

Company Registration No. 08134141 (England and Wales)

EPAYMENTS SYSTEMS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

SATURDAY



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COMPANIES HOUSE

EPAYMENTS SYSTEMS LIMITED

COMPANY INFORMATION

Director	M Rymanov
Company number	08134141
Registered office	Palladium House 1-4 Argyll Street London W1F 7LD
Auditor	Hazlems Fenton LLP Chartered Accountants Palladium House 1-4 Argyll Street London W1F 7LD

EPAYMENTS SYSTEMS LIMITED

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EPAYMENTS SYSTEMS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The director presents the strategic report for the year ended 30 April 2016.

Fair review of the business

During the year the company provided exchange rate services and managed E-wallets on behalf of its customers. This generated sales amounting to £374,420 (2015 £123,542). The company generated a loss for the year of £3,254 compared to a £22,393 profit in the previous year. Shareholders' funds at the balance sheet date were £303,938 compared to £267,742 in 2015.

Principal risks and uncertainties

The principal risks and uncertainties of the business relate to being regulated by the Financial Conduct Authority. Failure to comply with the regulatory requirements could lead to fines or other disciplinary action. Management ensures that there is a high level of compliance procedures, policies and systems in place and that the company constantly monitors performance to ensure that it is fully compliant at all times. Management monitors changes in regulation, assesses the impact that any changes may have on the business and plans to ensure they have sufficient resources to implement those changes.

Development and performance

The financial instruments used by the company arise wholly and directly from its activities and comprise of debtors, cash at bank and creditors. The main credit risk to which the company is exposed to is in respect of its debtors. However, since these are primarily inter-group debtors, the risk is not considered to be significant. Liquidity risks are not considered material as the company always has sufficient liquidity within the business to meet its obligations on a day to day basis. The financial risk arising from the possible non advance of credit by the company's trade creditors, either by exceeding the credit limit or not paying within the specified terms, is managed by prompt payment and regularly monitoring of the trade balance and credit limit terms for all suppliers.

The financial risks arising from these financial instruments are considered low because of the nature of the industry structure, its culture and its oversight by the Financial Conduct Authority. The company proactively manages all aspects of its work in order to either remove or reduce any financial risks.

Key performance indicators

The key financial performance indicator for the company is the volume of new E-Wallets it opens. Non-financial performance indicators for the company include customer satisfaction and staff morale.

On behalf of the board



.....
M Rymanov

Director

12.12.16
.....

EPAYMENTS SYSTEMS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The director presents his annual report and financial statements for the year ended 30 April 2016.

Principal activities

The principal activity of the company is the issuer of electronic money.

Director

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

M Rymanov

Results and dividends

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

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

Future developments

In September 2016 the company obtained its MasterCard membership allowing the company to purchase and set up MasterCard bin accounts.

Auditor

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

Statement of director's responsibilities

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

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

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

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

Statement of disclosure to auditor

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

EPAYMENTS SYSTEMS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

On behalf of the board



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M Rymanov

Director

12.12.16
.....

EPAYMENTS SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EPAYMENTS SYSTEMS LIMITED

We have audited the financial statements of Epayments Systems Limited for the year ended 30 April 2016 set out on pages 6 to 17. 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), including FRS 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 director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 1, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 company's affairs as at 30 April 2016 and of its loss 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 matters prescribed by the Companies Act 2006

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

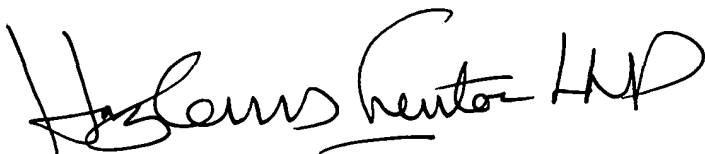
EPAYMENTS SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EPAYMENTS SYSTEMS LIMITED

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.



Michael Krieger (Senior Statutory Auditor)
for and on behalf of Hazlems Fenton LLP

Chartered Accountants
Statutory Auditor

14th December 2016

Chartered Accountants
Palladium House
1-4 Argyll Street
London
W1F 7LD

EPAYMENTS SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 £
Turnover	3	374,420	123,542
Cost of sales		(108,256)	(421)
Gross profit		266,164	123,121
Administrative expenses		(269,418)	(201,162)
Exceptional item	4	-	100,434
(Loss)/profit before taxation		(3,254)	22,393
Taxation	7	-	-
(Loss)/profit for the financial year		(3,254)	22,393

The profit and loss account has been prepared on the basis that all operations are continuing operations.

EPAYMENTS SYSTEMS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2016

	2016	2015
	£	£
(Loss)/profit for the year	(3,254)	22,393
Other comprehensive income	-	-
Total comprehensive income for the year	(3,254)	22,393

EPAYMENTS SYSTEMS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
Current assets					
Debtors	9	120,149		17,613	
Cash at bank and in hand		321,805		286,764	
		<u>441,954</u>		<u>304,377</u>	
Creditors: amounts falling due within one year	10	(138,016)		(36,635)	
Net current assets			<u>303,938</u>		<u>267,742</u>
Capital and reserves					
Called up share capital	11	319,804		280,354	
Profit and loss reserves		(15,866)		(12,612)	
Total equity			<u>303,938</u>		<u>267,742</u>

The financial statements were approved and signed by the director and authorised for issue on 12.12.16



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M Rymanov
Director

Company Registration No. 08134141

EPAYMENTS SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2014		1	(35,005)	(35,004)
Year ended 30 April 2015:				
Profit and total comprehensive income for the year		-	22,393	22,393
Issue of share capital	11	280,353	-	280,353
Balance at 30 April 2015		280,354	(12,612)	267,742
Year ended 30 April 2016:				
Loss and total comprehensive income for the year		-	(3,254)	(3,254)
Issue of share capital	11	39,450	-	39,450
Balance at 30 April 2016		319,804	(15,866)	303,938

EPAYMENTS SYSTEMS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	14		(4,409)		6,411
Net cash used in investing activities			-		-
Financing activities					
Proceeds from issue of shares		39,450		280,353	
Net cash generated from financing activities			39,450		280,353
Net increase in cash and cash equivalents			35,041		286,764
Cash and cash equivalents at beginning of year			286,764		-
Cash and cash equivalents at end of year			321,805		286,764

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

Company information

Epayments Systems Limited is a company limited by shares incorporated in England and Wales. The registered office is Palladium House, 1-4 Argyll Street, London, W1F 7LD.

1.1 Accounting convention

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

The company uses multiple currencies in its operations consequently there is no one functional currency for the business therefore the company has selected to prepare its accounts in sterling. Monetary amounts in these financial statements are rounded to the nearest £.

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

These financial statements for the year ended 30 April 2016 are the first financial statements of Epayments Systems Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover represents exchange rate commissions receivable on the sale of foreign currency by E-wallet holders.

The turnover is attributable to the one principal activity of the group that is regarded as a single class of business conducted in a uniform global market.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Cash and cash equivalents

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

1.4 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

Basic financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.5 Equity instruments

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

1.6 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.7 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Currency fees	265,541	123,542
Commissions received	108,879	-
	<u>374,420</u>	<u>123,542</u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	<u>374,420</u>	<u>123,542</u>

4 Exceptional costs/(income)

	2016 £	2015 £
Waiver of fellow group company debt	<u>-</u>	<u>(100,434)</u>

5 Operating (loss)/profit

	2016 £	2015 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(5,686)	9,298
Fees payable to the company's auditor for the audit of the company's financial statements	<u>13,808</u>	<u>12,300</u>

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

6 Employees

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

	2016 Number	2015 Number
Compliance	1	1

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	34,835	23,071
Social security costs	3,665	2,394
	<u>38,500</u>	<u>25,465</u>

7 Taxation

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

	2016 £	2015 £
(Loss)/profit before taxation	<u>(3,254)</u>	<u>22,393</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	(651)	4,479
Tax effect of utilisation of tax losses not previously recognised	651	(4,479)
Taxation for the year	<u>-</u>	<u>-</u>

The company has estimated losses of £116,300 (2015 - £113,046) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

8 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>108,480</u>	<u>15,213</u>

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

(Continued)

8 Financial instruments

Carrying amount of financial liabilities

Measured at amortised cost

99,688	14,134
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9 Debtors

2016	2015
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£	£
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Amounts falling due within one year:

Amount due from parent undertaking

-	6,763
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Amounts due from fellow group undertakings

107,707	-
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Other debtors

773	8,450
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Prepayments and accrued income

11,669	2,400
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120,149	17,613
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10 Creditors: amounts falling due within one year

2016	2015
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£	£
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Trade creditors

26,717	9,864
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Amounts due to group undertakings

69,660	784
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Other creditors

3,311	3,486
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Accruals and deferred income

38,328	22,501
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138,016	36,635
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11 Share capital

2016	2015
------	------

£	£
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Ordinary share capital

Authorised

319,804 Ordinary share of £1 each

319,804	280,354
---------	---------

Issued and fully paid

319,804 Ordinary share of £1 each

319,804	280,354
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12 Related party transactions

No guarantees have been given or received.

The company has taken advantage of the exemption available in accordance within paragraph 33.1A of FRS102 not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

13 Controlling party

The immediate and ultimate parent company is Epayments Holdings Limited, a company registered in Jersey. Epayments Holdings is controlled by EXIF and Horlis Trust who own its entire share capital.

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

14 Cash generated from operations

	2016	2015
	£	£
(Loss)/profit for the year after tax	(3,254)	22,393
Movements in working capital:		
(Increase) in debtors	(102,536)	(8,725)
Increase/(decrease) in creditors	101,381	(7,257)
Cash (absorbed by)/generated from operations	(4,409)	6,411