

Company Registration No. 3257901

SIX Payment Services UK Ltd
(Formerly SIX Card Solutions UK Ltd)

Report and Financial Statements

31 December 2012

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SIX Payment Services UK Ltd

Report and financial statements 2012

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SIX Payment Services UK Ltd

Report and financial statements 2012

Officers and professional advisers

Directors

Niklaus Santschi (appointed 4 April 2012)
Michele Ferraris
Thomas Mirko Oberholzer
Felix Aeschelman (resigned 4 April 2012)

Secretary

Thomas Mirko Oberholzer

Bankers

Lloyds TSB Bank plc
Butler Place
London SW11 0PR

Solicitors

Eversheds
Senator House
85 Queen Victoria Street
London EC4V 4JL

Registered office

Regal House
70 London Road
Twickenham
Middlesex TW1 3QS

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

SIX Payment Services UK Ltd

Directors' report

The directors present their annual report and the audited financial statements for SIX Payment Services UK Ltd (the "company") for the year ended 31 December 2012

Principal activities

The principal activities of the company continue to be credit card/charge card car parking services and integrated Transac credit card/charge card handling business

The company is a wholly owned subsidiary of SIX Payment Services Luxembourg S A The ultimate parent is SIX Group Ltd

With effect from 10 May 2012, the name of the company was changed from SIX Card Solutions UK Ltd to SIX Payment Services UK Ltd

Review of business and future developments

The directors are satisfied with the progress of the business and hope to see an improvement in trading in the next financial year

Results and dividends

The Profit and Loss Account for the year is set out on page 7 The company's profit for the current financial year is £481,018 (2011 £379,098)

A dividend was paid in the year for an amount of £1,000,000 (2011 £200,000)

Principal risks and uncertainties

The company operates in a competitive market which is a continuing risk to the company and could result in losing sales to its key competitors The company manages this risk by providing strong core product together with sales of terminal and processing to its customers and by providing excellent customer service

Directors and their interests

The directors who held office during the year and at the year end are listed on page 1

None of the directors had beneficial interests in the share capital of the company during the year ended 31 December 2012

Company Secretary

Thomas Mirko Oberholzer continued to act as the company secretary for the year ended 31 December 2012

Going concern

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern In assessing the appropriateness of the going concern basis, the directors have taken into account all relevant information available covering a period of at least twelve months from the date of approval of the financial statements

Events after Balance Sheet date

The directors confirm that there were no significant events occurring after the Balance Sheet date, up to the date of this report, that would meet the criteria to be disclosed or adjusted in the financial statements for the year ended 31 December 2012

SIX Payment Services UK Ltd

Directors' report

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

Directors' statement as to the disclosure of information to auditors

The directors who were members of the board at the time of approving the Directors' Report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the Board of Directors



Michele Ferraris
Director

07/06/ 2013

SIX Payment Services UK Ltd

Statement of directors' responsibilities in respect of the financial statements

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). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

Independent auditor's report

to the members of SIX Payment Services UK Ltd

We have audited the financial statements of SIX Payment Services UK Ltd for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications in our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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 auditor's report (continued)

to the members of SIX Payment Services UK Ltd.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Janet Leslie (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP Statutory Auditor
London
Date _____

SIX Payment Services UK Ltd

Profit and loss account Year ended 31 December 2012

	Note	2012	2011
		£	£
Turnover	3	3,371,546	3,081,778
Cost of sales		(1,855,811)	(1,847,188)
Gross profit		1,515,735	1,234,590
Other income		79,096	85,572
Administrative expenses		(967,439)	(821,705)
Operating profit	4	627,392	498,457
Interest receivable and similar income	6	14,647	15,412
Profit on ordinary activities before taxation		642,039	513,869
Tax on profit on ordinary activities	13	(161,021)	(134,771)
Profit on ordinary activities after taxation	11	481,018	379,098

The notes on pages 9 to 17 form an integral part of these financial statements


The above results were derived entirely from continuing operations

The company has no recognised gains or losses for either period other than the loss above and therefore no separate statement of total recognised gains and losses has been presented

SIX Payment Services UK Ltd

Notes to the financial statements Year ended 31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	7	153,778	35,698
Current assets			
Debtors amounts falling due within one year	8	1,318,903	1,589,390
Cash at bank and in hand		2,242,955	2,201,623
		<u>3,561,858</u>	<u>3,791,013</u>
Creditors amounts falling due within one year	9	<u>(3,036,620)</u>	<u>(2,628,713)</u>
Net current assets		<u>525,238</u>	<u>1,162,300</u>
Net assets		<u>679,016</u>	<u>1,197,998</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	679,014	1,197,996
		<u>679,016</u>	<u>1,197,998</u>



Michele Ferraris
Director

07 June 2013

SIX Payment Services UK Ltd

Notes to the financial statements Year ended 31 December 2012

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with applicable United Kingdom accounting standards and on a going concern basis. The particular accounting policies adopted are described below.

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. The company has received a letter of support from its immediate parent company, SIX Payment Services Luxembourg S A, in respect of any claims which arise in respect of certain past tax transactions.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the value of Transac and car parking commission, all of which are earned through charge and credit cards.

Fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery - 20% per annum

The company reviews the economic useful life of fixed assets on an annual basis to ensure that the carrying values do not exceed the recoverable amount, being the higher of net realisable values and values in use.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Trade Debtors

Trade debtors are held at cost less any provision for doubtful debts. The provision for doubtful debts is calculated by estimating the non-recoverable amounts of debtors that are in arrears or have defaulted. This estimation is based upon historic loss rates for similar accounts and management's assessment of the likely recovery on each debtor.

Taxation

Current taxation is based on the taxable profit for the year and is provided at amounts expected to be paid using the tax rates and laws that have been enacted at the balance sheet date.

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date which will result in an obligation to pay more or a right to pay less or to receive more tax. Deferred tax assets are recognized only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

SIX Payment Services UK Ltd

Notes to the financial statements Year ended 31 December 2012

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2 Cash flow statement and related party disclosures

Under FRS 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking which is included in publicly available consolidated financial statements prepared by its ultimate parent undertaking.

The company is 100% owned by its parent undertaking and as such has taken advantage of the exemption available under FRS 8 not to disclose transactions with other wholly owned group companies.

3 Turnover

Turnover was derived from the principal activities of the company and arose solely in the United Kingdom.

Included within turnover is £349,890 (2011: £284,802) of engineers' development services that were recharged to SIX Payments Services (Luxembourg) S.A., a related party, in the current year.

4 Operating profit

This is stated after charging

	2012 £	2011 £
Staff costs (note 5)	756,204	656,301
Fees payable to company's auditors for audit of the company's accounts	18,000	14,000
Fees payable to company's auditors for tax compliance services	12,380	9,500
Depreciation of tangible fixed assets (note 7)	38,943	4,680
Operating lease charges – other	28,988	23,540

5 Staff costs

The payroll costs are allocated between cost of sales and administrative expense to reflect the nature of the activity undertaken. During 2012, £756,204 (2011: £653,751) has been allocated to costs of sales and £4,000, (2011: £2,550) to administrative expenses.

SIX Payment Services UK Ltd

Notes to the financial statements Year ended 31 December 2012

5. Staff costs (continued)

These costs include

	2012 £	2011 £
Wages and salaries	623,573	547,729
Social security costs	81,884	68,277
Insurances	21,632	16,022
Pension	29,115	24,273
	<u>756,204</u>	<u>656,301</u>

The average number of persons employed by the company during the year was as follows

	2012 No.	2011 No
Sales and Operations	2	3
Technical	6	6
Business Management	2	2
	<u>10</u>	<u>11</u>

The directors' remuneration for the year was £168,000 (2011: £132,000) in respect of their services to the company. The directors' remuneration is paid by SIX Payment Services Luxembourg S.A. No directors were members of company pension schemes and the company made no pension contributions in respect of directors' qualifying services (2011: £nil).

SIX Payment Services UK Ltd

Notes to the financial statements Year ended 31 December 2012

6 Interest receivable and similar income

	2012 £	2011 £
Bank interest	4,557	5,687
Loan interest	10,090	9,725
	<u>14,647</u>	<u>15,412</u>

7 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2012	190,353
Additions	157,023
Disposals in the year	<u>(149,975)</u>
At 31 December 2012	<u>197,401</u>
Accumulated depreciation	
At 1 January 2012	154,655
Charge for the year	38,943
Disposals in the year	<u>(149,975)</u>
At 31 December 2012	<u>43,623</u>
Net book value	
At 31 December 2012	<u>153,778</u>
At 31 December 2011	<u>35,698</u>

8 Debtors: amounts falling due within one year

	2012 £	2011 £
Trade debtors	420,823	680,032
Amount owed by group undertakings	710,628	825,986
Deferred tax asset	29,656	44,483
Prepayments and accrued income	157,796	38,889
	<u>1,318,903</u>	<u>1,589,390</u>

Amounts owed by group undertakings are unsecured, interest bearing and are repayable on demand

SIX Payment Services UK Ltd

Notes to the financial statements Year ended 31 December 2012

9. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	2,639,501	2,237,799
Taxation and social security	250,898	240,106
Corporation tax	74,223	57,008
Accruals and deferred income	71,998	93,800
	<u>3,036,620</u>	<u>2,628,713</u>

10. Called up share capital

	2012 £	2011 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. Retained profit for the financial year

	2012 £	2011 £
At 1 January	1,197,996	1,018,898
Profit for the financial year	481,018	379,098
Dividend	<u>(1,000,000)</u>	<u>(200,000)</u>
Retained profit at 31 December	<u>679,014</u>	<u>1,197,996</u>

12. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Shareholders' funds at 1 January	1,197,998	1,018,900
Profit for the financial year	481,018	379,098
Dividend	<u>(1,000,000)</u>	<u>(200,000)</u>
Shareholders' funds at 31 December	<u>679,016</u>	<u>1,197,998</u>

SIX Payment Services UK Ltd

Notes to the financial statements Year ended 31 December 2012

13 Tax

a) Tax on profit on ordinary activities

2012

2011

£

£

The tax charge is made up as follows

Current Tax

UK corporation tax at 24.50% (2011: 26.5%)

146,120

125,612

Adjustment in respect of previous period

74

(5,863)

Total current tax

146,194

119,749

Deferred Tax

Originating and reversal of timing difference

12,003

11,252

Effect of decreased tax rate on closing asset

2,824

3,770

Total deferred tax

14,827

15,022

Tax charge on profit on ordinary activities

161,021

134,771

SIX Payment Services UK Ltd

Notes to the financial statements Year ended 31 December 2012

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are reconciled below:

	2012 £	2011 £
Profit on ordinary activities before tax	642,039	513,869
Tax charge at 24.5% (2011: 26.5%)	157,300	136,175
Effects of:		
Expenses not deductible for tax purposes	823	689
Depreciation in excess of capital allowances	(10,775)	(12,580)
Other timing differences	(1,228)	1,328
Adjustment in respect of prior period	74	(5,863)
Total current tax charge	146,194	119,749

c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 26% to 24% was substantively enacted in March 2012 and is effective from 1 April 2012. A further reduction from 24% to 23% was substantively enacted in July 2012 and will be effective from 1 April 2013. Accordingly, these rates have been applied in the measurement of the company's deferred tax assets and liabilities as at 31 December 2012.

In addition, the Government announced its intention to further reduce the UK corporation tax rate to 21% from 1 April 2014. The aggregate impact of the proposed reductions from 23% to 21% on the company's net assets will be recognised as the legislation is substantively enacted.

A further reduction in the rate of UK corporation tax to 20% from 1 April 2015 was announced on 20 March 2013 as part of the Chancellor's Budget speech. This change is expected to be enacted during 2013. The impact on the Company's assets arising from such announcement rate changes will be affected and should be updated upon substantive enactment.

SIX Payment Services UK Ltd

Notes to the financial statements Year ended 31 December 2012

d) Deferred tax

In accordance with FRS 19 'Deferred Tax', a deferred tax asset has been recognised in the financial statements as there is sufficient certainty that suitable taxable profits will arise against which these timing differences can reverse

Deferred tax included in the balance sheet is as follows

	2012 £	2011 £
Included in debtors (Note 9)	29,656	44,483
Total deferred tax	<u>29,656</u>	<u>44,483</u>
Accelerated capital allowances	29,656	43,228
Other timing differences	-	1,255
Total deferred tax	<u>29,656</u>	<u>44,483</u>
At 1 January	44,483	59,505
Deferred tax charge in Profit and Loss Account	(14,827)	(15,022)
At 31 December	<u>29,656</u>	<u>44,483</u>

14 Capital and other commitments

There were no capital commitments at the end of the financial year (2011: £nil)

Annual commitments under non-cancellable operating leases, none of which are in relation to land and buildings, are as follows

	2012 £	2011 £
Operating leases which expire:		
Within one year	<u>28,988</u>	<u>23,450</u>
	<u>28,988</u>	<u>23,450</u>

SIX Payment Services UK Ltd

Notes to the financial statements Year ended 31 December 2012

15 Post balance sheet events

There have been no events that have had a significant effect on the financial statements since 31 December 2012

16 Ultimate parent undertaking

The company's immediate parent company is SIX Payment Services Luxembourg S A

SIX Group Ltd, a company incorporated in Switzerland, is the company's ultimate parent company

SIX Group Ltd is the parent undertaking of the smallest and largest group to consolidate these financial statements

Copies of the group financial statements for SIX Group Ltd are available from its registered office
Postfach Hardturmstrasse 201 CH 8021 Zurich Switzerland