

Company Registration No. 06014862 (England and Wales)

AZEBRA PAY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

AZEBRA PAY LTD

COMPANY INFORMATION

Director	L Richardson
Company number	06014862
Registered office	Egale 1 80 St Albans Road Watford Herts WD17 1DL
Auditor	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL
Business address	Scotsbridge House Scots Hill Croxley Green Rickmansworth Herts WD3 3BB

AZEBRA PAY LTD

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AZEBRA PAY LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents the strategic report for the year ended 31 December 2017.

Review of the business and future developments

The results for the year and the company's financial position are as shown in the following statutory accounts.

During the year, turnover decreased from £35,328,846 to £30,071,859, a decrease of 15%. Operating profit decreased from £144,939 to £6,706.

Revenues were impacted by the drop in the number of average employees. The company continues to invest in systems, people and clients to ensure that we adapt to change in customer requirements and legislation. In a competitive environment we continue to focus on customer relationships and our high quality service, whilst ensuring compliance with legislation.

Principal risks and uncertainties

The company continually identifies its risks and uncertainties, and how these may affect the company.

In common with similar businesses, the company may be impacted by changes to UK legislation, for example changes relating to employment intermediaries and travel and subsistence expenses.

The company ensures that its systems, operations and compliance are both flexible and robust enough to enable us to adapt to any changes.

Liquidity risk

The company monitors and reviews liquidity risks regularly on an ongoing basis. The director considers short-term requirements against available sources of funding, taking into account cash flow and response to any identified needs as necessary to support the business.

On behalf of the board

L Richardson

Director

26 September 2018

AZEBRA PAY LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents her annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company is the provision of outsourced administrative and payroll services.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

L Richardson

Results and dividends

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

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present.

Auditor

Myers Clark were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

AZEBRA PAY LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

L Richardson

Director

26 September 2018

AZEBRA PAY LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF AZEBRA PAY LTD

Opinion

We have audited the financial statements of Azebra Pay Ltd (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

AZEBRA PAY LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF AZEBRA PAY LTD

Matters on which we are required to report by exception

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

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

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

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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: <http://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 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.

Paul Windmill (Senior Statutory Auditor)
for and on behalf of Myers Clark

27 September 2018

Chartered Accountants
Statutory Auditor

Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

AZEBRA PAY LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
	Notes	£	£
Turnover	3	30,071,859	35,328,846
Cost of sales		(29,346,051)	(34,196,433)
Gross profit		725,808	1,132,413
Administrative expenses		(719,102)	(987,474)
Operating profit		6,706	144,939
Interest receivable and similar income	5	29	1,841
Profit before taxation		6,735	146,780
Tax on profit	6	(1,280)	(29,356)
Profit for the financial year		5,455	117,424

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

AZEBRA PAY LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Profit for the year	5,455	117,424
Other comprehensive income	-	-
Total comprehensive income for the year	<u>5,455</u>	<u>117,424</u>

AZEBRA PAY LTD

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Current assets					
Debtors	9	1,244,530		1,079,837	
Cash at bank and in hand		603,909		637,852	
		<u>1,848,439</u>		<u>1,717,689</u>	
Creditors: amounts falling due within one year	10	<u>(1,775,166)</u>		<u>(1,649,870)</u>	
Net current assets			73,273		67,819
			<u><u>73,273</u></u>		<u><u>67,819</u></u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss reserves			73,173		67,719
			<u>73,273</u>		<u>67,819</u>
Total equity			<u><u>73,273</u></u>		<u><u>67,819</u></u>

The financial statements were approved and signed by the director and authorised for issue on 26 September 2018

L Richardson
Director

Company Registration No. 06014862

AZEBRA PAY LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2016		100	65,295	65,395
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	117,424	117,424
Dividends	7	-	(115,000)	(115,000)
Balance at 31 December 2016		100	67,719	67,819
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	5,455	5,455
Balance at 31 December 2017		100	73,174	73,274

AZEBRA PAY LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash absorbed by operations	16		(4,616)		(831,298)
Income taxes paid			(29,356)		(75,040)
Net cash outflow from operating activities			(33,972)		(906,338)
Investing activities					
Interest received		29		1,841	
Net cash generated from investing activities			29		1,841
Financing activities					
Dividends paid		-		(115,000)	
Net cash used in financing activities			-		(115,000)
Net decrease in cash and cash equivalents			(33,943)		(1,019,497)
Cash and cash equivalents at beginning of year			637,852		1,657,349
Cash and cash equivalents at end of year			603,909		637,852

AZEBRA PAY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Azebra Pay Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Egale 1, 80 St Albans Road, Watford, Herts, WD17 1DL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover includes revenue earned from the rendering of payroll services. Turnover from the rendering of payroll services is recognised at the point of payslip generation.

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

AZEBRA PAY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense in the period to which they relate.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2017	2016
	£	£
Turnover analysed by class of business		
Services	30,071,859	35,328,846

AZEBRA PAY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue (Continued)

	2017 £	2016 £
Other significant revenue		
Interest income	29	1,841

	2017 £	2016 £
Turnover analysed by geographical market		
UK	30,071,859	35,328,846

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Directors	1	1
Off site employees	1,400	1,500
	1,401	1,501

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	25,953,148	28,833,897
Social security costs	2,150,124	2,307,134
Pension costs	108,149	127,061
	28,211,421	31,268,092

5 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	29	1,841

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	29	1,841
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AZEBRA PAY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	1,280	29,356

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	6,735	146,780
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	1,280	29,356
Taxation charge in the financial statements	1,280	29,356

7 Dividends

	2017	2016
	£	£
Final paid	-	115,000

8 Financial instruments

	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,244,530	1,079,837
Carrying amount of financial liabilities		
Measured at amortised cost	205,140	517,073

9 Debtors

	2017	Restated 2016
	£	£
Amounts falling due within one year:		
Trade debtors	41,921	62,103
Amounts owed by undertakings in which the company has a participating interest	1,202,609	1,017,734
	1,244,530	1,079,837

AZEBRA PAY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Creditors: amounts falling due within one year

	2017	2016
	£	£
Corporation tax	1,280	29,356
Other taxation and social security	1,568,746	1,103,441
Other creditors	190,744	455,573
Accruals and deferred income	14,396	61,500
	<u>1,775,166</u>	<u>1,649,870</u>

11 Retirement benefit schemes

	2017	2016
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>108,149</u>	<u>127,061</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

12 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

13 Prior year adjustment

The amounts owed from companies under common control have been reclassified from long term to short term due to incorrect classification in previous years.

14 Related party transactions

During the year the company, entered into transactions with Black & White Outsourcing Ltd, a company connected through having the same ultimate controlling party. The total expenditure amounted to £710,000 (2016: £960,000) and related to management charges for the period. At the year end, Black & White Outsourcing Ltd owe Azebra Pay Ltd £1,102,609 (2016: £860,609) and this is presented in debtors within the accounts.

AZEBRA PAY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Controlling party

The ultimate parent company for which consolidated financial statements including the result of the company, are included in Azebra Group Limited, a company registered in England and Wales. Copies of these consolidated financial statements may be obtained from Companies' House.

The ultimate controlling party is S Overhead.

16 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	5,455	117,424
Adjustments for:		
Taxation charged	1,280	29,356
Investment income	(29)	(1,841)
Movements in working capital:		
(Increase) in debtors	(164,693)	(268,997)
Increase/(decrease) in creditors	153,372	(707,240)
Cash absorbed by operations	<u>(4,615)</u>	<u>(831,298)</u>

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