

Company Registration No. 6124842
(A company Limited by Guarantee)

Payments Council Limited

Report and Financial Statements

31 December 2010



Payments Council Limited

Report and financial statements 2010

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Payments Council Limited

Directors' report

The Directors present their report together with the financial statements of Payment Council Limited ("the Company") for the year ended 31 December 2010. This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

Principal activity

The Payments Council was set up as the organisation that sets the strategy for UK payments, and has three core objectives:

- (a) to lead the future development of co-operative payments services in the UK in order to ensure that the payment system as a whole meets the needs of payment service providers, users and the wider economy,
- (b) to ensure that the payment systems are open, accountable and transparent,
- (c) to ensure the operational efficiency, effectiveness and integrity of payment services in the UK.

Financial risk management

The significant financial assets of the Company are cash and amounts owed by related parties. Financial liabilities comprise amounts owed to members and related parties.

A company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are insufficient to fund the obligations arising from liabilities as they fall due. There are many components of financial risk, however, due to the nature of the Company's business and the assets and liabilities contained within its balance sheet, the financial risks the directors consider relevant to this Company are liquidity and cash flow risk. These risks are mitigated by the routine monitoring of the key management information.

As a result, the Company is not exposed to any significant financial risk through its financial assets and liabilities.

Review of business

The results for the year and financial position of the company are as shown in the financial statements. Turnover for the year amounted to £4,118,697 (2009: £3,522,553) and the result after taxation was £nil (2009: £nil).

Going concern

The Company submits and agrees an annual budget to its members, who provide the funding for its continuing operations. After making enquiries, the directors have formed a judgement that at the time of approving the financial statements, there is a reasonable expectation that the Company has adequate resources, and is expected to continue in operational existence for the foreseeable future.

Dividends

No dividends will be distributed for the year ended 31 December 2010 (2009: £nil).

Payments Council Limited

Directors' report (continued)

Directors

The following directors served during the year

Richard North Chairman (appointed 06 04 2010)

Michael Alexander

Steve Allen (appointed 16 04 2010)

James Barclay (appointed 26 05 2010)

Brent Bellm (resigned 01 04 2010)

Moir Black

Kevin Brown (appointed 05 10 2010)

Martin Cave

Maurice Cleaves (resigned 16 09 2010)

Ron Delnevo (appointed 14 12 2010)

John Hughes

Ron Kalifa (resigned 30 09 2010)

Colin Klipin (resigned 10 02 2010)

Stephen Locke

Neil Lover

Gerard Moffatt (appointed 26 05 2010)

Dermot Nolan (resigned 09 04 2010)

Juan Olaizola (resigned 02 12 2010)

Kevin Page

Colin Painter (resigned 21 12 2010)

Russell Saunders

Andrew Slough (appointed 22 12 2010)

Norman Wren (appointed 03 12 2010)

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

Statement as to disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

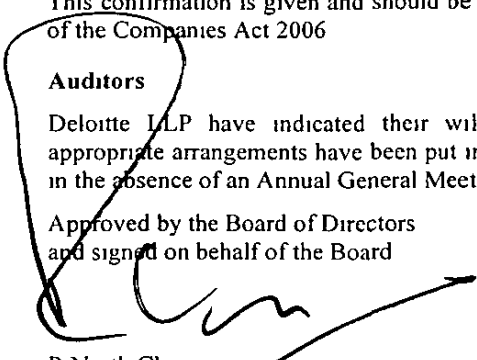
- as far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Auditors

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



R North Chairman
16 June 2011

Payments Council Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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, 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 Payments Council Limited

We have audited the financial statements of Payments Council Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 9. 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 applicable to smaller entities).

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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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.

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 2010 and of its results for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

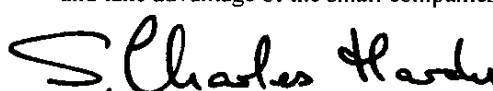
Opinion on other matter prescribed by the Companies Act 2006

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.

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, or
- the directors were not entitled to prepare the financial statements in accordance with small companies regime and take advantage of the small companies exemption in preparing the directors' report.


Simon Hardy FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date 16 June 2011

Payments Council Limited

Profit and loss account Year ended 31 December 2010

	Notes	2010 £	2009 £
Turnover	1	4,118,697	3,522,553
Administrative expenses		(4,120,129)	(3,524,055)
Operating loss	3	(1,432)	(1,502)
Interest receivable		1,957	1,502
Profit on ordinary activities before taxation		525	-
Tax on profit on ordinary activities	4	(525)	-
Profit for the financial year after taxation		-	-
Retained profit carried forward		-	-

Continuing operations

All of the company's activities are from continuing operations

Total recognised gains and losses

The company has no recognised gains or losses for the current year or prior period other than as set out in the profit and loss account above, and hence no statement of total recognised gains and losses has been prepared

Payments Council Limited

Balance sheet **31 December 2010**

	Notes	2010 £	2009 £
Current assets			
Debtors	5	411,500	19,393
Cash at bank		366,011	615,122
		<u>777,511</u>	<u>634,515</u>
Creditors: amounts falling due within one year	6	<u>(777,511)</u>	<u>(634,515)</u>
Net current assets		<u>-</u>	<u>-</u>
Total net assets less current liabilities		<u>-</u>	<u>-</u>
Capital and reserves			
Share capital	7	<u>-</u>	<u>-</u>
Shareholders' funds		<u>-</u>	<u>-</u>

The financial statements of Payments Council Limited, registered number 6124842 were approved and authorised for issue by the Board of Directors on the 16 June 2011

Signed on behalf of the Board of Directors

R North
Chairman

Payments Council Limited

Notes to the financial statements Year ended 31 December 2010

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), and in accordance with applicable United Kingdom law and Accounting Standards.

Going concern

The business activities of the company, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. The financial position of the Company reflects its objectives, policies and processes for managing its resources, its financial risk management objectives, and its acceptable level of exposure to liquidity risk.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover represents amounts derived from members of the Payments Council to fund the program of activity to be undertaken. All business activity is undertaken in the United Kingdom.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Amounts due to and from members

Invoices are issued to members half yearly in advance.

Shareholders and Members

The members of Payments Council Limited are also its shareholders.

2. Information regarding employees

The company had no employees during the year (2009: nil). In consideration of the performance of their duties, the independent directors and the Chairman were reimbursed a Directors Fee. The costs relating to this Directors Fee are shown below.

3. Operating loss

	2010 £	2009 £
The operating loss is stated after charging		
Fees payable to the company's auditors for the audit of the company's annual accounts	6,000	5,500
Directors' emoluments – remuneration and benefits in kind	227,865	232,284
Remuneration of the Chairman (appointed 06/04/2010) and highest paid director	51,782	62,143

Payments Council Limited

Notes to the financial statements Year ended 31 December 2010

4. Taxation

(a) Analysis of tax charge

	2010	2009
	£	£
Current tax		
United Kingdom corporation tax	525	-
	<u>525</u>	<u>-</u>

(b) Factors affecting the current tax charge

The tax charge for the year differs from that resulting from applying the standard rate of corporation tax in the year (21%) to the profit before tax. The difference is explained below

	2010	2009
	£	£
Profit on ordinary activities before taxation	525	-
Tax at 21% thereon (2009: 21%)	(110)	-
Effects of Expenses not deductible for tax purposes	(415)	-
Tax charge for the year	<u>(525)</u>	<u>-</u>

There are no deferred tax balances in 2010 (2009: £nil)

5. Debtors – amounts falling due within one year

	2010	2009
	£	£
VAT	400,014	-
Trade Debtors	4,112	-
Amounts due from members (Note 8b)	-	19,393
Amounts due from UK Payments Administration Limited	290	-
Prepayments and accrued income	7,084	-
	<u>411,500</u>	<u>19,393</u>

Payments Council Limited

Notes to the financial statements Year ended 31 December 2010

6 Creditors' amounts falling due within one year

	2010 £	2009 £
Trade creditors	201,318	18,327
Amounts owed to members (Note 8b)	561,618	326,043
Amounts owed to UK Payments Administration Limited	-	148,172
VAT	-	574
Accrued expenses and deferred income	14,050	141,399
Corporation tax	525	-
	<u>777,511</u>	<u>634,515</u>

7. Called up share capital

The Company was formed on 22 February 2007 as a private company limited by guarantee. At the date of this report there are 31 Members, whose guarantee in the event of winding up the Company is a sum not exceeding £1 each.

8 Related party disclosures

(a) Management Charges

The Company was charged £3,103,032 (2009 £2,868,491) by UK Payments Administration Ltd for management services.

(b) Debtors & Creditors

The amounts due from or to member companies and due from UK Payments Administration Ltd are set out in Notes 5 and 6 above.

9 Ultimate parent company

There is no ultimate controlling party.