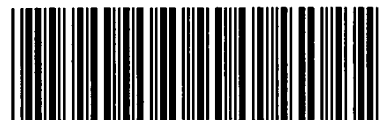


Company Registration No. 08134141 (England and Wales)

EPAYMENTS SYSTEMS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

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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 2017

The director presents the strategic report for the year ended 30 April 2017.

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 £3,553,244 (2016 £374,420). The company generated a profit for the year of £438,220 compared to a loss of £3,254 in the previous year. Shareholders' funds at the balance sheet date were £742,158 compared to £303,938 in 2016.

The company is an electronic payment service issuing its own debit card the, "ePayments Prepaid MasterCard®". The company was founded in 2011 and now services customers in more than 100 countries from various sectors of the internet business. The company is registered with and regulated by the Financial Conduct Authority (FCA). The company also has a PSI DSS compliant license. This license issued by the payment systems of MasterCard and VISA is a confirmation that the company meets all their requirements for the storage and processing of card data, which guarantees clients security on their card transactions. In September 2016 the company was granted the position as a Principal Member of MasterCard after a full due diligence exercise on the company by MasterCard.

The company has experienced a strong financial year with significant growth in both turnover and profit. This revenue growth has been led by increases in the number of clients being served by Epayments Systems Limited and the number of transactions executed. During the financial year, the number of E-money accounts open with the firm increased by 64%. The growth in total income has also been driven by the launch of the MasterCard program.

Principal risks and uncertainties

The risk management function of the company is carried out in respect of financial risks, operational risks and legal risks. The main objective of risk management is to ensure that appropriate policies and procedures are in place to enable the effective management of the risks to which the company is exposed and to ensure that these policies and procedures are effectively implemented and executed.

Liquidity risk

The company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the company's reputation. This is supported by a robust planning process which has the full involvement of the Management team.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. 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. 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.

EPAYMENTS SYSTEMS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

Principle risks and uncertainties continued

Market risk

The group is exposed to market risks. Market risks arise from changes in open positions in interest rate, currency and equity financial instruments. The Management team of the company monitors the risk of adverse price changes and interest rates. The company incurs foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the company. The Management team regularly monitors exchange rates and market forecasts exchange rates, as well as prepares budgets for the long, medium and short term.

Operational risk

The availability of the company's products and services depends on the continuing operation of its information technology and communications systems. The internal system may be subject to damage via its interruption from power loss, technical failures, computer viruses and other attempts to harm the systems. To address the above risks, the company has two separate server locations. Transaction data is replicated at regular intervals to standby databases at the two sides. Transaction data is also saved as back-up data in the separate server locations as an additional contingency measure.

Regulatory risk

The company, being a regulated firm in the UK accepting customers from a large number of countries, always faces some uncertainty with regards to the regulatory requirements. Failure to comply with the regulatory requirements could lead to fines or other disciplinary action. The management team ensures that there is a high level of compliance procedures, policies and systems in place and that the company constantly monitors these to ensure that it is fully compliant at all times. The management team monitors changes in regulation and 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 focus of the business remains to achieve global leadership in the electronic payments market. The achievement of this goal is supported by the following: significant experience of the employees of the company; maintaining the product at a high level; continuous improvement of the product; excellent customer service and the implementation of a full range of services. The company plans to further develop their presence around the world attracting new individual users and business customers. The development of new territorial markets is one of the main future plans of the company in the coming years. For entering new markets, the company will create a specific set of services and infrastructure to meet the needs of users in other countries.

Key performance indicators

The Management team of the company reviews and approves the annual budget. The company relies on different KPIs at an operational level which are specific to the business. Financial performance of the company is reviewed by Management team on a daily basis. The key financial performance indicator for the company is the volume of new E-wallets it opens, the volume and number of transactions, the volume of turnover by products. Non-financial performance indicators for the company include customer satisfaction and staff morale.

On behalf of the board



.....
M Rymanov

Director

23.08.17

EPAYMENTS SYSTEMS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 APRIL 2017

The director presents his annual report and financial statements for the year ended 30 April 2017.

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 7.

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

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

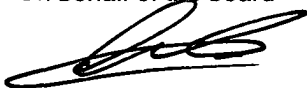
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to 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 2017

On behalf of the board



.....
M Rymanov

Director

23. 08. 12
.....

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 2017 set out on pages 7 to 22. 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 2017 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 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 FCA (Senior Statutory Auditor)
for and on behalf of Hazlems Fenton LLP

23rd August 2017

Chartered Accountants
Statutory Auditor

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

EPAYMENTS SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2017

		2017	2016
	Notes	£	as restated £
Turnover	4	3,553,244	374,420
Cost of sales		(927,260)	(108,256)
Gross profit		<u>2,625,984</u>	<u>266,164</u>
Administrative expenses		(2,068,500)	(269,418)
Operating profit/(loss)	5	<u>557,484</u>	<u>(3,254)</u>
Interest receivable and similar income	8	2,653	-
Interest payable and similar expenses	9	(41,850)	-
Profit/(loss) before taxation		<u>518,287</u>	<u>(3,254)</u>
Taxation	10	(80,067)	-
Profit/(loss) for the financial year		<u><u>438,220</u></u>	<u><u>(3,254)</u></u>

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 2017

	2017	2016
	£	£
Profit/(loss) for the year	438,220	(3,254)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>438,220</u>	<u>(3,254)</u>

EPAYMENTS SYSTEMS LIMITED

BALANCE SHEET

AS AT 30 APRIL 2017

	Notes	2017 £	2016 as restated £
Current assets			
Debtors falling due after one year	12	2,713,083	-
Debtors falling due within one year	12	2,290,197	120,149
Cash at bank and in hand	13	40,584,939	17,906,331
		<u>45,588,219</u>	<u>18,026,480</u>
Creditors: amounts falling due within one year	15	<u>(44,846,061)</u>	<u>(17,722,542)</u>
Net current assets		<u>742,158</u>	<u>303,938</u>
Capital and reserves			
Called up share capital	17	319,804	319,804
Profit and loss reserves		422,354	(15,866)
Total equity		<u>742,158</u>	<u>303,938</u>

The financial statements were approved and signed by the director and authorised for issue on 23.08.17



M Rymanov
Director

Company Registration No. 08134141

EPAYMENTS SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
As restated for the period ended 30 April 2016:				
Balance at 1 May 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	17	39,450	-	39,450
Balance at 30 April 2016		319,804	(15,866)	303,938
Year ended 30 April 2017:				
Profit and total comprehensive income for the year		-	438,220	438,220
Balance at 30 April 2017		319,804	422,354	742,158

EPAYMENTS SYSTEMS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	20	20,552,241		17,580,117	
Interest paid		(41,850)		-	
Net cash inflow from operating activities		<u>20,510,391</u>		<u>17,580,117</u>	
Investing activities					
Interest received		2,653		-	
Net cash generated from/(used in) investing activities		<u>2,653</u>		<u>-</u>	
Financing activities					
Proceeds from issue of shares		-		39,450	
Proceeds from borrowings		2,165,564		-	
Net cash generated from financing activities		<u>2,165,564</u>		<u>39,450</u>	
Net increase in cash and cash equivalents		<u>22,678,608</u>		<u>17,619,567</u>	
Cash and cash equivalents at beginning of year		17,906,331		286,764	
Cash and cash equivalents at end of year		<u><u>40,584,939</u></u>		<u><u>17,906,331</u></u>	

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

Company information

Epayers Systems Limited is a private 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.

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received, taking into account contractually defined terms of payment and excluding taxes or duty. Rebates are also deducted.

Revenue from transaction processing services (revenue received from end users and FX income) is recognised at the time the customer transactions are fulfilled. End user fees are paid by end users and are calculated as a percentage of funds processed and/or as a charge per transaction.

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. Included within cash and cash equivalents are amounts relating to restricted cash balances as per agreements with specific providers.

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 2017

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 publicly 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 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies 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 payments 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 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 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.

1.8 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.

2 Change in accounting policy

During the financial year the company changed its accounting policy to recognise the e-money float and respective cash balances within the financial statements. This has been done in order to better reflect the changing business of the entity and general industry practice. The effect of the change is detailed in note 21.

3 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.

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

4 Turnover and other revenue

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

	2017 £	2016 £
Turnover		
Currency fees	1,419,325	265,541
Commissions received	1,424,223	108,879
Card Income	671,234	-
Other	38,462	-
	<u>3,553,244</u>	<u>374,420</u>
Other significant revenue		
Interest income	<u>2,653</u>	<u>-</u>

The director considers that the disclosure of the geographical income would be seriously prejudicial to the interest of the company and thus have taken the option under FRS 102 not to disclose this information.

5 Operating profit/(loss)

	2017 £	2016 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange gains	<u>(44,106)</u>	<u>(5,686)</u>

6 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>17,626</u>	<u>13,808</u>

7 Employees

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

	2017 Number	2016 Number
Compliance	<u>1</u>	<u>1</u>

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

7 Employees		(Continued)	
Their aggregate remuneration comprised:			
		2017	2016
		£	£
Wages and salaries		35,667	34,835
Social security costs		3,802	3,665
		<u>39,469</u>	<u>38,500</u>
8 Interest receivable and similar income			
		2017	2016
		£	£
Interest income			
Interest on bank deposits		<u>2,653</u>	<u>-</u>
Investment income includes the following:			
Interest on financial assets not measured at fair value through profit or loss		<u>2,653</u>	<u>-</u>
9 Interest payable and similar expenses			
		2017	2016
		£	£
Interest on financial liabilities measured at amortised cost:			
Other interest on financial liabilities		<u>41,850</u>	<u>-</u>
10 Taxation			
		2017	2016
		£	£
Current tax			
UK corporation tax on profits for the current period		<u>80,067</u>	<u>-</u>

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

10 Taxation

(Continued)

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

	2017 £	2016 £
Profit/(loss) before taxation	518,287	(3,254)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	103,657	(651)
Tax effect of utilisation of tax losses not previously recognised	(23,590)	651
Taxation charge for the year	80,067	-

The company has estimated losses of £Nil (2016: £116,300) available for carry forward against future trading profits.

11 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,937,577	108,480
Carrying amount of financial liabilities		
Measured at amortised cost	44,765,994	17,722,542

12 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	55,404	-
Amounts due from group undertakings	106,389	107,707
Other debtors	62,701	773
Prepayments and accrued income	2,065,703	11,669
	2,290,197	120,149

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

12 Debtors (Continued)

	2017 £	2016 £
Amounts falling due after more than one year:		
Other debtors	2,713,083	-
Total debtors	5,003,280	120,149

Included in debtors falling due within one year are prepayments to MasterCard of £2,053,480 to cover future MasterCard transactions.

13 Cash and cash equivalents

Epayments Systems Limited, a FCA regulated entity, is required at all times to have qualifying liquid assets (comprising of cash and cash equivalents and investments) in excess of the e-money float. A minimum amount of capital, of Epayments Systems Limited, is required by the FCA. The FCA's regulatory requirement is, at any time, for Epayments Systems Limited to have capital in excess of €350,000 and hold regulatory own funds which are 2% of the average daily outstanding e-money amount at the end of each calendar day over the proceeding 6 month period.

The FCA regulatory requirements and the company's regulatory own fund at the year ends are as follows:

	2017 £	2016 £
FCA regulatory capital requirements	705,004	297,097
Regulatory own funds	742,158	303,938

For the years ended 30 April 2017 and 30 April 2016 Epayments Systems Limited was in compliance with the requirement to have at all times liquid assets in excess of the e-money float. The respective balances are presented below:

	2017 £	2016 £
Qualifying liquid assets	42,630,789	17,906,331
E-money float	41,764,320	17,584,526

14 E-money float

The e-money float represents amounts received into customer e-wallet accounts. These amounts are recognised on the approval of the initiated transactions. The e-money float received forms part of the Company's cash and cash equivalents balances.

As a FCA regulated entity, Epayments Systems Limited is required at all times to have qualifying liquid assets (comprising of cash and cash equivalents and investments) in excess of the e-money float. As disclosed in note 13, the company has been in full compliance with the above requirement.

The liabilities in connection with the e-money float are due on demand see note 15.

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

15 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Other borrowings	16	2,165,564	-
Trade creditors		3,028	26,717
Amounts due to group undertakings		136,781	69,660
Corporation tax		80,067	-
E-money float		41,764,320	17,584,526
Other creditors		5,024	3,311
Accruals and deferred income		691,277	38,328
		<u>44,846,061</u>	<u>17,722,542</u>

Included within the E-money float are £41,764,320 (2016: £17,584,526) of client money on e-wallets and card balances.

16 Loans and overdrafts

	2017 £	2016 £
Other loans	<u>2,165,564</u>	<u>-</u>
Payable within one year	<u>2,165,564</u>	<u>-</u>

The loans are unsecured, repayable within one year of the 30 April 2017 financial year and incur interest of 8% per annum.

17 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
319,804 Ordinary share of £1 each	<u>319,804</u>	<u>319,804</u>

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>35,667</u>	<u>34,835</u>

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

18 Related party transactions

(Continued)

During the financial year Epayments Systems Limited received loans of £2,165,564 from a company that is owned and controlled by the group's ultimate shareholder. Loan interest of £41,850 was payable on these loans during the financial year. The loan terms are shown in note 16.

19 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.

20 Cash generated from operations

	2017 £	2016 £
Profit/(loss) for the year after tax	438,220	(3,254)
Adjustments for:		
Taxation charged	80,067	-
Finance costs	41,850	-
Investment income	(2,653)	-
Movements in working capital:		
(Increase) in debtors	(4,883,131)	(102,536)
Increase in creditors	24,877,888	17,685,907
Cash generated from operations	20,552,241	17,580,117

The cash and cash equivalents balance includes £40,371,417 (2016: £17,584,526) of clients funds held in relation to the E-wallets and card balances.

21 Prior period adjustment

Changes to the balance sheet

	At 30 April 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Bank and cash	321,805	17,584,526	17,906,331
Creditors due within one year			
Other creditors	(138,016)	(17,584,526)	(17,722,542)
Net assets	303,938	-	303,938

EPAYMENTS SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

21 Prior period adjustment

(Continued)

	At 30 April 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Changes to the profit and loss account			
	Period ended 30 April 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Loss for the financial period	(3,254)	-	(3,254)
	<u> </u>	<u> </u>	<u> </u>