.9m (2017 £0.2m) have been charged to the income statement
- The Mauritius office is taking longer than planned to grow independent revenue streams
- EBITDA margins in our funds business fell from 22% to 17%. This was caused by opening an office in New York, establishing a fund administration operation in Jersey, obtaining a fund administration licence in the Cayman Islands and Abu Dhabi and taking on senior resource in Luxembourg and Guernsey
- Work on tidying up the Confiance client book has taken longer than expected. The provision we made for doing this was exhausted in the prior year and the costs of £0.7m have been charged to the income statement this year
- The Group has taken a proactive approach to data protection, cyber risks and information security, placing client data confidentiality at the forefront of operations. During the year, we achieved Cyber Essentials Plus accreditation and continue to make improvements through hardware upgrades, software deployment and staff training
- The listing, capital raising and acquisitions processes consumed time and financial resource during the year.

The core areas of the Group continue to deliver significant revenue growth and generate cash. This enables the Group to take measured commercial risk within new markets and activities that the Board believes will deliver future value.

Peter Bruges, Group Finance Director

Operating Costs

The Group has seen an increase in operating costs driven by the building of the management platform ahead of the planned acquisition and integration strategic plan. These have had an impact on operating profits and EBITDA.

- The Group has broadened the senior management team over the last 12 months as it prepares the base for the next phase of growth and development
- This year we have brought in an experienced COO and new deputy heads of the Guernsey Trust and the Jersey Funds businesses. We have also hired business development resource in New York and Luxembourg
- The executive management team continually reviews the management structure of the Group and has made changes that we anticipate will deliver significant savings over the next year
- As noted above, the Group incurred start up and integration costs of £2.2m (2017: £1.0m). These costs are expensed through the income statement.

Cash

The Group's cash position remains very strong, with a positive net cash of £7.6m (2017: net debt of £0.3m) at the year end. The Group generated £8.3m (2017: £5.5m) of cash during the year from its operating activities, an improvement of 51%.

During the year, the Group raised £10.0m (2017: £6.5m) for new equity and paid out £10.0m (2017: £7.8m) for acquisitions. £4.5m (2017: £0.1m) of cash was added to the Group's cash balances within acquired businesses. The Group repaid bank loans of £2.2m (2017: drew down £3.3m).

Client debtors at the year end on the businesses owned at the start of the year stood at £8.1m (2017: £8.4m), representing 22% (2017: 24%) of annual revenues.

Following the year end, the Group secured a new £20m bank facility with RBSI to provide ongoing liquidity for acquisitions and capital expenditure.

Definitions

EBITDA is a widely recognised measure of profitability after adding depreciation, amortisation, interest and tax back to Profit for the Financial Year.

Start-up and integration costs refer to costs associated with business establishment, remediation, acquisitions, system changes and redundancies.

The Group's growth naturally opens up opportunities and progression for our people and we have seen a number of staff relocating which not only broadens their skill base but equally transfers honed skills to a new location.

Group Board of Directors

Andrew Haining MA Cantab
Non-Executive Chairman

Andrew joined PraxisIFM as Group Chairman in April 2017. Andrew has had a 30 year career in banking and private equity with Bank of America, CDC (now Bridgepoint) and Botts & Company. During this career, he has been responsible for over 20 private equity investments with transactional values in excess of $1bn. He holds several Guernsey and UK board positions including Chairman for Aurigny, the Guernsey owned Channel Islands airline.

Simon Thornton BA PhD ACA
Chief Executive Officer

A Chartered Accountant, Simon joined PraxisIFM in 1992 and has overseen the company's development and growth including the merger with IFM during 2015 and listing on TISE in 2017. He also sits on the Executive Committee and is a director of several Guernsey companies.

Iain Stokes BA FCCA
Non-Executive Director

In his early career, Iain worked for BDO and Guernsey International Fund Managers Limited (part of ING Barings) before joining Mourant International Finance Administration (MIFA) in 2003. As Group Managing Director, he was a member of the executive team that managed the sale of MIFA to State Street in 2010 and where he was a Senior Managing Director until 2012. He holds a range of non-executive directorships on fund management and fund investment companies focused on alternative asset strategies.

Brian Morris BA (Hons) FCA
Non-Executive Director

As Chairman of the Group Investment Committee, Brian's vision is to build on PraxisIFM's extremely solid base and to continue to look forward, anticipate and respond to economic and financial change and provide an outstanding service to our clients. Brian has an Honours degree in Accountancy and Finance and is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Jersey Society of Chartered and Certified Accountants.

Business Overview

The Group can trace its roots back over 45 years.

Since the merger of Praxis and IFM in 2015, the Group has unified its operations on a common operational platform. This allows the Group to offer certain services across the enlarged Group and facilitate the centralisation of operational functions.

The Group has also made acquisitions in Guernsey, Malta, Geneva, Dubai, the Netherlands, Hong Kong, BVI, Isle of Man and the UK as well as setting up operations in Abu Dhabi, Cayman and New York.

The Group has offices in BVI, Curaçao, Geneva, Guernsey, Hong Kong, Isle of Man, Jersey, Luxembourg, Malta, Mauritius, Netherlands, New Zealand, the UAE, the UK and the USA.

The Group has a mixed client base which is well-diversified, with no single client comprising more than 3.5% of annual billings in the financial year ended 30 April 2018. Furthermore, the top 10 clients accounted for less than 13.5 per cent of billings in the financial year ended 30 April 2018.

1972 IFM Formed.

1983 Praxis Formed.

2004/5 Opened in South Africa & Switzerland 2004/5.

2007 Opened in New Zealand.

2008 Opened in Malta & Switzerland. Acquired Bourse Fund Administration in Guernsey.

2009 Opened in Luxembourg. Acquired Investec Fund Administration In Guernsey.

2010 Opened UK Trust office in London Merged with Sector Trust in Jersey.

PRAXIS IFM

2013

Dubai marketing presence.

2015

Praxis and IFM merged. Acquired two Guernsey businesses and one in UK.

2016

Acquired Ampersand Mgt in Geneva & Mauritius, Balmor Mgt in Geneva & Ryland Gray in Dubai. Opened in ADGM: Abu Dhabi.

2017

Listed on The International Stock Exchange. Acquired 50% stake in RiskCo in the Netherlands. Opened UK Corporate Services office in London.

TISE LISTED

2018

Acquired Kompas International and Private Equity Service Group (PES) in the Netherlands. Acquired Nerine Group in Guernsey, BVI, Hong Kong and Geneva, and Jeffcote Donnison in London, Hong Kong and Isle of Man.

Business Overview

Global Services

Our offices across the globe enable us to provide international and cross-jurisdictional solutions to client's financial aspirations.


Europe
United Kingdom
Private Client & Corporate
Funds
Netherlands
International Expansion
Funds
Private Client & Corporate
Pensions
Isle of Man
Private Client & Corporate
Luxembourg
Funds
Guernsey
Private Client & Corporate
Funds
Pensions
Asset Financing
Treasury
Jersey
Private Client & Corporate
Funds
Treasury
Switzerland
Private Client & Corporate
Malta
Private Client & Corporate
Funds
Pensions
UAE
Private Client & Corporate
Funds
Pensions
Hong Kong
Private Client & Corporate
Mauritius
Private Client & Corporate
New Zealand
Private Client & Corporate

Business Overview

Stakeholder Relations

The Group places significant value on its stakeholder relationships with particular focus on our clients, employees, regulators, shareholders and the local communities in which it operates.

Clients

We pride ourselves on providing our clients with dedicated and highly experienced professionals who can provide them with an efficient, informed and intelligent service. Providing continuity to our clients is a key factor in delivering a high quality service and our high staff retention rates and investment in training are testament to the importance we place on our clients and our people.

Regulators

The Group operates within complex regulatory environments in each of its jurisdictions. We aim to ensure we meet or exceed those regulatory requirements. We put risk management and regulatory compliance at the forefront of our operations and it remains a core focus in all day-to-day activity and staff training. We deal with our regulators in an open manner and have a constructive dialogue with them as required.

Shareholders

Our shareholder base provides the capital that underpins the Group's ability to operate, to grow and to deliver long term strategic plans. The Group attaches significant importance to the effective and timely communication with its shareholders subject to statutory and regulatory constraints. Attendance at the AGM is encouraged and all questions are welcomed. Shareholders are also able to contact the company directly through the Company Secretary (Shona.Darling@PraxisIFM.com) or in writing with correspondence addressed to the Company Secretary.

We remain committed to the next generation and, in addition to the extensive number of staff undergoing professional qualifications, we have launched a university bursary scheme and are introducing a graduate training scheme.

Business Overview

Employees

Our people remain our most valuable resource and we are committed to ensuring that they have the necessary training and support in order that they are able to develop to the best of their individual ability. We have updated our mandatory training requirements to include cyber security, GDPR, and equality and diversity. Professional development remains integral to our ongoing success and it is encouraging that we continue to see our people commencing various professional qualifications and achieving impressive results, some of which have received awards from professional bodies.

The Group's growth naturally opens up opportunities and progression for our people and we have seen a number of staff relocating which not only broadens their skill base but equally transfers honed skills to a new location. As new opportunities arise for our people we are able to offer detailed development plans which may be complemented with the appointment of a mentor. Succession planning has been integral for our growth and this remains a focus for us going forward.

Where it has not been possible to fill senior positions internally, we have been able to hire very experienced professionals. While it remains our strong preference to recruit internally, our external candidates bring a fresh perspective to the business and this challenge is welcomed and embraced.

We remain committed to the next generation and, in addition to the extensive number of staff undergoing professional qualifications, we have launched a university bursary scheme and have a graduate training scheme.

The last financial year saw the launch of our Buy as You Earn Scheme, enabling our employees to buy shares in the Group and we were delighted with the uptake. The ability for employees to have a vested interest in the Group is attractive for new recruits and we believe this gives us an edge when compared to other employers.

We are mindful that a committed, fulfilled and healthy workforce is key for our success and we now have trained mental health first aiders within our Human Resources team and are also in the process of launching further well being initiatives.

Business Overview

Corporate Social Responsibility

We have a pro-active approach to establishing and developing our reputation and engagement within local communities.

The Group's business model is underpinned by the desire to be socially responsible, sustainable and ethically sound. Principally in local communities, this takes the following forms;

- Minimising any negative impact on our environment
- Supporting charities, organisations, sporting teams and events
- Actively encouraging our staff to get involved in events, charities and voluntary work

Among our initiatives during the year:

GUERNSEY

During the year we supported three key initiatives:

Guernsey Literary Festival

An annual event organised by a non-profit organisation which aims to offer a diverse programme of events for islanders and visitors. We were delighted to sponsor a series of events with some of the team behind the Guernsey Literary and Potato Peel film which was released in May 2018.

LA FONDATION MIRACLES

SWITZERLAND

Miracles Foundation

The Swiss charity helps the victims of landmines in Bosnia by providing prosthetic limbs for children and adults. Our Geneva office offers financial support and takes part in the charity's annual fundraising dinner.

PRAXIS IFM

GUERNSEY

Walk 30 Ways in 30 Days

Raising vital funds for Les Bourgs Hospice this initiative also encouraged islanders of all ages and ability to be active. More than 50 of our Guernsey team signed up to the challenge, contributing towards the £13,700 raised towards the hospice's annual operating costs.

Our staff and the Group have supported a number of other charities through our donations to the PraxisIFM Charitable Trust.

JERSEY

Be Safe Be Seen

The annual Channel 103 Be Safe Be Seen campaign promotes road safety awareness during the winter months and features live broadcasts, online safety messages and road safety assemblies in many of the island's primary schools. We were pleased to support this initiative for a 10th year.

Football - Jersey 2 Africa 4

Jersey 2 Africa 4 Football Foundation is a not for profit organisation founded to create innovative and dynamic ways to improve young lives in Africa.

The organisation has had an extremely positive impact both on and off the field, supplying football kits, balls, equipment, knowledge and techniques as well as educational and infrastructure support and funding in under-privileged and deprived areas such as the Quanjengo and KwaRueben slum districts of Nairobi.

PraxisIFM was pleased to be ball sponsor at the Stanbic Football Festival for Friendship held at the Mathare Youth Sports Association in Nairobi in June 2018.

Business Overview
Executive Committee

Simon Thornton BA PhD ACA
Chief Executive Officer

Simon has been involved in various aspects of Guernsey's financial services sector since 1994. A director of several companies, he has been responsible for managing many corporate and property transactions. He acts and has acted as chairman of the audit and remuneration committees of a variety of quoted and unquoted companies. Simon is a former member of the Technical Sub-Committee of the Guernsey Society of Chartered and Certified Accountants.

Anthony Paul BA (Hons) MCSI
Group Head of Compliance

Anthony joined PraxisIFM in 2007 and has more than 30 years' experience in the offshore finance industry. He has been a member of the Guernsey International Fund Association Compliance Sub-committee since the late 1990s.

Kevin Scott BSc (Hons)
Group Chief Operating Officer

Kevin has more than 20 years' experience in building and managing international business at a senior level with well-known asset management groups, most recently Jupiter Asset Management. He joined PraxisIFM in January 2018.

Peter Bruges FCCA
Group Finance Director

Peter joined PraxisIFM in January 2017 as Group Finance Director. He has held senior finance, IT and programme management roles in the retail and finance sectors. Peter is also a director on the GP of a private equity fund.

Richard Kearsey FCA
Managing Director

Richard structures and manages the affairs of large international families and has a wide number of high net worth private client relationships. He has been Managing Director of PraxisIFM Trust in Jersey since 2015.

Tim Cumming MA CA
Director,
Praxis Corporate Finance Limited

Among his project management roles Tim is responsible for carrying out Due Diligence relating to the Group's acquisition activities. Tim qualified as a Chartered Accountant in 1984 and joined PraxisIFM in 1989.

Robert Fearis FCCA TEP
Managing Director

Robert's expertise covers a wide variety of structures for private & corporate clients and regulated financial services businesses. He was appointed manager of the trust department in 1995 and joined the board of directors in 1997.

Guido Wagenaar
Head of International Expansion Services

Guido's background is in building and operating global financial businesses and he was involved in the expansion of Orangefield Services. He co-founded Kompas International in 2017 and joined PraxisIFM in 2018.

Frederik Bernoski
General Counsel

Frederik has practiced as a corporate lawyer since graduating in 1999. He founded Kompas International in 2017 and joined PraxisIFM in 2018 as General Counsel for the Group and member of the Executive Committee.

Marc Veen MBA
Executive Board Member, RiskCo

Marc joined PraxisIFM as an Executive Committee member in June 2018. He has a 30 year career in private equity and venture capital and has held numerous international board positions including Chairman of Refresco.

Directors' Report

The Directors present their report and the audited consolidated financial statements for the year ended 30 April 2018.

Incorporation

The Company was incorporated in Guernsey on 15 December 1995 and is listed on TISE

Statements of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Guernsey) Law, 2008

The directors confirm that

- So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware
- Each director has taken all the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information
- The financial statements give a true and fair view and have been prepared in accordance with UK Accounting Standards and the Companies (Guernsey) Law, 2008.

Principal activities

The Group's principal activities are Trust & Corporate Administration, Fund Services and Pension Services.

Results and dividends

During the year gross dividends of £2,141,467 (2017: £1,976,301) were paid to the Company's shareholders. Earnings before interest, tax, deprecation and amortisation ("EBITDA") for the year was £7,624,865, the calculation for which is set out below:

	2018 £'000	**2017 £'000**
Profit for the year	3,811	5,100
Add back:		
Interest	255	188
Taxation	981	833
Depreciation	851	696
Amortisation	1,726	1,101
EBITDA	7,624	7,918

Directors' Report (continued)

In the annual report for the year ended 30 April 2017, EBITDA was calculated from net profit, which includes other comprehensive income (OCI).

In order to bring our reporting and analysis of business performance in line with industry standard, EBITDA is calculated based on profit after tax as a starting point. The exclusion of OCI reduces volatility in the figure caused by unrealised gains and losses.

This has had the effect of reducing EBITDA for the year to 30 April 2017 from £8,292k to £7,918k.

Directors

The directors of the Company during the year are set out on page 2.

At the Annual General Meeting of the Company on 24 November 2017, shareholders approved the re-election of Andrew Haining and Iain Stokes.

In line with the Board policy, each Director will stand for re-election at regular intervals therefore Simon Thornton will stand for re-election at the 2018 Annual General Meeting.

Brian Morris was appointed by the Board as a director with effect from 15 August 2018, holds office until the next Annual General Meeting and will be proposed for re-election.

Board effectiveness

The directors undertake, on an annual basis, an assessment of the effectiveness of the Board which considers the balance of skills, experience, independence and knowledge of the Company. The Board also evaluates the effectiveness of each of the directors.

This independent review did not raise any areas for concern, however as a result of these discussions it was agreed to enhance the composition of the Board by appointing a further non-executive director resulting in Brian Morris being appointed with effect from 15 August 2018.

Directors' meetings and attendance

The table below shows the Directors' attendance at Board and Committee meetings during the year.

Name	**Board - Scheduled**	**Ad Hoc**	**Audit Committee**	**Nomination & Remuneration Committee**
Number of meetings held	4	13	3	1
Andrew Haining	4	10	3	1
Iain Stokes	4	10	2	1
Simon Thornton	4	11	3	1

Directors' interests

The current directors' interests in the share capital of the Company are set out below:

	30 April 2018			30 April 2017		
	No. of shares	Percentage	Interest	No. of shares	Percentage	Interest
Andrew Haining	550,000	0.54%	Indirect	550,000	0.62%	Indirect
Iain Stokes	196,102	0.19%	Direct	196,102	0.22%	Indirect
Simon Thornton	3,595,270	3.51%	Direct	3,595,270	4.03%	Direct

Directors' Report (continued)

Directors' interests

The current directors' interest in options over the ordinary shares of the Company are set out below:

	30 April 2018				30 April 2017			
	No. of options	Exercise price	Grant date	Expiry date	No. of options	Exercise price	Grant date	Expiry date
Andrew Haining	400,000	100p	3/4/17	*	400,000	100p	3/4/17	*
	400,000	110p	3/4/17	**	400,000	110p	3/4/17	**
Iain Stokes	200,000	100p	3/4/17	*	200,000	100p	3/4/17	*
	200,000	110p	3/4/17	**	200,000	110p	3/4/17	**
Simon Thornton	800,000	100p	3/4/17	*	800,000	100p	3/4/17	*
	800,000	110p	3/4/17	**	800,000	110p	3/4/17	**

* Expiry date is up to 36 months after option price exceeds £1.10 per share. ** Expiry date is up to 36 months after option price exceeds £1.60 per share.

There were no changes in the interests of the directors at 30 April 2018 prior to the date of this report.

Shareholders

Shareholders, other than directors, known directly or indirectly to have an interest in 3% or more of the nominal value of the ordinary shares of the Company were as follows:

	10 September 2018			30 April 2017		
	No. of shares	Percentage	Interest	No. of shares	Percentage	Interest
Huntress (CI) Nominees Limited A/C KGCLT	22,988,774	22.17%	Direct	22,613,774	22.06%	Direct
DPV Limited	7,078,183	6.83%	Direct	6,505,281	6.35%	Direct
Framley Consultancy Limited	5,379,310	5.19%	Direct	5,379,310	5.25%	Direct
Brian Morris	-	-	-	4,834,596	4.72%	Direct
Christopher Gambrell	4,153,304	4.00%	Direct	4,153,304	4.05%	Direct
Richard Kearsey	3,859,680	3.72%	Direct	3,859,680	3.77%	Direct
Robert Fearis	3,517,500	3.39%	Direct	3,517,500	3.43%	Direct
Timothy Cumming	3,298,068	3.18%	Direct	3,298,068	3.22%	Direct
John Medina	3,127,339	3.02%	Direct	3,127,339	3.05%	Direct

Brian Morris retained his shareholding following appointment as a director of the Group on 15 August 2018.

As at 30 April 2018, 22,613,774 ordinary shares (30 April 2017, 19,051,500) were registered in the name of Huntress (CI) Nominees Limited A/C KGCLT. These shares were held in a nominee capacity for a number of underlying shareholders.

Directors' Report (continued)

Going concern

After a review of the Group's forecast and projections, the directors have a reasonable expectation that the Group has adequate resources for a period of at least 12 months from the date of signing of these financial statements. The Group therefore continues to adopt the going concern basis in preparing these financial statements.

Directors' and officers' liability insurance

The Group maintains insurance in respect of directors' and officers' liability in relation to the Directors' and officers' actions on behalf of the Company or Group.

Anti-bribery and corruption

The Group conducts its business in a legal and ethical manner and does not tolerate acts of bribery and corruption either by its own employees and operating companies or by its agents or other associates.

Company Secretary

The Company Secretary who held office at the year end was Ms Shona Darling.

Independent auditor

BDO Limited has signified its willingness to continue in office. A resolution to re-appoint them will be proposed at the AGM.

Annual General Meeting

The AGM of the Company will be held at the The Old Government House Hotel & Spa, St Ann's Place, St Peter Port, Guernsey on 21 November 2018.

This report was approved by the Board on 19 September 2018 and is signed on its behalf by:

Andrew Haining
Chairman
19 September 2018

Simon Thornton
Chief Executive Officer
19 September 2018

Corporate Governance Report

The Group has adopted the Finance Sector Code of Corporate Governance (the Code) issued by the Guernsey Financial Services Commission. As a financial services group, PraxisIFM is fully committed to the principles of good corporate governance including effective management, reporting and transparency. During the year the Group has followed the principles of the Code.

The Group Board and Executive Committee operate independently. To ensure expediency and the ability to operate effectively, the Board has delegated certain responsibilities to the Executive Committee.

The Board

The Board meets at least once a quarter and consists of the Non-Executive Chairman, two Non-Executive Directors and the Chief Executive Officer. The roles of the Chairman and the Chief Executive Officer are separated, ensuring a clear division of responsibilities. The combined skills and experience ensure independence and enable effective decision making and delivery of the Group's strategic objectives.

The Board is responsible to the Group's shareholders and sets the strategic direction of the Group. It approves financial reporting, internal controls, investments and acquisitions, communication with shareholders, significant expenditure and changes to the structure and capital of the Group.

The Board is evaluated on an annual basis to ensure that it continues to be able to conduct its activities and discharge its responsibilities effectively. The latest evaluation was undertaken during March 2018.

The Board is ultimately responsible for the management of risk of the Group and has delegated responsibility for implementation to the Executive Committee. The Group operates a risk-based approach to every aspect of its activities including but not limited to client take-on, internal operations, staff training, systems development, information management and acquisitions.

The Board has established the following committees to ensure effective governance and focus.

The Audit Committee

The Audit Committee comprises all of the Directors, with Iain Stokes as the Chairman. The Committee meets not less than twice in each financial year.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises all of the Directors, with Andrew Haining as the Chairman. The Committee meets at least once a year.

The Executive Committee

The Executive Committee is made up of the senior management team and is responsible for the day-to-day management of the Group's operations and activities.

The Executive Committee assists, advises and makes recommendations to the Board in relation to delivery of strategic objectives, compliance and risk management, financial and management reporting, performance and budgeting, systems and technology and human resources.

The Investment Committee

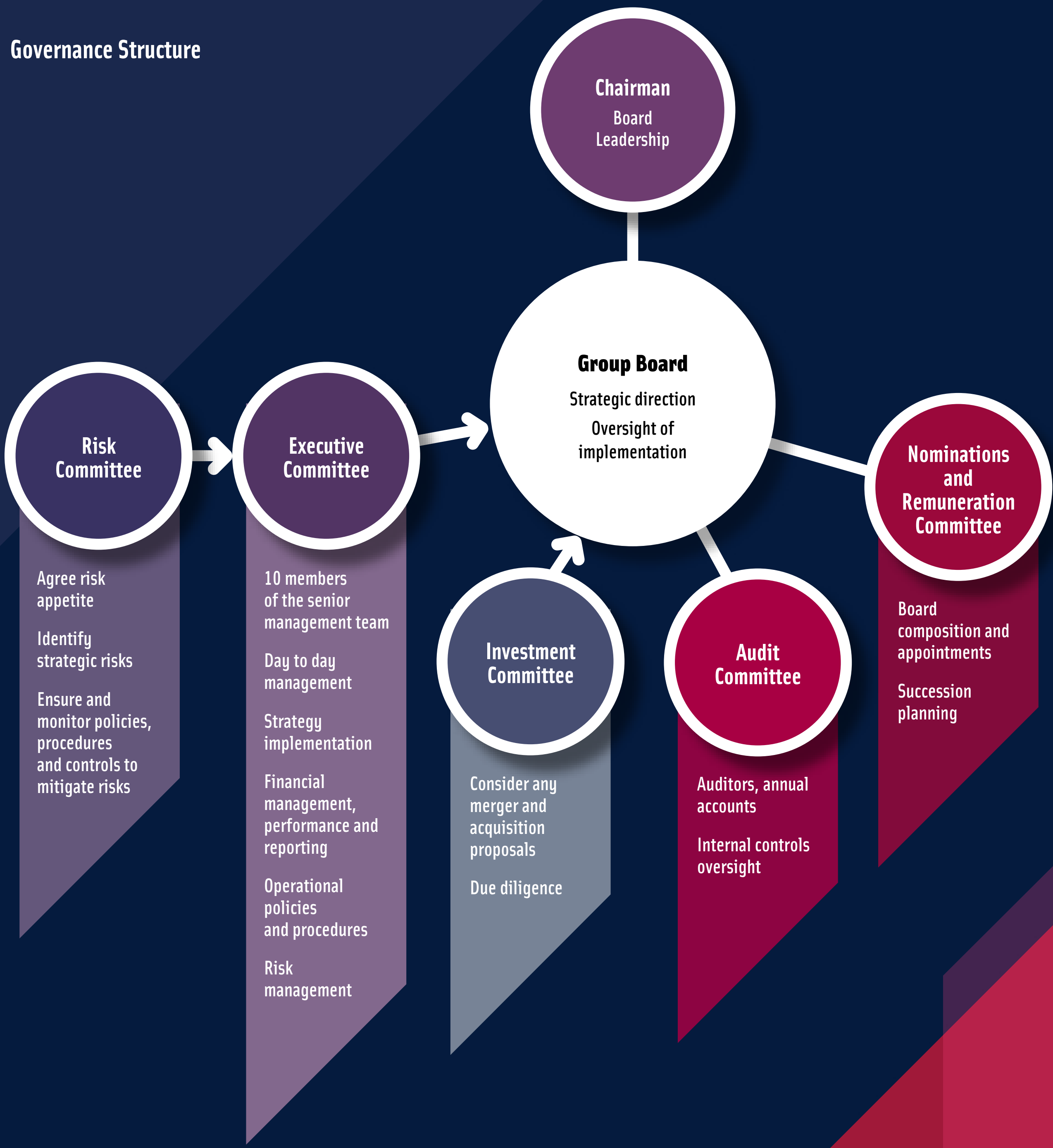
As part of the Group's governance regime that protects and enhances stakeholder interests, the Investment Committee operates independently to the Executive Committee and reports directly to the Group Board. It operates a two-stage process of approval. The first enables negotiation of terms with a target, the second and final ensures that the Board has sufficient information to authorise execution of contractual agreements.

The Investment Committee's terms include responsibility for:

- Consideration of any merger and acquisition (M&A) proposal before it is presented to the Board
- Review of any M&A proposals to ensure they meet the strategic aims of the Group and protect the interests of stakeholders
- Ensuring sufficient scrutiny is applied to decision making and the due diligence process
- Making investment recommendations to the Board setting out the rationale for the transaction
- Management of the M&A timescales and relations with sponsors and advisors
- Initiation and management of the due diligence process;
- Planning the execution and implementation of proposals agreed by the Board
- Management of any deemed conflicts of interest that arise in respect of any proposal.

Corporate Governance Report (continued)

Governance Structure



Risk Statement

Risk Appetite

The Group must take risks in order to achieve its strategic objectives and deliver beneficial outcomes for its stakeholders. However, these risks are taken in a controlled and considered manner, ensuring that impact is kept to a level acceptable by the Board.

The Board has delegated risk management to the Executive Committee. The Executive Committee monitors and manages Group level risk and each business unit has a risk committee to manage operational and other risks at the local level.

While commercial risk is the driver of business development, the Group is averse to regulatory risk which carries the consequences of significant damage to its reputation and a threat to its ability to carry on its core regulated activities. Regulatory compliance, specifically areas such as anti money laundering and countering the financing of terrorism, are considered vital to the long term, sustainable growth of the Group.

Risk Management

The Group has adopted a multi-layered approach to risk management.

On a day-to-day basis the Group's client facing teams are responsible for operating in accordance with the Group's policies and the specific procedural and control environment of the business unit. The Group's divisional compliance teams are responsible for conducting and reporting on the compliance monitoring programme to the Group Head of Compliance. The relevant business's compliance officer reports directly and independently to both their operating board and to Group Head of Compliance. The divisional and Group risk committees are responsible for overseeing the risk management arrangements and reporting their deliberations to the relevant company's board. These risk committees are mandated under clear terms of reference which include client acceptance, dealing with exceptional cases and reviewing risk exposures.

The Group maintains high standards of compliance in respect of risk assessment, client take-on, anti-money laundering and other regulatory requirements. Significant time and resources are spent on training staff, reviewing and improving risk management, and on the implementation and monitoring of its compliance procedures and processes. The Group believes it has an effective risk and compliance function and a culture of compliance embedded within the service teams. The risk and compliance structure provides appropriate checks and balances, with procedures well documented and key controls embedded within the Group's database systems.

Each of the regulated businesses within the Group has undertaken a business risk assessment exercise which was reviewed by the Group Head of Compliance. The process helps verify existing risk assessments, ensure consistency of approach, identify potential new risks and help frame the compliance monitoring programmes and other risk management controls.

The Board recognises that the Group is continually developing and improving its operational environment. An effective Risk Management framework enables the Group to monitor and maintain its defences, through the identification of areas in the Group's policies and procedures that require enhancement. The Compliance Monitoring Programme is a key tool to test and monitor the control environment, analyse the results and report the management information to the operating company boards and onwards to the Group Board. The Board considers these findings in the context of its strategic business objectives and takes appropriate, risk-based action.

Risk Statement (continued)

Key Risks

The Board has identified certain areas of risk that are specific to the business of the Group and are monitored closely by the Group Risk Committee.

Risk	Mitigants
Service Risk The Group administers client structures in accordance with standard terms of business and administration agreements (the "contractual framework") which define the services to be delivered and limit the scope of services the Group is responsible for. Errors or breaches may occur resulting in the invocation of PraxisIFM's contractual protections and potentially give rise to a claim against the Group.	The Group operates robust procedures and processes to ensure services are delivered in accordance with the contractual framework.
Key Personnel Risk The Group is dependent upon key senior management personnel who have extensive experience and knowledge of the Group, the Group's markets, product offering, client base, and administered structures.	The Board works with senior management to ensure that there are effective succession plans. The Group continuously engages with its network to identify potential future leaders. A key part of the acquisitions strategy is to identify key people to help the development of the Group and to achieve its strategic objectives.
Litigation Risk The Group takes such precautions as it considers appropriate to avoid or minimise the likelihood of any legal proceedings or claims against it, and any resulting financial loss.	The costs of defending against claims or any settlement of a claim may be covered by professional indemnity insurance up to the limit of the Group's policies.
Fiduciary Risk The Group acts in a fiduciary capacity on many client structures. This may involve acting as trustees and/or acting as directors on administered entities where responsibility for decision making is assumed. Acting in a fiduciary capacity creates specific legal obligations, a breach of which could give rise to a claim against the Group and its employees, and/or regulatory sanction.	The procedures and processes operated by the Group have been designed to address the risks associated with acting in a fiduciary capacity and whenever possible the Group's terms of business seek to cap or otherwise limit liability except in cases of fraud, wilful misconduct or gross negligence, or in respect of any other liability which cannot lawfully be excluded.

Risk Statement (continued)

Risk	Mitigants
Third Party Service Providers Risk The Group is reliant upon third party service providers for certain aspects of its businesses (for example its clients' banking arrangements and operating software for its core administration services). Any interruption or deterioration in the performance of these third party service providers or software could impair the timing and quality of the Group's services and profitability.	The Group operates an internal control process when engaging third party service providers that includes a risk assessment covering regulatory, operational and financial aspects.
Regulatory Risk The Group is subject to the laws and regulations of the countries in which it operates. Many of the Group's subsidiaries operate in a regulated environment and are subject to ongoing supervision and other regulatory requirements. Any breach of any applicable law, regulations, licence conditions or the requirements of the relevant regulatory authority could result in the Group, its directors and key personnel being fined or being the subject of criminal or other disciplinary proceedings and have material adverse consequences for the Group and its business.	The Group operates strict internal process and procedures to ensure that regulatory and legal requirements are understood and adhered to in each of its jurisdictions. In addition the Group ensures its employees receive effective training and ongoing support.
Acquisition Risk Acquisitions give rise to inherent execution and integration risk. The process of integration may produce unforeseen operating difficulties and expenditures and may absorb significant attention of the Group's management that would otherwise be available for the ongoing development of the business. In addition, acquisitions also involve a number of other risks including unforeseen liabilities, difficulties in realising costs or revenues, loss of key employees and client relationship issues.	The Group conducts full financial, operational and personnel assessment and due diligence processes to minimise uncertainty and the potential for unforeseen issues. The Group has a detailed integration plan for new acquisitions to ensure effective on boarding and merging of people, operational procedures, training, systems and reporting. The Investment Committee oversees the engagement, due diligence and integration processes to ensure they are carried out, are effective and provide sufficient reporting to the Board.

Risk Statement (continued)

Risk	Mitigants
Reputation Risk Our good reputation is vital to the continued success of the Group.	The risks described in this Risk Statement all have the potential to damage our reputation and consequently are mitigated and managed through the Group's policies, procedures and controls.
Operational Risk Operational risk is the risk of loss resulting from inadequate or failed internal processes, personnel and systems or from external events.	The Group adopts a multi-level approach to the mitigation of operational risk, firstly through its policies and procedures in which the controls are embedded, secondly through the compliance monitoring of the application and effectiveness of those policies and controls and thirdly through management and Board level reporting to facilitate corrective action where appropriate.
Technology Risk The Group operates on technology platforms to deliver client services. The Group's systems are hosted in the Channel Islands and in Geneva.	The Board is aware of and is regularly updated with information regarding cyber security and the potential threats posed by poor data management, hackers and criminals. The Board has completed a full review of the Group's systems and technology roadmap to ensure continued data security and enhancements to technological capability. The Group is accredited under Cyber Essentials Plus, the UK government's cyber security protocol and has implemented significant information access, monitoring and active defence software to protect client and Group information.

Remuneration Committee Report

Dear Shareholder

I am pleased to present, on behalf of the Board, the report of the Remuneration Committee in respect of the year ended 30 April 2018.

Objectives of the remuneration policy

The Committee's objective is to ensure remuneration encourages, reinforces and rewards the growth of shareholder value and promotes the long-term success of the Group. The Committee agreed that executive remuneration should have the following aims:

- Attract, retain and motivate high calibre senior management
- Be consistent, simple and understandable, both externally and to colleagues
- Encourage widespread share ownership across the Group's employees
- Be consistent with regulatory and good corporate governance requirements and
- Does not reward behaviour that increases exposure to risks outside of the Group's risk appetite.

In determining remuneration, the Committee takes into account market practice for a company of this size and complexity, the performance of the Group, the senior managements' current equity holdings and options, and the Committee's responsibility to Shareholders.

Application in the year to 30 April 2018

Base salaries

In line with the pay rises applied to all Group staff, the senior executive team received a salary increase of 2.4% in May 2017.

Bonuses

The senior executive team do not currently receive any bonuses or variable remuneration. The Group seeks to reward its staff through equity participation so as to better align the interests of our staff with those of our shareholders.

Other benefits

Executive Directors and senior management receive a number of benefits, such as defined contribution pension contributions, death in service, and family private medical cover, in line with Group policy for all employees. No performance metrics apply to these benefits.

Options

No options were granted to the directors during the year.

Shareholdings

Although there is currently no formal guideline in respect of senior management ownership of the Groups shares, the Committee believes it is an essential part of aligning the interests of management and shareholders and promotes a long-term approach to performance and risk management. The Committee is currently exploring ways to maintain, in the long-term, significant equity participation by the Group's management and employees.

Non-Executive Directors

The fees of the Non-Executive Directors are set by the Board and the Chairman's fee is set by the Committee (the Chairman and the Non-Executive Directors do not take part in any discussion of their own fees). Fees are reviewed periodically by reference to market levels and likely time commitment.

Non-Executive Directors receive a fee for carrying out their duties, together with additional fees for those who chair the primary Board committees and perform additional duties. The level of fees of the Chairman and other Non-Executive Directors reflect the time commitment and responsibility of their respective roles.

Conclusion

In its first year as a listed company, the Group has continued its growth and transition to a multinational business. The Committee is mindful of the Group's ethos and reward strategy and the role this long term approach has had in the success of the Group.

Andrew Haining
Chair of the Remuneration Committee

19 September 2018

The Committee's objective is to ensure remuneration encourages, reinforces and rewards the growth of shareholder value and promotes the long-term success of the Group.

Andrew Haining, Chair of the Remuneration Committee

Audit Committee Report

Dear Shareholder,

I am pleased to report to you on the activities of the Audit Committee for the year ended 30 April 2018.

The Board has established terms of reference in respect of the membership of the Audit Committee, its duties, reporting responsibilities, and authority given to its members (the Terms of Reference). The Terms of Reference are reviewed on a regular basis.

The Group has adopted the Finance Sector Code of Corporate Governance (the Code) issued by the Guernsey Financial Services Commission and the Audit Committee is of the opinion that the Code allows it to act as a key independent oversight committee contributing to a climate of discipline and control.

Terms of Reference

The Audit Committee's primary function is to assist the Board in fulfilling its oversight responsibilities and, under the Terms of Reference, its main duties include:

Financial Reporting

- Monitor the integrity of the financial statements of the Group, including its annual and half-yearly reports and any other formal announcement relating to its financial performance and
- Review significant financial reporting judgments contained in these statements and announcements, including the consistency of accounting policies, the methods used to account for significant or unusual transactions, accounting for key estimates and judgements, the clarity and completeness of disclosure in the Group's financial reports and all material information presented with the financial statements, such as corporate governance statements relating to the audit, risk management, internal control, the going concern basis of accounting and longer term viability.

Risk Management Systems

- Monitor and review the effectiveness of the Group's financial reporting and controls and its systems for internal control and risk management (for both financial and non-financial risks) and approve the statements to be included in the annual report and accounts concerning risk management.

Compliance, Whistle blowing and Fraud

- Review the adequacy and security of the Group's arrangements to raise concerns, if any, about possible wrongdoing in financial reporting or other matters
- Review the Group's procedures for detecting fraud;
- Review the Group's systems and controls for the prevention of bribery and receive reports on non-compliance
- Review the adequacy and effectiveness of the Group's anti-money laundering systems and controls and
- Review the adequacy and effectiveness of the Group's compliance function.

External audit

- Oversee the relationship with the external auditor including making recommendations of remuneration, terms of engagement, assessing independence and objectivity, compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Group, assessing qualifications, expertise and resources and the effectiveness of the audit process.

In regard to the above duties, I confirm, on behalf of the Audit Committee, that, to the best of our knowledge and belief, we have fulfilled our responsibilities in line with our Terms of Reference and in accordance with the Code.

Membership of the Committee

The Audit Committee was established on the Group's TISE listing in April 2017 and consists of Andrew Haining, Simon Thornton, and myself, Iain Stokes, as its Chairman. Mr Haining and myself are Non-Executive Directors and Dr Thornton is an Executive Director and a member of the Group's Executive Committee and Investment Committee. The Audit Committee has concluded that its membership and competence meets the requirements of Principle 1 of the Code.

Each member is financially literate and has knowledge of the following key areas:

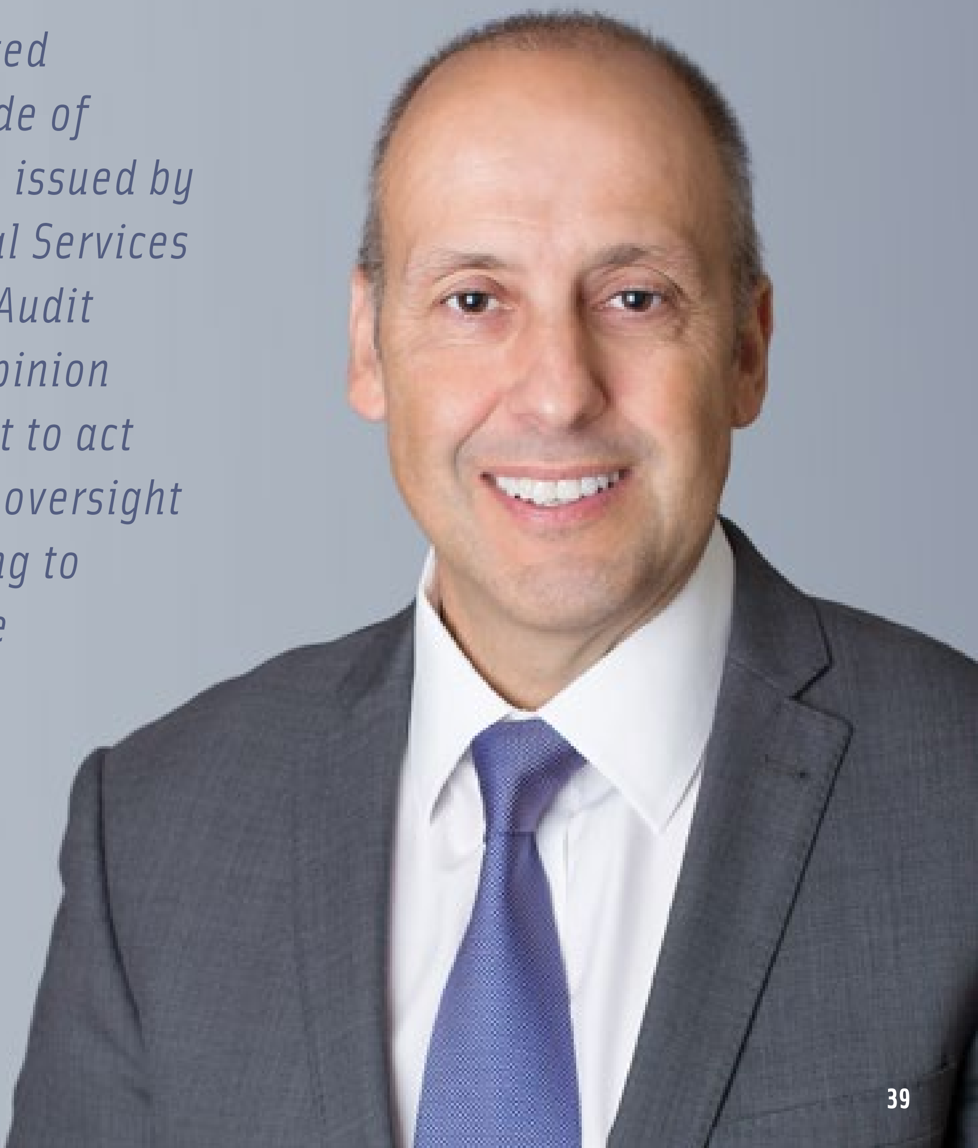
- Financial reporting principles and accounting standards
- The regulatory framework within which the Group operates
- The Group's internal control and risk management environment and
- Factors impacting the Group's financial statements.

The Audit Committee meets at least twice a year. Representatives of the Group's external auditor, BDO Limited (BDO), attend Audit Committee meetings when appropriate.

In his role as a member of the Audit Committee, each member is available to discuss any particular matter with his fellow Board members and in addition, the Audit Committee has the opportunity to meet with the Executive Committee and BDO. In order to ensure that all Directors are kept up to date and informed of the Audit Committee's work, I provide a verbal report at Board meetings on key matters discussed at the Audit Committee meetings. In addition, the minutes of all Audit Committee meetings are available to the Board.

The Group has adopted the Finance Sector Code of Corporate Governance issued by the Guernsey Financial Services Commission, and the Audit Committee is of the opinion that the Code allows it to act as a key independent oversight committee contributing to a climate of discipline and control.

Iain Stokes, Audit Committee Chairman



Audit Committee Report (continued)

How the Audit Committee has Discharged its Responsibilities

In the year under review, the Audit Committee met three times, attendance at which is set out on page 29. The Audit Committee meetings focused on the following key areas:

Monitoring the integrity of the financial statements including significant judgements

- We reviewed the appropriateness of the Group's significant accounting policies, critical accounting judgements and key sources of uncertainty and monitored changes to, and compliance with, accounting standards on an ongoing basis.
- Prior to making any recommendations to the Board, we reviewed the Annual Report and Audited Financial Statements for the year ended 30 April 2018 (the Annual Report). We compared the results with management accounts and budgets, focusing on the significant accounting matters set out below.
- In undertaking this review, we discussed with the Executive Committee and BDO the critical accounting policies and judgements that have been applied and at the request of the Audit Committee, the Executive Committee confirmed that they were not aware of any material misstatements including matters relating to the Annual Report presentation. BDO also reported to the Audit Committee on any misstatements that they had found during the course of their work and confirmed no material amounts remained unadjusted.
- At its meeting to review the Annual Report, the Audit Committee received and reviewed a report on the audit from BDO. On the basis of its review of the report, the Audit Committee is satisfied BDO has fulfilled its responsibilities with diligence and professional scepticism.
- The Audit Committee is satisfied that the Annual Report appropriately addresses the critical judgements and key estimates (both in respect to the amounts reported and the disclosures) and that the significant assumptions used for determining the value of assets and liabilities determined were in compliance with FRS102 and were reasonable.
- The Audit Committee is therefore satisfied that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

Significant Accounting Matters

During the year the Audit Committee considered key accounting issues, matters and judgements regarding the Group's financial statements and disclosures including those relating to:

Acquisition Accounting

At 30 April 2018, the Group's intangible fixed assets had a fair value of £34.8m, of which goodwill comprises £33.8m. This represents a substantial and material portion of the net assets of the Group, and is the largest factor in relation to the accuracy of the financial statements. As such, this balance is monitored and reviewed by the Executive Committee, Audit Committee and the Board.

Goodwill is assessed annually for impairment, with its carrying value at the balance sheet date being compared to a valuation made by the Group. The valuation made by the Group is subject to significant judgement and uncertainty, and as such the Audit Committee required the Executive Committee to provide a detailed analysis of valuation methodology and a reasoned assessment of fair value for each item of goodwill. Furthermore, the Audit Committee challenged the key assumptions, in particular their sensitivities to stress scenarios.

Following discussion, we were satisfied that the judgements made and methodologies applied were prudent and appropriate and that the correct accounting treatment has been adopted. Please see further details outlined in note 11 to the financial statements.

Revenue Recognition

The Group generates revenue from multiple streams of income and varying type of recognition criteria and there is a risk that Group recognition policy is not adhered to consistently as stated in note 2 to the financial statements.

The Audit Committee reviewed the Group's key controls over its billing cycle, work in progress and recovery rates, which form the basis of the Group's revenue.

Bad Debt Provision

Significant judgements are required in relation to provisions and their recoverability that may be adversely impacted by clients' unforeseen financial difficulties or inability to settle debts.

An allowance is made for the estimated irrecoverable amounts from debtors and this is determined by reference to past default experience.

Bad debt provisioning is a bespoke process for each business unit and requires in depth knowledge of the client base.

The Audit Committee investigated trends in debtor movements by requiring the Executive Committee to provide a detailed analysis of the bad debt provision and provide a reasoned assessment.

Audit Committee Report (continued)

Assessment of Principal Risks and Uncertainties

The risks associated with the Group's financial assets, as disclosed in the financial statements, particularly in notes 2 and 3, represent a key accounting disclosure. Following input from the Executive Committee, the Audit Committee critically reviews the identification process and on-going measurement of these risk disclosures.

Risk Management and Internal Controls

The Board as a whole is responsible for the Group's system of internal control; however, the Audit Committee assists the Board in meeting its obligations in this regard. There is no direct internal audit function and the Executive Committee oversees the daily operational activities of the Group. The Audit Committee regularly monitors confirmations from the Executive Committee that no material issues have arisen in respect of the system of internal controls and risk management operated within the Group. Annually, the Audit Committee reviews the effectiveness of the Group's material controls, including financial, operational and compliance controls.

External Audit

It is the responsibility of the Audit Committee to monitor the performance, independence, objectivity and re-appointment of BDO. We met with BDO in January 2018 to review its Interim Review Report in relation to the Group's Unaudited Interim Financial Statements for the period from 1 May 2017 to 31 October 2017. In March 2018, we further met with BDO who presented its Audit Planning document for the year; we agreed the audit plan for the year, highlighting the key financial statement and audit risks, to seek to ensure that the audit was appropriately focused. In June 2018, we met with the Group Finance Director and BDO to review the assessment of goodwill for each subsidiary. BDO attends our Audit Committee meetings throughout the year, as appropriate, which allows an opportunity to discuss any matters they may wish to raise.

BDO provides feedback at each Audit Committee meeting on topics such as key accounting matters, mandatory communications and the control environment.

BDO was formally re-appointed as the Group's auditor for the 2018 year-end audit following the AGM on 24 November 2017. BDO has expressed its willingness to continue in office as Auditor. The Audit Committee continues to be satisfied with the performance of BDO.

We have therefore recommended to the Board that BDO, in accordance with agreed terms of engagement and remuneration, should continue as the Group's auditor and a resolution proposing its reappointment will be submitted at the forthcoming AGM. The lead audit partner will be rotated every five years to ensure continued independence and objectivity. In advance of the commencement of the annual audit, the Audit Committee reviewed a statement provided by BDO confirming its independence within the meaning of the regulations and professional standards.

In addition, in order to satisfy itself as to BDO's independence, the Audit Committee undertook a review of the auditor compensation and the balance between audit and non-audit fees. The following table summaries the remuneration paid to the external auditor for audit and non-audit services during the year ended 30 April 2018:

Audit fees	**£**
Group audit fees	269,134
Non-audit services fees	
ISAE3402 reporting	64,000
Tax compliance and advisory services	31,050
Total	**364,184**

Committee Effectiveness

Both the Board and the Audit Committee review the effectiveness of the Audit Committee on an annual basis. Following such review, I am pleased to advise that the Audit Committee is considered to continue to operate effectively and efficiently. A member of the Audit Committee will be available to Shareholders at the forthcoming AGM of the Group to answer any questions relating to the role of the Audit Committee.

Signed on behalf of the Audit Committee by:

Iain Stokes

Audit Committee Chairman

19 September 2018

Independent Auditor's report to the members of PraxisIFM Group Limited

Opinion

We have audited the financial statements of PraxisIFM Group Limited for the year ended 30 April 2018 which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard in the United Kingdom 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 group's affairs as at 30 April 2018 and of the group's profit for the year then ended;
- The group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Guernsey (Companies) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.

Independent Auditor's Report (continued)

Key audit matters

Key audit matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KAM - Revenue recognition and valuation of accrued income

KAM description	The Group generates revenue from multiple streams with varying recognition criteria. There is a risk that the Group recognition policy is not adhered to consistently as stated per the financial statements. Accrued income is calculated based on time charged by staff on client matters upon which a discount rate is applied for recoverability. The calculation of the accrued income requires management judgement with regards to the chargeable time that would be recoverable and therefore there is a risk that it might be misstated. There is a high level of judgement applied by management in assessing and determining the value of accrued income. The accounting policy in relation to accrued income is disclosed in note 2 to the annual report. The assumptions and judgements which are made in respect of this area are set out in note 3. For a sample of clients where accrued income has been recognised we have reviewed the level of chargeable time incurred and recovered post year end. For those amounts not billed or recovered post year end, we have challenged management's judgement and rationale as to the recoverability of the accrued income amounts from reviewing fee agreements and communication with clients. We reviewed historical billing patterns and timings of settlement of invoices in respect of clients where judgement has been made by management.
How the scope of the audit responded to the KAM	For a sample of revenue across the group we have agreed revenue to signed fee agreements and/or client acceptance of fees to be incurred. We also assessed the mechanical deferral of income on a sample basis at the year end with reference to timing of billing and the period upon which the invoice relates.
KAM observations	We consider management's judgements of the recoverability of accrued income to be reasonable.

Independent Auditor's Report (continued)

KAM - Acquisition accounting

KAM description	Accounting for the Group's acquisitions is complex due to the nature of the terms of acquisition agreements. The Group has acquired a number of subsidiaries during the year which involves significant judgement in regard to fair values, potential earn outs and deferred consideration liabilities, which result in a risk that the associated valuations may not be appropriate. The judgement arises from the fact that there are a number of assumptions which are included in the model used to determine the fair value and allocation of the value between goodwill and intangible assets. These include estimation of useful economic lives of the assets, projected future earning levels, growth rates, client attrition rates and discount rates. The accounting policy adopted in respect of acquisition accounting is detailed in note 2 of the consolidated financial statements. The initial recognition and subsequent treatment of the intangible assets related to acquisitions is disclosed as a critical judgement in note 3 of the annual report.
How the scope of the audit responded to the KAM	We have challenged the judgements applied in the valuation models and purchase price allocation through reviewing the specific terms of each of the relevant acquisition agreements and with reference to available financial information of the acquired subsidiaries. We performed a sensitivity analysis on the key assumptions used in the model, including discount rates and client attrition rates. We reviewed management's accounting assessments to consider whether the valuations performed are appropriate and in accordance with applicable financial reporting standards.
KAM observations	We consider management's overall judgement and the assumptions used in respect to acquisition accounting to be reasonable.

KAM - Impairment of debtors

KAM description	The nature of the Group's revenue streams means that there are instances of irrecoverability of debtors. Management is required to assess whether a provision is required for non-recoverability of debtors and this is determined by reference to ageing, past default experience and management's assessment of any objective indicators of impairment. Due to the level of management judgment the allowances made may be subject to management manipulation. Although management may make a best estimate over the recoverability of these figures, unforeseen financial difficulties or inabilities to pay fees in relation to the clients may lead to these figures being under or overstated in error. The accounting policy adopted in respect of debtor impairment is detailed in note 2 of the consolidated financial statements. The impairment of debtors is also included as a key source of estimation uncertainty in note 3.
How the scope of the audit responded to the KAM	We reviewed management's assessments with regards to the recoverability of debtors and we corroborated the assessment with appropriate supporting evidence. We considered the cash recoveries made subsequent to the year end as well as relevant financial information on the solvency and liquidity of the counterparties. We further challenged and scrutinised management over significant balances that remained outstanding at the point of audit sign off and obtained further detailed corroborative information to support their assessment that the balances outstanding remained recoverable in the ordinary course of business.
KAM observations	We consider management's overall judgements in respect to debtor recoverability to be reasonable.

Independent Auditor's Report (continued)

KAM – Impairment of intangible assets

KAM description	The Group recognises a significant amount of intangibles on the balance sheet due to acquisitions of subsidiaries. Acquisitions made in the Channel Islands, Netherlands, Switzerland and the UAE have resulted in a goodwill balance of £33.8m (2017: £20.4m). The initial valuation of goodwill was determined in the year of acquisition and ongoing judgement is applied by management in performing impairment reviews in respect of the carrying values of goodwill. The accounting policy for intangible assets is detailed in note 2 of the consolidated financial statements. The initial recognition and ongoing valuation of the intangible assets related to acquisitions is disclosed as a critical judgement in note 3 of the annual report.
How the scope of the audit responded to the KAM	We evaluated and challenged management's future cash flow forecasts and the process by which they were prepared, and we tested the underlying value in use calculations and compared this to management's forecasts and budgets. We challenged management's key assumptions for short and long term growth rates in the forecasts by comparing them to historical results. We challenged the discount rate used in the calculations by considering the cost of capital for the Group and comparable organisations. We then assessed the risk premiums allocated to each cash generating unit being assessed for impairment. We then performed sensitivity analysis which identified the key assumption of growth rates as being critical to the valuation model and then evaluated management's rationale for the applied rates.
KAM observations	We consider management's judgements and assumptions used in the assessment of impairment of intangibles to be reasonable.

Independent Auditor's Report (continued)

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We have determined materiality based on professional judgement in the context of our knowledge of the Group, including consideration of factors such as industry developments, financial stability and reporting requirements for the financial statements.

Based on our professional judgement, we determined materiality for the financial statements as a whole to be £443,000 (2017: £535,000), which is based on a level of 8% of profit before tax (2017: 1.5% revenue). Following a period of significant growth and change in the Group arising from acquisitions, future profitability expectations are now deemed to be a more suitable measure for materiality than revenue, as was used in previous years.

Whilst materiality for the financial statements as a whole was £443,000 (2017: £535,000), each significant component of the group was audited to a lower level of materiality which is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes used during the audit. Component materiality ranged from £50,000 to £150,000.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set at £310,100 (2017: £374,500) which represents 70% (2017 70%) of the above materiality levels.

We agreed with the audit committee that we would report to the committee all individual audit differences identified during the course of our audit in excess of £13,290 (2017: £16,050). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

There were no misstatements identified during the course of our audit that were individually, or in aggregate, considered to be material in terms of their absolute monetary value or on qualitative grounds.

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographical structure of the group, the accounting processes and controls, and the industry in which the group operates.

This assessment took into account the likelihood, nature and potential magnitude of any misstatement. As part of this risk assessment we considered the Group's revenue streams and recognition criterion; the basis of valuation of subsidiaries and the recoverability assessments of doubtful debts.

In terms of Group composition, we determined that the Group consists of 5 significant components and 20 non-significant components. All of the significant components were subject to statutory audits completed by BDO Limited. BDO Limited also carried out audits for a number of the non-significant components. Other non-significant components were subject to audits by BDO International member firms and other audit firms, who are familiar with local laws and regulations in their jurisdictions. Where non-significant components were not required to be audited we have completed desktop reviews to ensure we have sufficient understanding to support the Group audit opinion

Taken overall, these procedures gave us the evidence we needed for our opinion on the financial statements as a whole.

Independent Auditor's Report (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Guernsey (Companies) Law, 2008 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 parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 28 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Guernsey (Companies) Law, 2008. 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.

BDO Limited

Chartered Accountants

Place du Pré

Rue du Pré

St Peter Port

Guernsey

19 September 2018

Consolidated Financial Statements
Consolidated Income Statement

	Note	Year ended 30 April 2018	Year ended 30 April 2017
		£'000	£'000
Turnover	4	42,451	35,124
Staff costs and disbursements	5	(21,764)	(17,797)
Gross profit		**20,687**	**17,327**
Administrative salaries		(4,492)	(2,203)
Administrative expenses		(2,965)	(2,251)
Technical & training		(286)	(217)
Marketing		(967)	(855)
Computer expenses		(2,220)	(1,901)
Insurance		(508)	(519)
Travel & entertaining		(361)	(277)
Rent and rates		(1,650)	(1,701)
Amortisation of goodwill		(1,726)	(1,040)
Finance & bad debts		(597)	(533)
Other operating income		132	291
Operating profit		**5,047**	**6,121**
Interest receivable & similar income	6	9	16
Interest payable & similar charges	7	(264)	(204)
Profit before taxation		**4,792**	**5,933**
Tax on profit	8	(981)	(833)
Profit for the financial year		**3,811**	**5,100**
Profit for the financial year attributable to:			
Owners of the parent		3,566	4,483
Non-controlling interests		245	617

The notes on pages 55 to 78 form part of the financial statements.

Consolidated Statement of Comprehensive Income

	Note	Year ended 30 April 2018	Year ended 30 April 2017
		£'000	£'000
Profit for the financial year		**3,811**	**5,100**
Other comprehensive income			
Foreign exchange gain/(loss)		(541)	374
Total comprehensive income for the financial year		**3,270**	**5,474**
Total comprehensive income for the financial year attributable to:			
Owners of the parent		3,025	4,857
Non-controlling interests		245	617
Earnings per share per ordinary share (expressed in pence per ordinary share)			
Basic and diluted earnings	10	3.3	6.8

The notes on pages 55 to 78 form part of the financial statements.

Consolidated Statement of Financial Position

	Note	30 April 2018 £'000	30 April 2018 £'000	30 April 2017 £'000	30 April 2017 £'000
Fixed assets					
Intangible assets	11		34,757		20,848
Tangible assets	12		2,749		2,446
Investments	13		285		390
			37,791		**23,684**
Current assets					
Accrued income		2,544		2,262	
Trade debtors and prepayments	15	20,104		15,584	
Cash at bank		15,334		8,902	
		37,982		**26,748**	
Creditors: amounts falling due within one year	16	**(17,573)**		**(13,873)**	
Net current assets			**20,409**		**12,875**
Total assets less current liabilities			**58,200**		**36,559**
Creditors: amounts falling due after more than one year	17		**(7,589)**		**(4,821)**
Net assets			**50,611**		**31,738**
Capital and reserves					
Called up share capital	20		1,025		891
Share premium	21		49,953		33,169
Capital reserve	21		(259)		159
Profit and loss account	21		(1,182)		(2,565)
Equity attributable to owners of the parent company			**49,537**		**31,654**
Non-controlling interests			**1,074**		**84**
			50,611		**31,738**

The financial statements were approved by the Board of Directors and authorised for issue on 19 September 2018 and are signed on its behalf by:

Andrew Haining **Simon Thornton**

The notes on pages 55 to 78 form part of the financial statements.

Consolidated Statement of Changes in Equity

	Note	Called-up share capital	Share premium	Capital reserve	Profit and loss account	Amount attributable to owners of parent	Non-controlling interests	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 May 2016		**656**	**14,430**	**211**	**2,875**	**18,172**	**1,754**	**19,926**
Profit/movement for the year		-	-		4,483	4,483	617	5,100
Other comprehensive income		-	-	-	374	374	-	374
Movement on capital reserve		-	-	(52)	-	(52)	-	(52)
Issue of shares at premium		235	18,739	-	-	18,974	-	18,974
Transfer out on sale of stake in subsidiary holding		-	-	-	(737)	(737)	(520)	(1,257)
Acquisition of non-controlling interest		-	-	-	(7,584)	(7,584)	(1,190)	(8,774)
Dividends paid	9	-	-	-	(1,976)	(1,976)	(577)	(2,553)
At 30 April 2017		**891**	**33,169**	**159**	**(2,565)**	**31,654**	**84**	**31,738**
Profit/movement for the year		-	-	-	3,566	3,566	245	3,811
Other comprehensive income		-	-	(497)	(44)	(541)	-	(541)
Movement on capital reserve		-	-	79	2	81	(3)	78
Issue of shares at premium		134	16,784	-	-	16,918	-	16,918
Non-controlling interest arising on acquisition		-	-	-	-	-	906	906
Dividends paid	9	-	-	-	(2,141)	(2,141)	(158)	(2,299)
At 30 April 2018		**1,025**	**49,953**	**(259)**	**(1,182)**	**49,537**	**1,074**	**50,611**

The notes on pages 55 to 78 form part of the financial statements.

Consolidated Statement of Cash Flows

	Note	2018	2017
		£'000	£'000
Cash flows from operating activities			
Profit of operating activities before taxation		4,792	5,933
Adjustments for:			
Amortisation of intangible assets	11	1,726	1,101
Impairment of intangible assets		-	50
Depreciation of tangible assets	12	851	696
Interest expense	7	264	204
Interest income	6	(9)	(16)
Return on investment and servicing of finance		(132)	(210)
Realised foreign currency exchange loss		17	49
Increase in accrued income		(283)	(761)
Increase in debtors	15	(921)	(2,160)
Increase in provisions	16	-	(1)
Increase in creditors	16	2,018	625
Cash from operating activities		**8,323**	**5,510**
Income taxes paid		(444)	(364)
Net cash from operating activities		**7,879**	**5,146**
Cash flows from investing activities			
Purchases of tangible assets	12	(1,028)	(1,624)
Purchases of intangible assets	11	(652)	(75)
Financial investments made		-	(48)
Disposal of financial investment	13	157	-
Purchase of subsidiary undertakings	22	(10,022)	(7,833)
Cash acquired with subsidiary undertakings	22	4,546	149
Other investment income		132	220
Interest received	6	9	16
Net cash used in investing activities		**(6,858)**	**(9,195)**
Cash flows from financing activities			
Bank loan movements		(1,436)	2,990
Issue of shares		9,732	6,490
EBT loan movements		999	(422)
Net capital flows from finances leases		(736)	324
Finance lease rental payment interest		-	(10)
Contractual covenant payments		(116)	(105)
Interest paid	7	(264)	(204)
Dividends paid	9	(2,299)	(2,553)
Net cash from financing activities		**5,880**	**6,510**

Consolidated Statement of Cash Flows (continued)

	Note	2018	2017
		£'000	£'000
Net increase in cash and cash equivalents		**6,901**	**2,461**
Cash and cash equivalents at beginning of year		8,902	5,906
Effect of foreign exchange rate changes		(469)	-
Cash and cash equivalents at end of year		**15,334**	**8,367**
Cash and cash equivalents comprise			
Cash at bank and in hand		15,334	8,902
Bank overdrafts		-	(535)
		15,334	**8,367**

The notes on pages 55 to 78 form part of the financial statements.

Notes to the Consolidated Financial Statements

1. Statutory information

PraxisIFM Group Limited is a company limited by shares, domiciled in Guernsey, Channel Islands, registration number 30367. The registered office is Sarnia House, Le Truchot, St Peter Port, Guernsey. The nature of the Company's operations and its principal activities are set out in the directors' report.

2. Significant accounting policies

The following accounting policies have been used consistently in dealing with items considered material to the Group's affairs. These accounting policies have been consistently applied to all years presented unless otherwise stated.

Basis of preparation of financial statements

These consolidated financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and applicable law. The financial statements have been prepared on the historical cost basis except for the modification to fair value for certain financial instruments as specified in the accounting policies below.

Consistent with the requirements of Guernsey company Law, the parent company has elected not to prepare a company only income statement and statement of financial position.

Going concern

Based on current trading and three year projections, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The Group's consolidated financial statements consolidate the financial statements of the Company and its subsidiaries and associated undertakings drawn up to 30 April each year. The results of the subsidiaries and other interests acquired or sold are consolidated for the period from or to the date on which control passed.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The Praxis Holdings Limited Employee Benefit Trust (Praxis EBT) is not consolidated because the Group is not a Trustee of the EBT and does not have de-facto control.

Turnover

Fee income is recognised as contractual work is performed in relation to those fees, with invoiced amounts being adjusted accordingly for any elements of accrued or deferred income.

Certain fees are raised on a one-off basis to cover the lifetime of the relevant entity. Where this occurs the Group assesses the expected level of material time involvement in future years and makes an appropriate provision to defer the recognition of part of that fee.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Accrued income

Accrued income is recognised to the extent that the Group has obtained a right to consideration through the performance of administration related services which it has not yet billed. A provision is made for non-recoverable costs. Accrued income is valued using average recovery rates appertaining during the year.

Expenses

Expenses are recognised when they are incurred, that is when the goods are received or the services are provided, with invoiced amounts being adjusted accordingly for any elements of accrued or prepaid expense.

Notes to the Consolidated Financial Statements (continued)

Interest income and expense

Interest income and expense is recognised on an accruals basis.

Fiduciary assets

The Group, through its subsidiaries, acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets/liabilities and income/expenses arising thereon are excluded from the financial statements, as they are not assets, liabilities, income or expenses of the Company or of the Group.

Tangible assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provision for impairment.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write down the cost, less estimated residual value of each asset class on the following bases:

Computer equipment	5 years straight line
Leasehold property and improvements	Over the life of the lease
Furniture, fixtures and fittings	5 years straight line

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is also recognised immediately in the income statement.

Other interests

Investments in unlisted company shares have been classified as fixed asset investments as the Group intends to hold them on a continuing basis. The shares are carried at their estimated value which is based on the market price.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on all intangible assets at rates calculated to write down the cost, less estimated residual value of each asset class on the following bases:

Business software	10 years straight line

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and written off on a straight line basis over the useful life.

Fair value of the consideration is made up of the initial consideration paid on the date of acquisition, deferred consideration to be paid in future periods, and contingent consideration which is based on future performance of the subsidiary. Goodwill is adjusted when deferred and contingent consideration estimates do not match final payments (note 3).

Goodwill is reviewed annually for indications of impairment and if there are any, an impairment review is carried out and, if necessary, a provision is made.

Deferred consideration

Deferred consideration is measured at fair value at the date of acquisition and reviewed annually against the terms of the acquisition. Any adjustments to deferred consideration are recognised in the period in which they are identified.

Notes to the Consolidated Financial Statements (continued)

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable, where the repayment date is in the future, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. Loans that are repayable on demand are recognised at the undiscounted amount expected to be received.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans and deferred consideration, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument' contractual obligations, rather than the financial instrument' legal form.

Allowances for bad and doubtful debt

Allowances are made for bad and doubtful debts. Estimates of recoverability are based on ageing of the debts, historical experience and current knowledge of the counterparty.

Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Pension costs

The Group operates defined contribution pension schemes. Contributions to the Group's defined contribution pension schemes are charged to the profit and loss in the year in which they become payable.

Taxation

Current tax, including Guernsey income tax and foreign tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the financial year end.

Foreign exchange

Functional currency and presentation currency
The functional currency of the Group is Sterling (£). For the purpose of the consolidated and individual financial statements of the Group, the results and financial position are also presented in Sterling (£).

Transactions and balances
In preparing the financial statements of the individual Group entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Exchange differences are recognised in profit or loss.

Translation of Group companies
The results of foreign operations are translated at the average rates of exchange during the year and their balance sheets at the rates ruling at the financial year end. Exchange differences arising on consolidation are recognised in the capital reserves.

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.

Notes to the Consolidated Financial Statements (continued)

3. Critical judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following key judgements:

Determine whether there are indicators of impairment of the Group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

Valuation of accrued income
Accrued income is valued using average recovery rates appertaining during the year. This is reviewed by management to ensure recovery rates are appropriate based on past experience and knowledge of the client.

Acquisition accounting (notes 11 & 23)
The expected useful life of the goodwill arising on consolidation is estimated based on a variety of factors, such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life, and assumptions that market participants would consider in respect of similar businesses.

The value of contingent future purchase consideration payable to the vendors is based on management's estimate of future profits calculated in accordance with the provisions of the Share Purchase Agreement.

Impairment of debtors (note 15)
The trade debtors balance in the Group's Consolidated Statement of Financial Position comprises a large number of relatively small balances. An allowance is made for the estimated irrecoverable amounts from debtors and this is determined by reference to past default experience.

Impairment of intangible assets (notes 11 & 23)
Should any of the factors taken into account in determining the expected useful life of goodwill arising on consolidation experience a significant change, an impairment charge will be recognised to the extent that the value and estimated remaining useful life of the goodwill are a true reflection of its value to the business, based on the factors above.

Notes to the Consolidated Financial Statements (continued)

4. Segmental reporting

Declared revenue is generated by external clients.

The Group has 4 reportable segments: Trust and Corporate, Pensions, Funds and Other. Businesses acquired in the year have their combined revenue stated separately. Note 23 details the business acquisitions in the year ended 30 April 2018. No client represents more than 10% of revenue.

The chief operating decision maker has been identified as the Board of Directors of PraxisIFM Group Limited. Each segment is defined as a set of business activities generating a revenue stream determined by divisional responsibility and the management information reviewed by the Board of Directors. The Board evaluates segmental performance on the basis of gross profit, after the deduction of direct staff costs and direct client costs.

For the year ended 30 April 2018:

	Trust & Corporate	Pensions	Funds	Other	Acquisitions	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	24,156	3,901	8,968	1,164	4,262	42,451
Staff costs	(11,042)	(2,443)	(5,357)	(626)	(2,296)	(21,764)
Gross profit	**13,114**	**1,458**	**3,611**	**538**	**1,966**	**20,687**
Gross margin	**54%**	**37%**	**40%**	**46%**	**46%**	**49%**
Other operating income						132
Operating expenses						(15,772)
Operating profit						**5,047**

Acquisitions in the year ended 30 April 2018 included Kompas International, Private Equity Services (Amsterdam) BV and RiskCo Group BV. In future periods, Kompas International and Private Equity Services (Amsterdam) BV will be reported under the Trust and Corporate segment and RiskCo Group BV will be reported under the Pensions segment.

For the year ended 30 April 2017:

	Trust & Corporate	Pensions	Funds	Other	Acquisitions	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	22,253	1,951	8,038	2,280	602	35,124
Staff costs	(9,596)	(1,460)	(4,494)	(1,774)	(473)	(17,797)
Gross profit	**12,657**	**491**	**3,544**	**506**	**129**	**17,327**
Gross margin	**57%**	**25%**	**44%**	**22%**	**21%**	**49%**
Other operating income						291
Operating expenses						(11,497)
Operating profit						**6,121**

Acquisitions in the year ended 30 April 2017 included Balmor Management SA, Ryland Gray Information Technology Consultancy and Cavendish Corporate Investments PCC Limited. The purchase of the minority interest in Praxis Fund Holdings Limited is not included in acquisitions,as the entity was previously fully consolidated on the basis of control being achieved.

Notes to the Consolidated Financial Statements (continued)

Geographical information

The Group's revenue from external customers by geographical location of contracting Group entity is detailed below;

	2018	2017
	£'000	£'000
Channel Islands	29,981	27,654
Rest of Europe	11,220	5,512
Rest of World	1,250	1,958
	42,451	**35,124**

5. Staff costs and disbursements

	2018	2017
	£'000	£'000
Staff salaries	19,239	16,293
Staff pension contributions	771	600
Staff health cover	765	466
Disbursements	989	438
	21,764	**17,797**

6. Interest receivable and similar income

	2018	2017
	£'000	£'000
Bank interest	9	16

7. Interest payable and similar charges

	2018	2017
	£'000	£'000
Bank loans	264	204

Notes to the Consolidated Financial Statements (continued)

8. Tax on profit on ordinary activities

The tax assessed for the year is higher than the standard rate of corporation tax in Guernsey on taxable activities at 0% (2017: 0%). The tax charge for the year represents local tax on overseas subsidiaries, Jersey and Guernsey tax on fiduciary services and tax due on fund administration services carried out in Guernsey.

The differences are explained as follows:

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	4,792	5,933
Profit on ordinary activities multiplied by standard rate of corporation tax in Guernsey on taxable activities of 0% (2017: 0%)	-	-
Effects of:		
Guernsey 10% tax activities	420	517
Overseas tax charges	561	316
Tax on results of ordinary activities	**981**	**833**

9. Dividends

	2018 £'000	2017 £'000
Paid during the year	2,299	2,553

10. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

	2018	2017
Profit for the year (£'000)	3,025	4,857
Weighted average number of ordinary shares in issue	91,139,672	71,434,820
Basic and diluted earnings (pence)	3.3	6.8

All shares relating to deferred consideration and options are in issue and therefore have no dilutive effect.

Notes to the Consolidated Financial Statements (continued)

11. Intangible assets

	Goodwill	Business software	Total
	£'000	£'000	£'000
Cost			
At 1 May 2017	**24,468**	**502**	**24,970**
Additions	15,970	652	16,622
On acquisition of subsidiaries (note 23)	-	89	89
Transferred out	-	(67)	(67)
Adjusted to goodwill (note 24)	(766)	-	(766)
FX movement	(241)	4	(237)
At 30 April 2018	**39,431**	**1,180**	**40,611**
Amortisation			
At 1 May 2017	**3,970**	**152**	**4,122**
Amortisation for the year	1,647	79	(1,726)
FX movement	-	6	5
At 30 April 2018	**5,617**	**237**	**5,854**
Net book value			
At 30 April 2018	**33,814**	**943**	**34,757**
At 30 April 2017	**20,498**	**350**	**20,848**

Goodwill arising on consolidation is being amortised over the directors' estimate of its useful life. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Intangible assets held by PraxisIFM Management (Mauritius) Limited are being amortised over 5 years.

The useful life for each component of goodwill is detailed below.

Entity	Estimated Useful Life
IFM Group Limited	20
Confiance Limited	20
Trireme Pensions Services (Guernsey) Limited	20
PraxisIFM Fund Services (UK) Limited	10
Agility Limited	20
PraxisIFM Trust (Malta)	20
Praxis Wealth Solutions Limited	14
Ampersand Management (Geneva) SA & Ampersand Management (Mauritius) Limited	20
Balmor Management SA	20
Ryland Gray Information Technology Consultancy	10
Cavendish Corporate Investments PCC Limited	20
RiskCo Group BV	20
Kompas International	10
Private Equity Services (Amsterdam) BV	10

Notes to the Consolidated Financial Statements (continued)

An analysis of goodwill movements in the year is provided in note 24.

Individually significant components of goodwill are as follows;

IFM Group Limited
The acquisition of IFM Group Limited took place on 1 April 2015. The carrying amount of the goodwill as at 30 April 2018 was £7,195,170. The goodwill is being amortised over 20 years, and has 17 years of amortisation period left as at the balance sheet date.

Confiance Limited
The acquisition of Confiance Limited took place on 8 December 2015. The carrying amount of the goodwill as at 30 April 2018 was £4,992,554. The goodwill is being amortised over 20 years, and has 17 years and 5 months of amortisation period left as at the balance sheet date.

Trireme Pension Services (Guernsey) Limited (formerly Confiance Pension Services Limited)
The acquisition of Trireme Pension Services (Guernsey) Limited (formerly Confiance Pension Services Limited) took place on 21 October 2015. The carrying amount of goodwill as at 30 April 2018 was £739,752. The goodwill is being amortised over 20 years, and has 17 years and 5 months of amortisation period left as at the balance sheet date.

Ampersand Management (Geneva) SA & Ampersand Management (Mauritius) Limited
The acquisition of Ampersand Management (Geneva) SA & Ampersand Management (Mauritius) Limited took place on 31 March 2016. The carrying amount of the goodwill as at 30 April 2018 was £1,097,058. The goodwill is being amortised over 20 years, and has 17 years and 11 months of amortisation period left as at the balance sheet date.

Cavendish Corporate Investments PCC Limited
The acquisition of Cavendish Corporate Investment PCC Limited took place on 20 January 2017. The carrying amount of the goodwill as at 30 April 2018 was £3,239,639. The goodwill is being amortised over 20 years, and has 18 years and 9 months of amortisation period left as at the balance sheet date.

RiskCo Group BV (note 23)
The acquisition of RiskCo Group BV took place on 15 November 2017. The carrying amount of the goodwill as at 30 April 2018 was £3,116,539. The goodwill is being amortised over 20 years, and has 19 years and 6.5 months of amortisation period as at the balance sheet date.

Kompas International (note 23)
The acquisition of Kompas International took place on 2 February 2018, with control from 1 January 2018. The carrying amount of the goodwill as at 30 April 2018 was £3,980,293. The goodwill is being amortised over 10 years, and has 9 years and 8 months of amortisation period as at the balance sheet date.

Private Equity Services (Amsterdam) BV (note 23)
The acquisition of Private Equity Services (Amsterdam) BV took place on 2 February 2018, with control from 1 January 2018. The carrying amount of the goodwill as at 30 April 2018 was £8,126,895. The goodwill is being amortised over 10 years, and has 9 years and 8 months of amortisation period as at the balance sheet date.

Notes to the Consolidated Financial Statements (continued)

12. Tangible assets

	Computer equipment £'000	Leasehold property and improvements £'000	Furniture fixtures & fittings £'000	Total £'000
Cost				
At 1 May 2017	**3,768**	**1,147**	**646**	**5,561**
Additions	882	14	132	1,028
Acquired in business combination	450		15	465
Eliminated on disposal	(554)	(114)	(182)	(850)
FX movement	(22)		(13)	(35)
At 30 April 2018	**4,524**	**1,047**	**598**	**6,169**
Depreciation				
At 1 May 2017	**1,852**	**891**	**372**	**3,115**
Depreciation for the year	656	81	114	851
Acquired in business combination	298	-	10	308
Eliminated on disposal	(554)	(114)	(174)	(842)
FX movement	(8)		(4)	(12)
At 30 April 2018	**2,244**	**858**	**318**	**3,420**
Net book value				
At 30 April 2018	**2,280**	**189**	**280**	**2,749**
At 30 April 2017	**1,916**	**256**	**274**	**2,446**

Notes to the Consolidated Financial Statements (continued)

13. Investments

At 30 April the Group had interests in the following entities:

Other interests	Country of incorporation	Types of shares	Proportion held	2018 Value	2017 Value
			%	£'000	£'000
Fundamental Asset Management Limited	England	Ordinary	23.3	-	151
The International Stock Exchange	Guernsey	Ordinary	3.30	213	163
Sequoia Economic Infrastructure Fund	Guernsey	Ordinary	0.02	54	55
SICAV	UAE	Ordinary	100	3	3
Elbis Ventures	Luxembourg	Ordinary	100	-	3
AF Spa	Italy	Ordinary	4.0	15	15
				285	**390**

The holding in Fundamental Asset Management Limited was disposed of on 11 September 2017 for a consideration of £156,500. A gain of £5,203 was recognised on the disposal.

The shares held in SICAV do not carry any voting rights. There is no ability for the Group to exercise control, and therefore the results of SICAV have not been consolidated.

Elbis Ventures was liquidated on 27 April 2018. A loss of EUR 2,986 was recognised on liquidation.

Notes to the Consolidated Financial Statements (continued)

14. Subsidiaries

Per section 6.6.2.4 of the TISE listing rules, the directors are of the opinion that compliance with section 6.6.2.3(d) of the listing rules would result in a disclosure of excessive length. They have therefore obtained a waiver from TISE to disclose only those subsidiaries carrying on business, the results of which materially affect the amount of the profit or loss of the Group or the amount of assets of the Group.

Subsidiaries whose results materially affect the profit or loss of the Group or the amount of assets of the Group are;

Subsidiary	Type of shares	Proportion held (%)	Country of incorporation	Nature of business
PraxisIFM Trust SA	Ordinary	100	Switzerland	Fiduciary
Cavendish Corporate Investments PCC Limited	Ordinary	100	Guernsey	Pensions
Praxis Wealth Solutions	Ordinary	100	Guernsey	Non-Trading
Trireme Pension Services (Malta) Limited	Ordinary	100	Malta	Pensions
PraxisIFM Trust Limited Malta	Ordinary	100	Malta	Fiduciary
Praxis Luxembourg SA	Ordinary	90	Luxembourg	Funds
Praxis Fund Services (Malta) Limited	Ordinary	100	Malta	Funds
Praxis Fund Services (Jersey) Limited	Ordinary	100	Jersey	Funds
International Fund Management Limited	Ordinary	100	Guernsey	Funds
PraxisIFM Fund Services (UK) Limited	Ordinary	100	UK	Funds
Cavendish Admin Limited (UK)	Ordinary	100	UK	Funds
Praxis Fund Services Limited	Ordinary	100	Guernsey	Funds
Trireme Pension Services (Guernsey) Limited	Ordinary	100	Guernsey	Pensions
Confiance Limited	Ordinary	100	Guernsey	Fiduciary
PraxisIFM Trust Guernsey Limited	Ordinary	100	Guernsey	Fiduciary
Praxis Corporate Finance Limited	Ordinary	100	Guernsey	Advisory
PraxisIFM Treasury Services Limited	Ordinary	100	Guernsey	Treasury
PraxisIFM Corporate Services (UK) Limited	Ordinary	100	UK	Fiduciary
Praxis Central Services Limited	Ordinary	100	Guernsey	Fiduciary
PraxisIFM Trust Limited Jersey	Ordinary	100	Jersey	Fiduciary
PraxisIFM Trust (NZ) Limited	Ordinary	100	New Zealand	Fiduciary
IFM Trust SA	Ordinary	100	Switzerland	Fiduciary
PraxisIFM Trust Limited (UAE)	Ordinary	100	UAE	Pensions
PraxisIFM Consultancy FZE	Ordinary	100	UAE	Pensions

Notes to the Consolidated Financial Statements (continued)

Subsidiary	Type of shares	Proportion held (%)	Country of incorporation	Nature of business
PraxisIFM Management (Mauritius) Limited	Ordinary	100	Mauritius	Fiduciary
Ampersand Management (Geneva) SA	Ordinary	100	Switzerland	Fiduciary
Praxis Trustees (UK) Limited	Ordinary	100	UK	Fiduciary
PraxisIFM Netherlands Holding BV	Ordinary	100	Netherlands	Fiduciary
PraxisIFM International BV	Ordinary	100	Netherlands	Fiduciary
PraxisIFM Netherlands BV	Ordinary	100	Netherlands	Fiduciary
Private Equity Services BV	Ordinary	100	Netherlands	Fiduciary
PES (Barbados) Inc	Ordinary	100	Barbados	Fiduciary
PES (Anguilla) Ltd	Ordinary	100	Anguilla	Fiduciary
PES Curaçao NV	Ordinary	100	Curaçao	Fiduciary
RiskCo Group BV	Ordinary	50	Netherlands	Pensions
RiskCo Experts BV The Netherlands	Ordinary	50	Netherlands	Pensions
RiskCo Administrations BV	Ordinary	50	Netherlands	Pensions
RiskCo USA Inc	Ordinary	50	USA	Pensions
RiskCo LDA	Ordinary	50	Portugal	Pensions
RiskCo Philippines	Ordinary	50	Philippines	Pensions

The results of RiskCo Group BV were fully consolidated due to the Group's shareholding representing a controlling interest.

Notes to the Consolidated Financial Statements (continued)

15. Debtors and prepayments

	2018 £'000	2017 £'000
Trade debtors	10,561	8,420
Loan to Praxis EBT	5,942	4,526
Prepayments and other debtors	3,601	2,638
	20,104	**15,584**

A provision of £643,718 (2017: £643,726) was recognised against trade debtors.

The loan due from Praxis EBT represents shares issued by the Group being held by the employee benefit trust pending vesting or transfer conditions being satisfied.

16. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Deferred income (note 1)	5,404	4,619
Trade creditors	2,619	1,352
Sundry creditors	2,319	1,487
Provision for Aon client transfer (note2)	2,693	-
Bank loans (note 3)	900	900
Other loans (note 4)	273	359
Finance leases	-	6
Overdraft	-	536
Deferred consideration (note 5)	1,749	3,528
Taxation	1,616	1,086
	17,573	**13,873**

Note 1 (Deferred income)
Deferred income principally relates to annual fees raised in advance relating to the period after the balance sheet date, for which payment has already been received.

Note 2 (Provision for Aon client transfer)
Provision for AON client transfer relates to the transfer of pensions administration customers from Aon Hewitt to RiskCo Group BV. The provision includes the costs of adapting the pensions administration system of RiskCo Group BV and transferring of the client data.

Note 3 (Bank loans)
On 3 August 2016 the Group entered into a loan facility agreement with RBSI in the amount of £4,500,000. The loan is repayable over five years in quarterly instalments of £225,000 and charges interest at 3.75% over RBSI base rate.

Note 4 (Other loans)
The Group has entered into the following loans with Lombard Finance (CI) Limited;

Notes to the Consolidated Financial Statements (continued)

Date Entered	Amount £	Repayment Period Years	Interest Over Repayment Period £	Implicit Interest Rate %
1 December 2015	175,000	3	15,242	8.71
17 December 2015	127,115	5	14,354	11.29
27 May 2016	324,624	1	9,332	2.87
25 August 2016	30,071	5	3,997	13.29
25 August 2016	360,893	5	47,966	13.29
21 December 2016	389,058	5	57,504	14.78
13 May 2017	421,341	1	9,717	2.31

Note 5 (Deferred consideration)

Deferred consideration relates to the acquisition of IFM Group Limited, Confiance Limited, Trireme Pension Services (Guernsey) Limited, Ampersand (Geneva) SA and Ampersand Management (Mauritius) Limited, Balmor Management SA, Ryland Gray Information Technology Consultancy, Kompas International, Private Equity Services (Amsterdam) BV and RiskCo Group BV. Note 23 provides details of the acquisitions in the year ended 30 April 2018.

Notes to the Consolidated Financial Statements (continued)

17. Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Bank loans	2,025	2,925
Other loans	406	627
Deferred consideration	4,965	1,083
Taxation	193	186
	7,589	**4,821**

Note 16 provides details of the loans in issue and the deferred consideration.

18. Financial instruments

The Group's financial instruments may be analysed as follows:

	2018 £'000	2017 £'000
Financial assets		
Financial assets measured at amortised cost	27,129	18,305
Financial assets measured at fair value	285	390
Financial liabilities		
Financial liabilities measured at amortised cost	17,949	14,075

Financial assets measured at amortised cost include trade debtors, other debtors and cash and cash equivalents.

Financial assets measured at fair value through profit and loss comprise investments in unlisted companies.

Financial liabilities measured at amortised cost include all creditors shown in note 16 and 17, other than deferred income and taxation.

All bank loans held by the Group are commercial loans issued at market value and thus were not subject to fair value adjustments.

19. Borrowings

The aggregate borrowings of the Group are as follows;

	2018 £'000	2017 £'000
Within one year	1,173	1,259
Between one year and two years	1,024	1,120
Between two year and five years	1,407	2,431
After five years	-	-

Notes to the Consolidated Financial Statements (continued)

20. Called up share capital

	2018 £'000	2017 £'000
Authorised, allotted and issued		
102,491,432 ordinary A-shares of £0.01 each	1,025	891
	1,025	**891**

Reconciliation of share movements	
Closing share capital at 30 April 2017	**89,139,600**
Issued in acquisition of RiskCo Group BV	1,496,637
Issued in acquisition of Kompas International	1,337,414
Issued in acquisition of Private Equity Services (Amsterdam) BV	621,229
Issued to Praxis EBT	3,000,000
Issued to new investors	6,896,552
Closing share capital at 30 April 2018	**102,491,432**

21. Reserves

Called up share capital - represents the nominal value of shares that have been issued.

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital reserve - represents exchange differences arising on consolidation of foreign operations.

Profit and loss account - includes all current and prior period retained profits and losses.

22. Financial commitments

The Group's future minimum operating lease payments are as follows:

	2018 £'000	2017 £'000
Within one year	1,427	1,187
Between one year and five years	2,166	2,456
After five years	34	-

All operating leases relate to office premises occupied by subsidiary entities. The lease expense in the year ended 30 April 2018 was £1,419,874 (2017: £1,259,943).

The Group's future minimum finance lease payments are as follows:

	2018 £'000	2017 £'000
Within one year	-	6
Between one year and five years	-	-
After five years	-	-

Notes to the Consolidated Financial Statements (continued)

23. Business combinations

Acquisition of RiskCo Group BV

On 14 November 2017 the Group acquired 50% of RiskCo Group BV for £4,164,886, settled in the form of 1,496,637 shares in PraxisIFM Group Limited and £2,061,117 in cash. On completion, 1,122,487 shares were issued and £2,061,117 cash paid, with the remainder being deferred consideration payable 18 months after completion.

In calculating the goodwill arising on acquisition, the fair value of net assets of RiskCo Group BV have been assessed and adjustments from book values made where necessary.

	Fair value £'000
Fixed assets	
Tangible	22
Intangible	21
Current assets	
Debtors	642
Sundry debtors	178
Cash at bank and in hand	4,098
Total assets	**4,961**
Creditors	
Due within one year	3,127
Fair value of net assets acquired (50%)	**917**
Goodwill	3,248
Total purchase consideration	**4,165**
Purchase consideration settled in cash	2,061
Cash and cash equivalents in subsidiary acquired, as above	4,098
Cash inflow on acquisition	**2,037**

The useful economic life of goodwill has been estimated to be 20 years.

For the year ended 30 April 2018, 5.5 months of the results of RiskCo Group BV were consolidated.

The results of RiskCo Group BV in the 5.5 months since its effective acquisition are as follows:

Revenue	£3,060,631
Profit	£404,043

The Group holds an option to purchase the remaining 50% of shares in RiskCo Group BV on or before the 30 April 2022. As this option cannot be sold, and the decision to exercise the options is based on a range of performance, market and strategic variables, the option is deemed to have no value.

Notes to the Consolidated Financial Statements (continued)

Acquisition of Kompas International

On 2 February 2018 the Group acquired 100% of Kompas International for £4,188,129, settled in the form of 2,137,367 shares in PraxisIFM Group Limited and £1,083,481 in cash. On completion, 1,337,414 shares were issued and £1,083,481 cash paid, with the remainder being deferred consideration of £447,064 payable over 18 months and contingent consideration of £1,247,927 due over 3 years. Contingent consideration is based on future performance of the business.

In calculating the goodwill arising on acquisition, the fair value of net assets of Kompas International have been assessed and adjustments from book values made where necessary.

	Fair value £'000
Fixed assets	
Tangible	91
Intangible	67
Current assets	
Debtors	75
Sundry debtors	46
Cash at bank and in hand	113
Total assets	**392**
Creditors	
Due within one year	379
Fair value of net assets acquired	**13**
Goodwill	4,175
Total purchase consideration	**4,188**
Purchase consideration settled in cash	1,083
Cash and cash equivalents in subsidiary acquired, as above	113
Cash outflow on acquisition	**(970)**

The useful economic life of goodwill has been estimated to be 10 years.

For the year ended 30 April 2018, 4 months of the results of Kompas International were consolidated as control was obtained from 1 January 2018.

The results of Kompas International in the 4 months since its effective acquisition are as follows:

Revenue	£314,771
Loss	£17,011

Notes to the Consolidated Financial Statements (continued)

Acquisition of Private Equity Services (Amsterdam) BV

On 2 February 2018 the Group acquired 100% of Private Equity Service (Amsterdam) BV for £9,038,664, settled in the form of 1,791,273 shares in PraxisIFM Group Limited and £6,227,758 in cash. On completion, 621,229 shares were issued and £4,662,522 cash was paid, with the remainder being deferred consideration of £1,565,236 payable in cash over two years, and contingent consideration of £1,825,269 payable in shares due over 3 years.

In calculating the goodwill arising on acquisition, the fair value of net assets of Private Equity Services (Amsterdam) BV have been assessed and adjustments from book values made where necessary.

	Fair value £'000
Fixed assets	
Tangible	48
Intangible	-
Current assets	
Debtors	693
Sundry debtors	127
Cash at bank and in hand	335
Total assets	**1,203**
Creditors	
Due within one year	689
Fair value of net assets acquired	**514**
Goodwill	8,525
Total purchase consideration	**9,039**
Purchase consideration settled in cash	4,663
Cash and cash equivalents in subsidiary acquired, as above	335
Cash outflow on acquisition	**(4,328)**

The useful economic life of goodwill has been estimated to be 10 years.

For the year ended 30 April 2018, 4 months of the results of Private Equity Services (Amsterdam) BV were consolidated as control was obtained from 1 January 2018.

The results of Private Equity Services (Amsterdam) BV Limited in the 4 months since its effective acquisition are as follows:

Revenue	£887,553
Profit	£47,965

Notes to the Consolidated Financial Statements (continued)

24. Reconciliation of goodwill

	£'000
As at 1 May 2017	**20,498**
Purchased goodwill in the period:	
RiskCo Group BV	3,248
Kompas International	4,175
Private Equity Services (Amsterdam) BV	8,525
Adjustment to Confiance Limited goodwill	(766)
Adjustment to Cavendish Corporate Investments PCC Limited goodwill	22
Exchange movement on goodwill on foreign subsidiaries	(241)
Amortisation	(1,647)
As at 30 April 2018	**33,814**

The adjustment to Confiance Limited goodwill represents an adjustment to the deferred consideration based on the final calculation of the retained turnover.

Notes to the Consolidated Financial Statements (continued)

25. Share based payments

The Group operates four equity-settled share based remuneration schemes for employees:

BAYE Scheme

All employees of the Group are eligible to participate in the BAYE scheme once they have completed their probation period, the only vesting condition being that the individual remains an employee of the Group over the period of the scheme. Options relating to 105,350 shares (2017: nil) were granted and exercised by employees participating in the scheme. Total costs relating to share based remuneration expense (Note 5) were £14,543 (2017: nil).

Qualified persons with non-market vesting conditions

Under this scheme, employees are granted options based on promotion into qualifying positions. The only vesting condition being that the individual remains an employee of the Group until the vesting date.

Qualified persons with performance based vesting conditions

Under this scheme, options vest if the performance of a subsidiary of the Group increases above a threshold set at the time of granting the option.

Qualified persons with market-based vesting conditions

Under this scheme, options vest if the share price of the Group increases above a threshold set at the time of granting the option.

During the year to 30 April 2018, 4,356,750 stock options were granted for no consideration, and 6,783,792 were exercised. The valuation applied to the options was the market price on the grant date.

Reconciliation of outstanding options

	Weighted Average Exercise Price	**'000**
Balance at 1 May 2017	0.73	23,852
Expired during the period	0.40	(1,522)
Exercised during the period	0.64	(6,784)
Granted during the period	1.41	4,357
Balance at 30 April 2018	**0.92**	**19,903**

Notes to the Consolidated Financial Statements (continued)

26. Transactions with related parties

There is no immediate or ultimate controlling party of the Group. No individual shareholder holds sufficient voting rights in order to exercise control.

Balances and transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The Group's other significant related parties are key management personnel, comprising all members of the Group board and the Executive Committee who are responsible for planning and controlling the activities of the Group.

	2018 £'000	**2017 £'000**
Key management personnel compensation	1,943	1,700
Dividends paid to shareholders who are also directors	653	1,003

Key management personnel compensation includes Directors' salaries and related benefits including pension contributions.

The Group has given a guarantee over the bank borrowings of PraxisIFM Group Limited Employee Benefit Trust. At 30 April 2018, the amount of this guarantee was £2,300,000.

No contract of significance to which a director of the issuer is or was materially interested was entered into during the period.

Notes to the Consolidated Financial Statements (continued)

27. Post balance sheet events

RBSI Revolving Facility

On the 8 June 2018 the loan disclosed in the financial statements as at 30 April 2017 was fully repaid.

On the 31 May 2018 PraxisIFM Group Limited (the Company), International Fund Management Limited, Praxis Fund Services Limited, Trireme Pension Services (Guernsey) Limited, Confiance Limited, PraxisIFM Trust Limited (Guernsey) and PraxisIFM Trust Limited (Jersey) (together the Subsidiaries and Guarantors) entered into a Multi-currency Term and Revolving Facilities Agreement (the Facility) with The Royal Bank of Scotland International Limited (RBSI), as Lender.

The Guarantors are jointly and severally liable.

The facility includes the following:-

a) A multi-currency term loan facility referred to as Facility A Commitments, in the sum of £10,000,000, repayment dates being quarterly commencing 1 September 2018, repayable on or before 4 years from the date of the Facility. Interest is charged at a margin of 3.75% over LIBOR (which may vary if certain conditions are not satisfied)

b) A multi-currency term loan facility referred to as Facility B Commitments, in the sum of £5,000,000, repayable on or before 5 years from the date of the Facility. Interest is charged at a margin of 3.75% over LIBOR (which may vary if certain conditions are not satisfied)

c) A multi-currency revolving credit facility referred to as the Revolving Facility Commitment, in the sum of £5,000,000, repayable on or before 5 years from the date of the Facility. The Lender may at its sole discretion agree to increase the Revolving Facility Commitment to £10,000,000. Interest is charged at a margin of 3.75% over LIBOR (which may vary if certain conditions are not satisfied)

The purpose of the Facility is towards:-

a) Financing acquisitions of companies, business and undertakings; and

b) Financing any amounts payable under the existing £3.5m loan and £3.5m overdraft between the Company and the Lender in full; and

c) The general corporate and working capital purposes of the Group (including capital expenditure)

Acquisition of Global Forward Trust B.V and Global Forward B.V

On 14 May 2018 the Group purchased Global Forward Trust B.V and Global Forward B.V for the amount of EUR 3,183,760. The purpose of the purchase was to enhance the Group's jurisdictional presence in the Netherlands.

Acquisition of Nerine Group

On 27 June 2018 the Group purchased Nerine Group for the amount of GBP 23,620,547. The purpose of the purchase was to enhance the Group's service offering and client base in the Channel Islands and Geneva, and give the Group a jurisdictional presence in Hong Kong and BVI on which to build a sizeable presence in these markets.

Acquisition of JD Associates Limited

On 15 August 2018 the Group purchased JD Associates Limited for the amount of GBP 1,016,251. The purpose of the purchase was to enhance the Group's service offering and client base in Hong Kong.

Acquisition of Jeffcote Donnison (Overseas) Limited

On 15 August 2018 the Group purchased Jeffcote Donnison (Overseas) Limited for the amount of GBP 2,572,744. The purpose of the purchase was to give the Group a jurisdiction presence in the Isle of Man and enhance the Group's service offering.

Acquisition of the assets of Jeffcote Donnison LLP

On 15 August 2018 the Group purchased the assets of Jeffcote Donnison LLP for the amount not exceeding GBP 1,400,000. The purpose of the purchase was to enhance the Group's presence in the UK.

Share Options Granted and Exercised

Since the year end, 550,000 options have been granted and 381,250 have been exercised.

This page is intentionally blank

This page is intentionally blank

Expertise *in action.*
Globally.

praxisifm.com