

Financial Statements Retail Merchant Group Limited

For the Year Ended 31 December 2015



Registered number: 06257540

Retail Merchant Group Limited
Registered number:06257540

Company Information

Directors

Mr G Poppleton
Mr P McOmish
Mr M E Postle
Mr I G Pennick
Mr I S Robson

Company secretary

Mr P McOmish

Registered number

06257540

Registered office

Matrix House
North Fourth Street
MILTON KEYNES
MK9 1NJ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
2 Broadfield Court
SHEFFIELD
South Yorkshire
S8 0XF

Bankers

Natwest Bank PLC
Victoria Street
GRIMSBY
DN31 1UX

Retail Merchant Group Limited
Registered number:06257540

Contents

	Page
Group Strategic Report	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 5
Consolidated Statement of Income and Retained Earnings	6
Consolidated Statement of Financial Position	7
Company Statement of Financial Position	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10 - 26

Group Strategic Report

For the Year Ended 31 December 2015

The directors present their Strategic Report for the year ended 31 December 2015.

Business review

Annual turnover increased to £15,373,539 (2014 - £13,188,326). The directors are satisfied with the annual Group results. We continue to develop and invest in new technologies and services to drive the growth and efficiency of the business and create additional opportunities with both new and existing customers.

Principal risks and uncertainties

The principal risk to the business is competitors who offer the same service. To mitigate this risk we ensure that we recruit experienced staff and offer a competitive package to our customers. We continue to grow the business through customer referrals direct marketing, social media and PR activities to spread the message about the unique offering and benefits package and to expand our head count with new offices and a growing sales force.

With the company expanding, the board of directors are responsible for creating and appointing critical new business positions to build and supplement departments with the critical experience, key skills and industry knowledge needed to keep ahead of the competition.

Financial key performance indicators

The directors manage the ongoing performance of the business by reviewing the management accounts, monitoring variance analysis and reviewing ongoing customer feedback.

This report was approved by the board on 21 June 2016 and signed on its behalf.



Mr G Poppleton
Director

Directors' Report

For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The principal activities of the Group during the year were providing credit and debit card processing services and membership to retailers.

Results and dividends

The profit for the year, after taxation, amounted to £1,925,498 (2014 -£1,930,033).

No dividends were paid during the current or preceding financial year.

Directors

The directors who served during the year were:

Mr G Poppleton
Mr P McOmish
Mr M E Postle
Mr I G Pennick
Mr I S Robson

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

For the Year Ended 31 December 2015

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

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

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 June 2016 and signed on its behalf.



Mr G Poppleton
Director



Independent Auditor's Report to the Members of Retail Merchant Group Limited

We have audited the financial statements of Retail Merchant Group Limited for the year ended 31 December 2015, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2015 and of the Group's 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.



Independent Auditor's Report to the Members of Retail Merchant Group Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

A handwritten signature in black ink, appearing to read "Michael Redfern".

Michael Redfern (Senior Statutory Auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Sheffield

21 June 2016

Consolidated Statement of Income and Retained Earnings

For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	15,373,539	13,188,326
Cost of sales		(7,719,112)	(6,853,323)
Gross profit		7,654,427	6,335,003
Distribution costs		(398,278)	(288,636)
Administrative expenses		(4,630,530)	(3,390,679)
Operating profit	5	2,625,619	2,655,688
Interest receivable and similar income	8	1,036	3,701
Interest payable and expenses	9	(206,056)	(286,584)
Profit before tax		2,420,599	2,372,805
Tax on profit	10	(495,101)	(442,772)
Profit after tax		1,925,498	1,930,033
Retained earnings at the beginning of the year		(1,057,409)	(2,987,442)
		(1,057,409)	(2,987,442)
Profit for the year attributable to the owners of the parent		1,925,498	1,930,033
Retained earnings at the end of the year		868,089	(1,057,409)

The notes on pages 10 to 26 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	11	240,109	-
Tangible assets	13	5,772,735	4,685,340
		<u>6,012,844</u>	<u>4,685,340</u>
Current assets			
Debtors: amounts falling due within one year	15	1,473,197	1,361,733
Cash at bank and in hand	16	635,834	150,903
		<u>2,109,031</u>	<u>1,512,636</u>
Creditors: amounts falling due within one year	17	(2,650,387)	(2,556,343)
Net current liabilities		<u>(541,356)</u>	<u>(1,043,707)</u>
Total assets less current liabilities		<u>5,471,488</u>	<u>3,641,633</u>
Creditors: amounts falling due after more than one year	18	(1,803,399)	(1,897,342)
Provisions for liabilities			
Deferred taxation	21	-	(1,700)
		<u>-</u>	<u>(1,700)</u>
Net assets		<u><u>3,668,089</u></u>	<u><u>1,742,591</u></u>
Capital and reserves			
Called up share capital	23	2,800,000	2,800,000
Profit and loss account	22	868,089	(1,057,409)
Equity attributable to owners of the parent Company		<u><u>3,668,089</u></u>	<u><u>1,742,591</u></u>
		<u><u>3,668,089</u></u>	<u><u>1,742,591</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 June 2016.


Mr G Poppleton
 Director


The notes on pages 10 to 26 form part of these financial statements.

Company Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	14	200	200
		<u>200</u>	<u>200</u>
Current assets			
Debtors: amounts falling due within one year	15	4,477,967	2,068,124
Cash at bank and in hand	16	29,134	8,141
		<u>4,507,101</u>	<u>2,076,265</u>
Creditors: amounts falling due within one year	17	(3,117,825)	(250,506)
Net current assets		<u>1,389,276</u>	<u>1,825,759</u>
Total assets less current liabilities		<u>1,389,476</u>	<u>1,825,959</u>
Creditors: amounts falling due after more than one year	18	(1,803,399)	(1,897,342)
Net assets		<u>(413,923)</u>	<u>(71,383)</u>
Capital and reserves			
Called up share capital	23	2,800,000	2,800,000
Profit and loss account	22	(3,213,923)	(2,871,383)
		<u>(413,923)</u>	<u>(71,383)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 June 2016.


Mr G Poppleton
Director

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2015

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	1,925,498	1,930,033
Adjustments for:		
Amortisation of intangible assets	13,758	-
Depreciation of tangible assets	1,857,010	1,251,105
Impairment of intangibles	221,765	-
Interest paid	206,056	286,584
Interest received	(1,036)	(3,701)
Deferred Taxation	(547,500)	442,772
Increase in debtors	(86,962)	(524,849)
Increase in creditors	(215,206)	356,116
Increase in amounts owed to groups	1	-
Corporation tax	830,548	(80,872)
Net cash generated from operating activities	4,203,932	3,657,188
Cash flows from investing activities		
Purchase of intangible fixed assets	(475,632)	-
Purchase of tangible fixed assets	(3,036,800)	(2,711,552)
Sale of tangible fixed assets	92,395	88,541
Interest received	1,036	3,701
Net cash from investing activities	(3,419,001)	(2,619,310)
Cash flows from financing activities		
Repayment of other loans	(93,944)	(2,213,416)
Interest paid	(206,056)	(286,584)
Net cash used in financing activities	(300,000)	(2,500,000)
Net increase / (decrease) in cash and cash equivalents	484,931	(1,462,122)
Cash and cash equivalents at beginning of year	150,903	1,613,025
Cash and cash equivalents at the end of year	635,834	150,903
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	635,834	150,903
	635,834	150,903

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 28.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2. General information

The principal activity of the Group is disclosed within the Directors' Report and the registered address of the Group is as listed on the Company Information page within these financial statements.

2.1 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

2.2 Going concern

The company uses working capital balances that arise directly from its operations and manages its financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Liquidity is monitored by reference to forecasts and available facilities. Having reviewed forecasts, the directors do not believe there are any uncertainties which cast doubt on the ability of the Group to continue as a going concern.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as stated below.

Depreciation is provided on the following basis:

Terminals	- 20% straight line
Office equipment	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Income and Retained Earnings.

2.6 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.7 Impairment of fixed assets and intangible assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

2.11 Financial instruments (continued)

to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

The items in the financial statements where these judgments or estimates have been made include:

Impairment of intangibles

The company makes an estimate of the recoverable value of intangibles. When assessing impairment, management considers factors including the future discount cashflows arising and historical experience. See note 11 for the net carrying amount of the debtors and associated provision.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated provision.

Notes to the Financial Statements

For the Year Ended 31 December 2015

4. Analysis of turnover

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	14,740,874	12,729,610
Rest of Europe	375,843	381,823
Rest of the world	256,822	76,893
	<u>15,373,539</u>	<u>13,188,326</u>

5. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	1,857,010	1,251,105
Amortisation of intangible assets, including goodwill	13,758	-
Impairment of intangible assets	221,765	-
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	24,680	19,164
Defined contribution pension cost	<u>39,514</u>	<u>30,482</u>

Auditor's remuneration for the audit of the company was £6,200 (2014 - £5,600).

Notes to the Financial Statements

For the Year Ended 31 December 2015

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2015	2014
	£	£
Wages and salaries	6,612,987	5,131,747
Social security costs	549,720	924,697
Cost of defined contribution scheme	39,514	30,482
	<u>7,202,221</u>	<u>6,086,926</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015	2014
	No.	No.
Administration and management	60	66
Sales	160	153
	<u>220</u>	<u>219</u>

7. Directors' remuneration

	2015	2014
	£	£
Directors' emoluments	162,717	266,112
Company contributions to defined contribution pension schemes	-	2,400
	<u>162,717</u>	<u>268,512</u>

During the year retirement benefits were accruing to no directors (2014 -1) in respect of defined contribution pension schemes.

8. Interest receivable

	2015	2014
	£	£
Other interest receivable	1,036	3,701
	<u>1,036</u>	<u>3,701</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

9. Interest payable and similar charges

	2015 £	2014 £
Other loan interest payable	206,056	286,584
	<u>206,056</u>	<u>286,584</u>

10. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	520,160	213,200
Adjustments in respect of previous periods	1,141	872
	<u>521,301</u>	<u>214,072</u>
Total current tax	<u>521,301</u>	<u>214,072</u>
Deferred tax		
Origination and reversal of timing differences	(26,200)	228,700
Total deferred tax	<u>(26,200)</u>	<u>228,700</u>
Taxation on profit on ordinary activities	<u>495,101</u>	<u>442,772</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 -21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>2,420,599</u>	<u>2,372,805</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.49%)	490,171	509,916
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,514	1,966
Capital allowances for year in excess of depreciation	-	(29,398)
Utilisation of tax losses	-	(269,171)
Adjustments to tax charge in respect of prior periods	(693)	872
Other timing differences leading to an increase (decrease) in taxation	-	79
Changes to taxation rate	47,809	-
Unrecognised deferred taxation	(44,700)	228,700
Marginal relief	-	(192)
Total tax charge for the year	<u>495,101</u>	<u>442,772</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

11. Intangible assets

Group

	Customer list £
Cost	
Additions	475,632
At 31 December 2015	<u>475,632</u>
Amortisation	
Charge for the year	13,758
Impairment charge	221,765
At 31 December 2015	<u>235,523</u>
Net book value	
At 31 December 2015	<u>240,109</u>
At 31 December 2014	<u>-</u>

During the year the group acquired a customer list of a competitor. The customers were reviewed by comparison to the average income from the group's existing customer base and impaired to reflect likely future cashflows.

12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements. The loss after tax of the parent Company for the year was £342,536 (2014 - loss £239,027).

Notes to the Financial Statements

For the Year Ended 31 December 2015

13. Tangible fixed assets**Group**

	Fixtures & fittings £	Office equipment £	Total £
Cost			
At 1 January 2015	7,249,573	1,082,761	8,332,334
Additions	2,833,086	203,714	3,036,800
Disposals	(391,883)	-	(391,883)
At 31 December 2015	<u>9,690,776</u>	<u>1,286,475</u>	<u>10,977,251</u>
Depreciation			
At 1 January 2015	3,128,878	518,116	3,646,994
Charge owned for the period	1,685,927	171,083	1,857,010
Disposals	(299,488)	-	(299,488)
At 31 December 2015	<u>4,515,317</u>	<u>689,199</u>	<u>5,204,516</u>
Net book value			
At 31 December 2015	<u>5,175,459</u>	<u>597,276</u>	<u>5,772,735</u>
At 31 December 2014	<u>4,120,695</u>	<u>564,645</u>	<u>4,685,340</u>

14. Fixed asset investments**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Retail Merchant Services Limited	United Kingdom	Ordinary	100 %	Provide membership to retailers
Retail Merchant Finance Limited	United Kingdom	Ordinary	100 %	Provide credit and debit card processing services to retailers

Notes to the Financial Statements

For the Year Ended 31 December 2015

14. Fixed asset investments (continued)**Company**Investments
in subsidiary
companies
£**Cost**

At 1 January 2015

200

At 31 December 2015

200

At 31 December 2015

-

Net book value

At 31 December 2015

200

At 31 December 2014

200

15. Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	1,236,598	1,091,521	24,307	15,000
Amounts owed by group undertakings	-	-	4,418,635	2,023,574
Other debtors	212,099	270,212	35,025	29,550
Deferred taxation	24,500	-	-	-
	<u>1,473,197</u>	<u>1,361,733</u>	<u>4,477,967</u>	<u>2,068,124</u>

16. Cash and cash equivalents

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Cash at bank and in hand	635,834	150,903	29,134	8,141
	<u>635,834</u>	<u>150,903</u>	<u>29,134</u>	<u>8,141</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

17. Creditors: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	467,993	1,016,468	40,000	2,780
Amounts owed to group undertakings	-	-	3,072,325	239,529
Corporation tax	522,448	213,200	-	-
Taxation and social security	356,921	218,650	-	-
Accruals and deferred income	1,303,025	1,108,025	5,500	8,197
	<u>2,650,387</u>	<u>2,556,343</u>	<u>3,117,825</u>	<u>250,506</u>

18. Creditors: Amounts falling due after more than one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Other loans	1,803,398	1,897,342	1,803,398	1,897,342
Amounts owed to group undertakings	1	-	1	-
	<u>1,803,399</u>	<u>1,897,342</u>	<u>1,803,399</u>	<u>1,897,342</u>

19. Loans

Interest accrues on the loans at 10.88744% per annum and is calculated monthly.

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Amounts falling due after more than one year				
Other loans	<u>1,803,398</u>	<u>1,897,342</u>	<u>1,803,398</u>	<u>1,897,342</u>
	<u>1,803,398</u>	<u>1,897,342</u>	<u>1,803,398</u>	<u>1,897,342</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

20. Financial instruments

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	1,236,597	1,091,521	24,307	15,000
Amounts owed by group undertakings	-	-	4,418,635	2,023,574
Other debtors	212,099	270,212	35,025	29,550
	<u>1,448,696</u>	<u>1,361,733</u>	<u>4,477,967</u>	<u>2,068,124</u>
Financial liabilities measured at amortised cost:				
Trade creditors	(467,993)	(1,016,468)	(40,000)	(2,780)
Amounts owed to group undertakings	-	-	(3,072,325)	(239,529)
Accruals	(375,153)	(316,044)	(5,500)	(8,197)
Other loans	(1,803,400)	(1,897,342)	(1,803,398)	(1,897,342)
	<u>(2,646,546)</u>	<u>(3,229,854)</u>	<u>(4,921,223)</u>	<u>(2,147,848)</u>

21. Deferred taxation**Group**

	Deferred tax £
At 1 January 2015	(1,700)
Charged to the profit or loss	26,200
At 31 December 2015	<u>24,500</u>

The group has an unrecognised deferred tax asset of £447,000 (2014 - £447,000) relating to short term timing differences and losses, which are available to offset against future taxable profits. The asset was not recognised due to the uncertainty of future taxable profits.

The deferred taxation balance is made up as follows:

	Group 2015 £	Group 2014 £
Accelerated capital allowances	23,800	(3,000)
Short term timing differences	700	1,300
	<u>24,500</u>	<u>(1,700)</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

22. Reserves

Profit & loss account

- includes all current and prior period retained profit and losses.

23. Share capital

	2015 £	2014 £
Authorised, allotted, called up and fully paid		
2,800,000 Ordinary shares of £1 each	<u>2,800,000</u>	<u>2,800,000</u>

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £39,514 (2014 - £16,441). Contributions totalling £6,553 (2014 - £7,358) were payable to the fund at the balance sheet date.

25. Commitments under operating leases

At 31 December 2015 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2015 £	Group 2014 £
Not later than 1 year	314,761	287,193
Later than 1 year and not later than 5 years	111,795	75,394
Total	<u>426,556</u>	<u>362,587</u>

Total

26. Related party transactions

During the period, the company paid consultancy fees of £99,417 (2014 - £84,000) to Gareth Poppleton, a director of the company.

Key management personnel are considered to be the Board of Directors. Their remuneration is disclosed in note 7.

Loans with shareholders are disclosed in note 19.

Notes to the Financial Statements

For the Year Ended 31 December 2015

27. Controlling party

The ultimate parent undertaking and controlling related party of this company is Nightingale Holdings Limited, a company incorporated in the Isle of Man, by virtue of its 95% ownership of the company's share capital.

28. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.