

Company registration number: 07329095

EPAYROLL SERVICES LIMITED

Financial statements

30 June 2016



EPAYROLL SERVICES LIMITED

Company information

Directors

Mr A I Johnston
Mrs S J Johnston

Resigned 22 September 2015
and reappointed 15 September
2016

Company number

07329095

Registered office

Alba House
Mulberry Business Park
Fishponds Road
Wokingham
RG41 2GY

Auditors

Stewart & Co
Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

EPAYROLL SERVICES LIMITED

Contents

	Page
Strategic report	1
Directors report	2 - 3
Independent auditor's report to the shareholders	4 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 20

EPAYROLL SERVICES LIMITED

Strategic report Year ended 30 June 2016

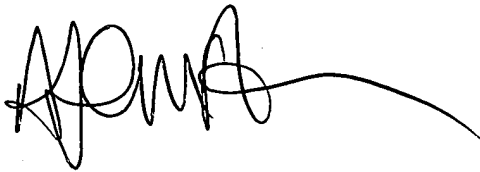
Review of Business

The company continues to operate as an Outsourced Payroll Provider to the recruitment industry offering HM Revenue & Customs compliant PAYE services to contract and freelance workers within the UK.

In common with many businesses of our size, the business environment in which we operate continues to be challenging, both locally and nationally. Confidence can continue to increase the number of its customers thereby diluting the risks involved in only dealing with a small number. New legislations continue to be introduced and we consider that the expertise that we have built up over recent years will enable the Company to meet these challenges.

The key financial performance indicators of turnover, gross profit and operating profit are used, in common with many similar businesses. Gross profit percentage has seen an increase from 5.66% to 7.14%, however turnover has decreased by 4.83%% to £18.3m. This has resulted in a gross profit increase.

This report was approved by the board of directors on 09 January 2017 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'A I Johnston', with a long horizontal flourish extending to the right.

A I Johnston
Director

EPAYROLL SERVICES LIMITED

Directors report Year ended 30 June 2016

The directors present their report and the financial statements of the company for the year ended 30 June 2016.

Directors

The directors who served the company during the year were as follows:

A I Johnston

S J Johnston

Resigned 22 September 2015 and re-appointed 15 September 2016

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Employee involvement

To make positive changes, ePayroll Services Limited wants to address the different barriers faced by disabled people. This may be a physical or mental impairment. This includes people who are receiving treatment or using equipment (except glasses or contact lenses) that alleviates the effects of an impairment or a condition, people with an impairment or condition that is likely to recur, people who have conditions that will get worse over time and people with severe disfigurements.

Financial Instruments

The company does not use any financial instruments to hedge its risks associated with price, credit, liquidity or cash flow. The financial risk management objectives and policies of the company and the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk are not considered material for the assessment of the assets, liabilities, financial position and profit of the company.

Disclosure of information in the strategic report.

The company in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Included within the strategic report is a review of future developments of the business.

Statement of directors responsibilities

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

EPAYROLL SERVICES LIMITED

Directors report (continued) Year ended 30 June 2016

Statement of directors responsibilities (continued)

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;
- 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.

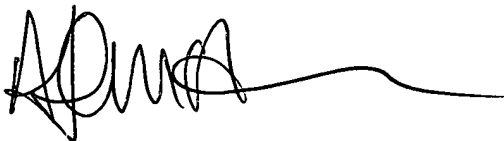
Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 9 January 2017 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'A I Johnston', followed by a long horizontal line extending to the right.

A I Johnston
Director

EPAYROLL SERVICES LIMITED

Independent auditor's report to the shareholders of EPAYROLL SERVICES LIMITED Year ended 30 June 2016

We have audited the financial statements of ePayroll Services Limited for the year ended 30 June 2016 which comprise the statement of income and retained earnings, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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, 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 Directors responsibilities to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors report and the Strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the directors affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EPAYROLL SERVICES LIMITED

**Independent auditor's report to the shareholders of
EPAYROLL SERVICES LIMITED (continued)
Year ended 30 June 2016**

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 the 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.



Philip Clennell (senior statutory auditor)

For and on behalf of
Stewart & Co
Chartered Accountants and Statutory Auditor
Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

9 January 2017

EPAYROLL SERVICES LIMITED

Statement of comprehensive income Year ended 30 June 2016

	Note	2016 £	2015 £
Turnover	4	18,304,527	19,232,933
Cost of sales		(16,996,603)	(18,144,878)
Gross profit		<u>1,307,924</u>	<u>1,088,055</u>
Administrative expenses		(1,300,627)	(1,036,540)
Operating profit	5	<u>7,297</u>	<u>51,515</u>
Other interest receivable and similar income	9	618	1,588
Profit on ordinary activities before taxation		<u>7,915</u>	<u>53,103</u>
Tax on profit on ordinary activities	10	(7,408)	(12,773)
Profit for the financial year and total comprehensive income		<u><u>507</u></u>	<u><u>40,330</u></u>

All the activities of the company are from continuing operations.

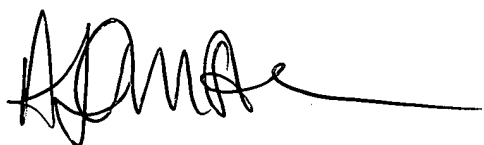
The notes on pages 10 to 20 form part of these financial statements.

EPAYROLL SERVICES LIMITED

Statement of financial position 30 June 2016

	Note	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	12	139,162		37,580	
		<u>139,162</u>		<u>37,580</u>	
			139,162		37,580
Current assets					
Debtors	13	281,061		727,914	
Cash at bank and in hand		728,248		1,112,805	
		<u>1,009,309</u>		<u>1,840,719</u>	
Creditors: amounts falling due within one year	14	(1,117,392)		(1,827,757)	
Net current (liabilities)/assets			(108,083)		12,962
Total assets less current liabilities			<u>31,079</u>		<u>50,542</u>
Provisions for liabilities	16		(23,065)		(7,035)
Net assets			<u>8,014</u>		<u>43,507</u>
Capital and reserves					
Called up share capital	19		100		100
Profit and loss account	20		7,914		43,407
Shareholders funds			<u>8,014</u>		<u>43,507</u>

These financial statements were approved by the board of directors and authorised for issue on 9 January 2017, and are signed on behalf of the board by:



A I Johnston
Director

Company registration number: 07329095

The notes on pages 10 to 20 form part of these financial statements.

EPAYROLL SERVICES LIMITED

Statement of changes in equity Year ended 30 June 2016

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 July 2014	100	80,000	65,077	145,177
Profit for the year			40,330	40,330
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>40,330</u>	<u>40,330</u>
Dividends paid and payable			(62,000)	(62,000)
Other movement	-	(80,000)	-	(80,000)
Total investments by and distributions to owners	<u>-</u>	<u>(80,000)</u>	<u>(62,000)</u>	<u>(142,000)</u>
At 30 June 2015	<u>100</u>	<u>-</u>	<u>43,407</u>	<u>43,507</u>
Profit for the year			507	507
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>507</u>	<u>507</u>
Dividends paid and payable			(36,000)	(36,000)
Total investments by and distributions to owners	<u>-</u>	<u>-</u>	<u>(36,000)</u>	<u>(36,000)</u>
At 30 June 2016	<u>100</u>	<u>-</u>	<u>7,914</u>	<u>8,014</u>

EPAYROLL SERVICES LIMITED

Statement of cash flows Year ended 30 June 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	507	40,330
<i>Adjustments for:</i>		
Depreciation of tangible assets	37,779	20,171
Other interest receivable and similar income	(618)	(1,588)
Gain/(loss) on disposal of tangible assets	2,547	-
Tax on profit on ordinary activities	7,408	12,773
Accrued expenses/(income)	(328,976)	637,591
Share premium reduction	-	(80,000)
<i>Changes in:</i>		
Trade and other debtors	446,853	(583,329)
Trade and other creditors	(364,599)	8,641
Cash generated from operations	(199,099)	54,589
Interest received	618	1,588
Tax paid	(8,622)	(17,901)
Net cash (used in)/from operating activities	(207,103)	38,276
Cash flows from investing activities		
Purchase of tangible assets	(141,908)	(36,111)
Net cash used in investing activities	(141,908)	(36,111)
Cash flows from financing activities		
Proceeds from borrowings	454	(1,462)
Equity dividends paid	(36,000)	(62,000)
Net cash used in financing activities	(35,546)	(63,462)
Net increase/(decrease) in cash and cash equivalents	(384,557)	(61,297)
Cash and cash equivalents at beginning of year	1,112,805	1,174,102
Cash and cash equivalents at end of year	728,248	1,112,805

EPAYROLL SERVICES LIMITED

Notes to the financial statements Year ended 30 June 2016

1. Statutory information

ePayroll Services Limited is a limited company incorporated in England & Wales. The registered office is Alba House, Mulberry Business Park, Fishponds Road, Wokingham, RG41 2GY.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 July 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 24.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The following had the most significant effect on amounts recognised in the financial statements:

Tangible fixed assets:

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the asset and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Holiday pay accrual:

Management use historical experience and data to assess the level of accrual to be recognised at the statement of financial position date.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

EPAYROLL SERVICES LIMITED

Notes to the financial statements (continued) Year ended 30 June 2016

Accounting policies (continued)

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

EPAYROLL SERVICES LIMITED

Notes to the financial statements (continued) **Year ended 30 June 2016**

Accounting policies (continued)

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	Straight line over the life of the lease
Fittings fixtures and equipment	-	25% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33.33% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

EPAYROLL SERVICES LIMITED

Notes to the financial statements (continued) Year ended 30 June 2016

Accounting policies (continued)

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Rendering of services	18,304,527	19,232,933

EPAYROLL SERVICES LIMITED

Notes to the financial statements (continued) Year ended 30 June 2016

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation of tangible assets	37,779	20,171
(Gain)/loss on disposal of tangible assets	2,547	-
Operating lease rentals	92,913	40,499
Defined contribution plans expense	49,752	88,380
Fees payable for the audit of the financial statements	6,000	6,000

6. Auditors remuneration

	2016	2015
	£	£
Fees payable to Stewart & Co		
Fees payable for the audit of the financial statements	6,000	6,000
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	23,282	16,600

EPAYROLL SERVICES LIMITED

Notes to the financial statements (continued) Year ended 30 June 2016

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016	2015
Direct staff	1,857	1,694
Administrative staff	15	15
	<u>1,872</u>	<u>1,709</u>

The aggregate payroll costs incurred during the year were:

	2016 £	2015 £
Wages and salaries	16,496,033	17,515,365
Social security costs	1,007,026	1,101,640
Other pension costs	49,752	88,380
	<u>17,552,811</u>	<u>18,705,385</u>

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016 £	2015 £
Remuneration	<u>149,250</u>	<u>208,000</u>

Remuneration of the highest paid directors in respect of qualifying services:

	2016 £	2015 £
Aggregate remuneration	<u>113,000</u>	<u>189,298</u>
	<u>113,000</u>	<u>189,298</u>

9. Other interest receivable and similar income

	2016 £	2015 £
Bank deposits	<u>618</u>	<u>1,588</u>

EPAYROLL SERVICES LIMITED

Notes to the financial statements (continued) Year ended 30 June 2016

10. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
UK current tax expense	-	8,622
Adjustments in respect of previous periods	(8,622)	-
Total UK current tax	<u>(8,622)</u>	<u>8,622</u>
Total current tax	<u>(8,622)</u>	<u>8,622</u>
Deferred tax:		
Origination and reversal of timing differences	16,030	4,151
Tax on profit on ordinary activities	<u>7,408</u>	<u>12,773</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

A reconciliation is given below:

	2016	2015
	£	£
Profit on ordinary activities before taxation	<u>7,915</u>	<u>53,103</u>
Profit on ordinary activities by rate of tax	1,583	10,621
Adjustments in respect of prior periods	(8,622)	-
Effect of expenses not deductible for tax purposes	1,465	1,190
Utilisation of tax losses	8,622	-
Unrelieved tax losses	3,966	-
Fixed asset differences	394	962
Tax on profit on ordinary activities	<u>7,408</u>	<u>12,773</u>

11. Dividends

Equity dividends

	2016	2015
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>36,000</u>	<u>62,000</u>

EPAYROLL SERVICES LIMITED

Notes to the financial statements (continued) Year ended 30 June 2016

12. Tangible assets

	Short leasehold property £	Plant and machinery £	Fixtures, and fittings, and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 July 2015	10,429	-	6,632	-	70,889	87,950
Additions	25,807	29,592	56,920	22,055	7,534	141,908
Disposals	(10,429)	-	(283)	-	(1,545)	(12,257)
At 30 June 2016	25,807	29,592	63,269	22,055	76,878	217,601
Depreciation						
At 1 July 2015	8,022	-	1,435	-	40,913	50,370
Charge for the year	1,968	4,439	12,715	1,973	16,684	37,779
Disposals	(8,022)	-	(272)	-	(1,416)	(9,710)
At 30 June 2016	1,968	4,439	13,878	1,973	56,181	78,439
Carrying amount						
At 30 June 2016	23,839	25,153	49,391	20,082	20,697	139,162
At 30 June 2015	2,407	-	5,197	-	29,976	37,580

13. Debtors

	2016 £	2015 £
Trade debtors	83,307	647,686
Prepayments and accrued income	61,551	21,868
Other debtors	136,203	58,360
	281,061	727,914

14. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	45,243	31,758
Accruals and deferred income	373,972	702,948
Corporation tax	-	8,622
Social security and other taxes	689,796	1,066,097
Director loan accounts	454	-
Other creditors	7,927	18,332
	1,117,392	1,827,757

EPAYROLL SERVICES LIMITED

Notes to the financial statements (continued) Year ended 30 June 2016

15. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 16)	23,065	7,035

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	23,065	7,035

16. Provisions

	Deferred tax (note 15) £
At 1 July 2015	7,035
Additions	16,030
At 30 June 2016	23,065

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss in relation to defined contribution plans was £49,752 (2015: £88,380).

18. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	210,888	706,046
Financial liabilities		
Financial liabilities measured at amortised cost	(427,596)	(753,038)

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. No transactions have been deferred beyond normal credit terms or financed at non-market rates of interest. The cumulative amortisation on the recognised financial assets and liabilities is £nil (2015: £nil).

EPAYROLL SERVICES LIMITED

Notes to the financial statements (continued) Year ended 30 June 2016

19. Called up share capital Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £1.00 each	100	100	100	100

20. Reserves

Profit and loss account: This reserve records retained earnings and accumulated losses.

21. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Not later than 1 year	77,772	75,854
Later than 1 year and not later than 5 years	158,366	167,618
Later than 5 years	238,650	286,380
	<u>474,788</u>	<u>529,852</u>

22. Related party transactions

During the year dividends totalling £36,000 (2015: £62,000) were paid out to shareholders, of which £11,880 was paid to S J Johnston, a director during the year. At the year end the company owed the directors £454 (2015: £nil).

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company has been disclosed in note 8.

23. Controlling party

The company is considered to be under the control of its directors.

EPAYROLL SERVICES LIMITED

Notes to the financial statements (continued)
Year ended 30 June 2016

24. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 July 2014.

Reconciliation of equity

No transitional adjustments were required.

Reconciliation of profit or loss for the year

No transitional adjustments were required.