

**ITG Payphones (UK) Limited**

**Directors' Report and Financial Statements**

**Year Ended 30 September 2015**



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## **DIRECTORS AND OTHER INFORMATION**

### **Board of Directors**

Mike Maloney  
John Harris  
Julian Rothwell

### **Secretary and Registered Office**

Graeme Couturier  
Davidson House  
Gadbrook Park  
Northwich  
CW9 7TW  
Cheshire

**Registered Number:** 2067648

### **Auditors**

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1

## DIRECTORS' REPORT

The directors present their report and audited financial statements of ITG Payphones (UK) Limited for the year ended 30 September 2015.

### Principal activity and review of the business

The activity in the current period relates to rental income and associated expenses on a property.

### Results and dividends

The loss for the year before taxation amounted to £5,655 (2014: loss £119,671).

The directors do not recommend payment of a dividend.

### Going concern

On the basis of the information provided in note 1 the directors have reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future and going concern basis has been adopted in preparing these accounts.

### Directors

The names of the persons who were directors at any time during the year ended 30 September 2015 are set out below. Except where indicated below they served as directors for the entire period.

John Harris (appointed 30<sup>th</sup> June 2015)

Mary Turrell (resigned 30<sup>th</sup> June 2015)

Mike Maloney

Julian Rothwell

### Post balance sheet events

There have been no significant events affecting the company since the year end.

### Payment policy and practice

It is company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them.

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

**DIRECTORS' REPORT - continued**

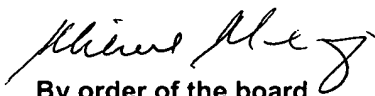
**Auditors and disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office. A resolution proposing their re-appointment will be submitted to the Annual General Meeting.



By order of the board  
Mike Maloney



## ***Independent auditors' report to the members of ITG Payphones (UK) Limited***

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, ITG Payphones (UK) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its loss for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
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#### **What we have audited**

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 30 September 2015;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### **Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## ***Independent auditors' report to the members of ITG Payphones (UK) Limited - continued***

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### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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### **Responsibilities for the financial statements and the audit**

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#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



## ***Independent auditors' report to the members of ITG Payphones (UK) Limited - continued***

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### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A handwritten signature in black ink, reading 'Damian Byrne'.

**Damian Byrne (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Auditors  
Dublin  
18 December 2015**



## ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows:

### **Basis of preparation**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

### **Leased assets**

All leased assets are operating leases. Rentals payable and receivable under operating leases are charged on a straight-line basis over the lease term.

### **Taxation and deferred tax**

The charge for taxation is based on the loss for the period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

**PROFIT AND LOSS ACCOUNT**  
**Year Ended 30 September 2015**

	Notes	2015 £	2014 £
<b>Gross profit</b>		-	-
Administrative expenses		(63,155)	(138,838)
Other operating income		<u>57,500</u>	<u>19,167</u>
<b>Operating loss</b>	2	(5,655)	(119,671)
<b>Loss on ordinary activities before taxation</b>		(5,655)	(119,671)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
<b>Retained loss for the financial period</b>		<u>(5,655)</u>	<u>(119,671)</u>

There are no recognised gains or losses other than the loss for the above year. There is no difference between the loss on ordinary activities before taxation and the loss retained above and their historical cost equivalents.

Operating loss arose solely from continuing operations.

**BALANCE SHEET**

As at 30 September 2015

	Notes	2015 £	2014 £
<b>Current assets</b>			
Debtors	4	33,537	41,215
Cash at bank and in hand		-	-
		<u>33,537</u>	<u>41,215</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>(1,495,202)</u>	<u>(1,497,225)</u>
<b>Net liabilities</b>		<u>(1,461,665)</u>	<u>(1,456,010)</u>
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Capital contribution	8	1,237	1,237
Profit and loss account	8	<u>(1,462,903)</u>	<u>(1,457,248)</u>
<b>Equity shareholders' deficit</b>	9	<u>(1,461,665)</u>	<u>(1,456,010)</u>

The financial statements on pages 9 to 14 were approved by the board of directors on 17/12/2015 and were signed on its behalf by:



**Mike Maloney**  
Director

ITG Payphones (UK) Limited Registered number: 2067648

## NOTES TO THE FINANCIAL STATEMENTS

**1 Going concern**

The financial statements have been prepared on a going concern basis as the company's ultimate parent company, Prize Holdings 1 S.à r.l. has confirmed that it will provide adequate financial support to the company for twelve months from the date of this report.

**2 Statutory and other information**

2015	2014
£	£

Directors' remuneration	-	-
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***Rentals payable under operating leases***

Operating leases - land and buildings	<u>118,684</u>	<u>117,020</u>
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Auditors' and directors' remuneration have been absorbed by Payzone UK Limited, a member of the same group.

The company employs no staff.

**3 Tax on loss on ordinary activities**

2015	2014
£	£

Current year corporation tax at 20.5% (2014: 22%)	-	-
Prior year under/(over) provision	-	-
Corporation tax on the loss for the year on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting the tax charge are as follows:

Loss on ordinary activities before taxation	<u>(5,655)</u>	<u>(119,671)</u>
Loss on ordinary activities at standard rate of taxation at 20.5% (2014: 22%)	(1,159)	(26,324)

Effects of:

Group relief surrendered	<u>1,159</u>	<u>26,324</u>
Current tax charge for the period	<u>-</u>	<u>-</u>

Changes to the UK Corporation Tax system were announced in the March 2013 UK Budget Statement. Legislation was substantively enacted as part of the Finance Bill 2013 on 2 July 2013 to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014, and from 21% to 20% from 1 April 2015. These rates were substantively enacted at the balance sheet date and their effects have been included in these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>4 Debtors</b>	2015 £	2014 £
Prepayments and accrued income	30,443	39,424
Other tax and social security	3,094	1,791
	<u>33,537</u>	<u>41,215</u>

<b>5 Creditors: amounts falling due within one year</b>	2015 £	2014 £
Accruals and deferred income	58,331	115,831
Amounts due to parent and group undertakings	1,436,871	1,381,394
	<u>1,495,202</u>	<u>1,497,225</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

**6 Deferred taxation**

A potential deferred tax asset of £99,621 (2014: £99,621) has not been recognised in the financial statements. This asset will be recoverable to the extent that suitable trading profits arise in the future, and comprises the following:

	2015 £	2014 £
Tax effect of unutilised tax losses	<u>99,621</u>	<u>99,621</u>

<b>7 Called up share capital</b>	2015 £	2014 £
<b><i>Authorised and Allotted share capital</i></b>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>
<b><i>Allotted, called up and fully paid</i></b>		
<i>Equity shares</i>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

The share capital of the company is pledged as security to the group's banking syndicate led by RBS, in return for the group's banking facilities extended to Prize Holdings 4 S.a.r.l.

The security was released on 7 August 2013 and the shares were transferred back to the Payzone Group.

## NOTES TO THE FINANCIAL STATEMENTS - continued

8 Reserves	Called up share capital £	Capital contribution £	Profit and loss account £	Total £
At the beginning of the year	1	1,237	(1,457,248)	(1,456,010)
Loss for the financial year	-	-	(5,655)	(5,655)
At end of year	<u>1</u>	<u>1,237</u>	<u>(1,462,903)</u>	<u>(1,461,665)</u>

9 Reconciliation of movement in equity shareholders' deficit	2015 £	2014 £
Loss for the financial year	(5,655)	(119,671)
Opening shareholders' deficit	(1,456,010)	(1,336,339)
Closing shareholders' deficit	<u>(1,461,665)</u>	<u>(1,456,010)</u>

## 10 Commitments

There were no capital commitments of a significant nature authorised or contracted for at the balance sheet date.

*Operating lease commitments*

Annual commitments exist under non cancellable operating leases are as follows:

	2015 Land and buildings £	2014 Land and buildings £
Expiring:		
Within one year	-	-
Between two and five years	-	-
More than five years	115,000	115,000
	<u>115,000</u>	<u>115,000</u>

## 11 Ultimate parent undertaking

The company's immediate parent undertaking is Payzone Ventures Limited, a company incorporated in the United Kingdom.

The company's ultimate parent undertaking and controlling party is Prize Holdings 1 S.à r.l. a company incorporated in Luxembourg, which is the parent undertaking of the largest and smallest group to consolidate these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**12 Cash flow statement and related party disclosures**

The company is a wholly-owned subsidiary of Prize Holdings 1 S.à r.l. and is included in the consolidated financial statements of Prize Holdings 1 S.à r.l. which are publicly available. Consequently, the company has taken exemption from preparing a cash flow statement under the terms of FRS 1.

The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Payzone group. There are no other related party transactions requiring disclosure in the financial statements in accordance with FRS 8.

**13 Approval of financial statements**

The directors approved the financial statements on 17/12/2015