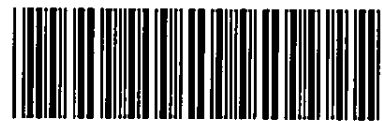


Company Registered Number 6124842

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009
FOR
PAYMENTS COUNCIL LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

SATURDAY



A31 *AYSKYL1* 380
24/07/2010
COMPANIES HOUSE

PAYMENTS COUNCIL LIMITED (Company No. 6124842)

CONTENTS OF THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

	Page
Report of the Directors	1
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

PAYMENTS COUNCIL LIMITED (Company No. 6124842)

DIRECTORS' REPORT

For the Year Ended 31 December 2009

The Directors present their report together with the financial statements of Payment Council Limited ("the Company") for the year ended 31 December 2009. 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 £3,522,553 (2008: £3,032,335) and the result after taxation was £nil (2008: £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 2009 (2008: £nil).

PAYMENTS COUNCIL LIMITED (Company No. 6124842)

DIRECTORS' REPORT

For the Year Ended 31 December 2009

DIRECTORS

The following directors served during the year

Brian Pomeroy (Chairman) (resigned 31 October 2009)

Michael Alexander

Paul Baker (resigned 9 March 2009)

Brent Bellm

Moirra Black

Martin Cave

Maurice Cleaves

Kevin Gillett (resigned 11 March 2009)

Richard Hemsley (resigned 30 September 2009)

John Hughes

Ron Kalifa (appointed 1 October 2009)

Colin Klipin

Jim Large(resigned 18 June 2009)

Stephen Locke

Neil Lover (appointed 24 February 2009)

Dermot Nolan

Juan Olaizola

Kevin Page (appointed 12 March 2009)

Colin Painter (appointed 18 June 2009)

Russell Saunders (appointed 13 March 2009)

The Company purchased Directors & Officers Insurance for the benefit of the Directors This was in place for the period under review and remains in place at the time of signing of the Financial Statements

PAYMENTS COUNCIL LIMITED (Company No. 6124842)

DIRECTORS' REPORT

For the Year Ended 31 December 2009

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 applicable to smaller entities. 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 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This information is given and should be interpreted in accordance with provision 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.

ON BEHALF OF THE BOARD:


R North - Chairman

Date 16th June 2010

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PAYMENTS COUNCIL LIMITED

We have audited the financial statements of Payments Council Limited for the year ended 31 December 2009, 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 the Financial Reporting Standard for Smaller Entities (Effective April 2008) (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 auditors' 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 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 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 (APB'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 2009 and of its result 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

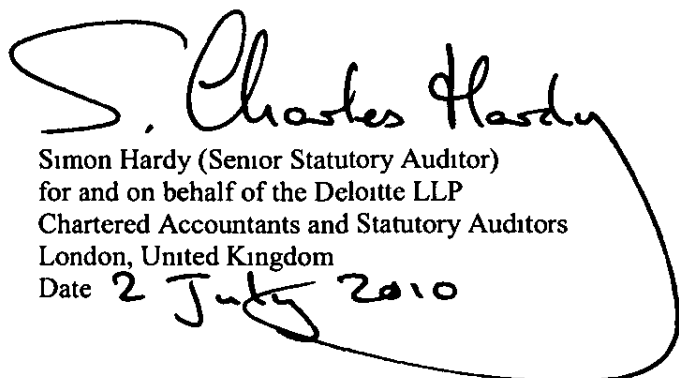
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PAYMENTS COUNCIL LIMITED
(continued)**

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 the small companies regime or take advantage of the small companies exemption in preparing the directors' report


Simon Hardy (Senior Statutory Auditor)
for and on behalf of the Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
Date 2 July 2010

PAYMENTS COUNCIL LIMITED (Company No. 6124842)

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2009

		<u>2009</u>	<u>2008</u>
	Notes	£	£
TURNOVER		3,522,553	3,032,335
Administrative expenses		<u>(3,524,055)</u>	<u>(3,076,514)</u>
OPERATING LOSS	3	(1,502)	(44,179)
Interest receivable		<u>1,502</u>	<u>44,179</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>-</u>	<u>-</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>-</u></u>	<u><u>-</u></u>

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 (Company No. 6124842)

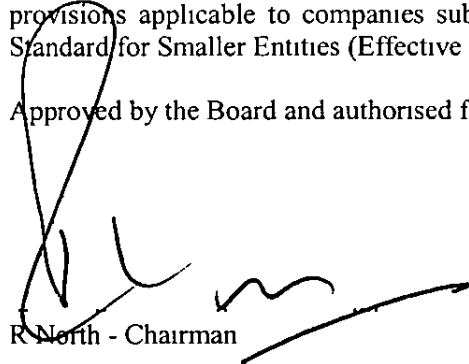
BALANCE SHEET
31 December 2009

		<u>2009</u>	<u>2008</u>
	Notes	£	£
CURRENT ASSETS:			
Debtors	5	19,393	423,389
Cash at bank		<u>615,122</u>	<u>618,755</u>
		634,515	1,042,144
CREDITORS: Amounts falling due within one year	6	<u>634,515</u>	<u>1,042,144</u>
NET CURRENT ASSETS:		<u>-</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>-</u>	<u>-</u>
CAPITAL & RESERVES			
Share Capital	7	<u>-</u>	<u>-</u>
SHAREHOLDERS FUNDS		<u>-</u>	<u>-</u>

ON BEHALF OF THE BOARD:

These financial statements of Payments Council Limited have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (Effective April 2008)

Approved by the Board and authorised for issue on 16th June 2010, and signed on behalf of the Board


R North - Chairman

PAYMENTS COUNCIL LIMITED (Company No. 6124842)

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2009**

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 capital, 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 (2008: 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 were £232,284 (2008: £232,315).

PAYMENTS COUNCIL LIMITED (Company No. 6124842)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2009

3 OPERATING LOSS

The operating loss is stated after charging

	2009 £	2008 £
Fees payable to the company's auditors for the audit of the company's annual accounts	<u>5,500</u>	<u>5,000</u>
Directors' emoluments – remuneration and benefits in kind	<u>232,284</u>	<u>232,315</u>
Remuneration of the Chairman (resigned 31 10 2009) and highest paid Director	<u>62,143</u>	<u>71,625</u>

4 TAXATION

Taxation on the result of ordinary activities for the year was £nil (2008 £nil)

5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
VAT	-	17,395
Trade Debtors	-	-
Amounts due from members (Note 8b)	19,393	-
Amounts due from UK Payments Administration Limited	-	404,161
Prepayments and accrued income	<u>-</u>	<u>1,833</u>
	<u>19,393</u>	<u>423,389</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	18,327	97,512
Amounts owed to members (Note 8b)	326,043	343,801
Amounts owed to UK Payments Administration Limited	148,172	529,976
VAT	574	-
Accrued expenses and deferred income	<u>141,399</u>	<u>70,855</u>
	<u>634,515</u>	<u>1,042,144</u>

PAYMENTS COUNCIL LIMITED (Company No. 6124842)

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 28 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 £2,868,491 (2008 £ 2,381,551) 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.