

ePayMe Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2020

Stewart & Co Accountants LLP
Registered Auditors and Chartered Accountants
Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

ePayMe Limited

Company Information

Director	Mrs S J Sharpe
Registered office	Basepoint Business Centre 377-399 London Road Camberley Surrey GU15 3HL
Auditors	Stewart & Co Accountants LLP Registered Auditors and Chartered Accountants Knoll House Knoll Road Camberley Surrey GU15 3SY

ePayMe Limited

Strategic Report for the Year Ended 31 December 2020

The director presents her strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the company is that of providing a compliant range of contracting and payroll services.

Fair review of the business

The business continues to operate as an Outsourced Payroll Provider to the recruitment industry offering compliant PAYE and Construction Industry Scheme services to contract and freelance workers within the UK.

In common with many businesses in our sector, the environment in which we operate continues to be challenging. New legislations continue to be introduced and we consider that our expertise will enable the company to meet any challenges.

With the changes to IR35, we do see more recruitment companies leaning towards umbrella, CIS and bureau to accommodate workers. Whilst Brexit has not currently effected the majority of our clients, the changes come the end 2020 are hard to gauge. Covid-19 has had major implications to the majority of end clients, agencies and contractors. Having to rapidly alter our own working environment in addition to rolling out a completely new pay structure in a matter of weeks, has shown that the business is extremely flexible and robust.

Management also recognises the increasing importance of accreditation in our sector and will concentrate efforts on looking at current and new accreditations to decide which are best for the sector and the business.

The business is concentrating on addition transaction volume in the next year and growth organically and winning business by delivering quality service with competitive margins.

Principal risks and uncertainties

The nature of our business means we have to be compliant with legislation as it changes and to meet our clients needs. Professional advice is taken as required and a dedicated teams control compliance at transaction level. The business also uses insurance cover specifically designed for the industry and has a good working relationship with the broker. The business focus needs to be to provide solutions to customers who have individuals which will always require payroll services, thereby reducing the ongoing business risk.

Key performance indicators

The key indicators of turnover, gross profit and operating profit are used, in common with many similar businesses. Due to the Covid-19 pandemic, income for the company was sourced from sales and government grants in the form of the Coronavirus Job Retention Scheme (CJRS). Including both of these sources within the calculation, gross profit percentage has seen a decrease from 5.07% to 3.89%. Without accounting for the CJRS grant income, sales have fallen by 10.67%, however inclusion of this income shows a 1.47% increase to turnover.

Approved by the director on 23 July 2021 and signed on its behalf by:

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Mrs S J Sharpe
Director

ePayMe Limited

Director's Report for the Year Ended 31 December 2020

The director presents her report and the financial statements for the year ended 31 December 2020.

Director of the company

The director who held office during the year was as follows:

Mrs S J Sharpe

Results and dividends

The results for the year are set out on page 10.

During the year, ordinary dividends were paid amounting to £280,000 (2019: £124,706).

Information included 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.

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.

Company policy on employment

The hiring of staff is dictated by the level of business. We engage with agencies and job boards for sourcing staff. We regularly liaise with current staff to determine skill set and requirements and offer training and qualifications where required.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled or incapacitated, every effort is made to ensure their employment with the company continues and that the appropriate training and alterations are arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of all other employees.

Employee involvement

The company policy is to consult and discuss with employees, matters likely to affect employees' interests.

Information about matters of concern to employees is provided and discussed through regular company meetings.

There is no employee share scheme at present but the management have considered the introduction of such a scheme as means of further encouraging the involvement of employees in the performance of the business.

We have recently moved offices and we discussed this with all the staff well in advance of looking for new offices. They were given locations of local large towns with sufficient suitable office space and we looked at areas based on the feedback from the staff.

ePayMe Limited

Director's Report for the Year Ended 31 December 2020

Future developments

We are constantly looking at ways to diversify. In doing so we intend to promote our services to a wider audience within the recruitment sector and focus on areas we are not currently active within. Diversification also comes with a focus towards new ventures, products and services.

Disclosure of information to the auditors

The director has taken steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that she knows of and of which she knows the auditors are unaware.

Approved by the director on 23 July 2021 and signed on its behalf by:

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Mrs S J Sharpe
Director

ePayMe Limited

Statement of Director's Responsibilities

The director acknowledges her responsibilities 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 she 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 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; and
- 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 her to ensure that the financial statements comply with the Companies Act 2006. She 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.

ePayMe Limited

Independent Auditor's Report to the Members of ePayMe Limited

Opinion

We have audited the financial statements of ePayMe Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings, Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ePayMe Limited

Independent Auditor's Report to the Members of ePayMe Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities [set out on page 5], the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

ePayMe Limited

Independent Auditor's Report to the Members of ePayMe Limited

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, we have obtained an understanding of the nature of the industry, the control environment and the legal and regulatory frameworks that the company operates in.

We determined that the most significant applicable legal and regulatory frameworks are those directly relevant to the reporting framework and preparation of the financial statements (FRS 102, Companies Act 2006 and UK tax legislation). We considered the extent to which non-compliance might have a material effect on the financial statements.

We determined the principal risks which could lead to material misstatement of the financial statements to be related to posting inappropriate journal entries and management bias in accounting estimates. We identified the most significant risks in respect of accounting estimates to be the determination of level of accrued holiday pay at the end of the reporting period.

Audit procedures performed by the engagement team included:

- Identifying those members of the Company who have the primary responsibility for ensuring compliance with laws and regulations;
Enquiries with management, to understand managements' approach to ensuring compliance with laws and regulations, and
- to obtain knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Evaluating managements' incentives and opportunities for manipulation of the financial statements (including management override of controls);
- Testing journal entries and performing analytical procedures to identify any unusual transactions, or those outside the normal course of business, which may indicate risks of material misstatement due to fraud;
- Testing of balances and transactions that are subject to estimation uncertainty by review of evidence supporting the assumptions and judgements used, and determining whether those judgements used indicate potential bias;
- Review of legal expense accounts to identify spend which may be indicative of breaches of laws and regulations;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with the provisions of laws and regulations described above.

The engagement team also remained aware of the need for professional scepticism to identify any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

ePayMe Limited

Independent Auditor's Report to the Members of ePayMe Limited

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Gary Robinson MSc BSc FCA (Senior Statutory Auditor)

For and on behalf of Stewart & Co Accountants LLP, Statutory Auditor

Knoll House

Knoll Road

Camberley

Surrey

GU15 3SY

23 July 2021

ePayMe Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	<u>3</u>	25,250,376	28,265,312
Cost of sales		<u>(27,523,990)</u>	<u>(26,832,139)</u>
Gross (loss)/profit		(2,273,614)	1,433,173
Administrative expenses		(900,883)	(1,084,390)
Other operating income	<u>4</u>	<u>3,429,994</u>	<u>-</u>
Operating profit	<u>5</u>	<u>255,497</u>	<u>348,783</u>
Other interest receivable and similar income	<u>6</u>	<u>6,956</u>	<u>6,341</u>
		<u>6,956</u>	<u>6,341</u>
Profit before tax		262,453	355,124
Taxation	<u>10</u>	<u>(49,963)</u>	<u>(67,796)</u>
Profit for the financial year		212,490	287,328
Retained earnings brought forward		287,328	124,706
Dividends paid		<u>(280,000)</u>	<u>(124,706)</u>
Retained earnings carried forward		<u>219,818</u>	<u>287,328</u>

ePayMe Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020	2019
	£	£
Profit for the year	<u>212,490</u>	<u>287,328</u>
Total comprehensive income for the year	<u><u>212,490</u></u>	<u><u>287,328</u></u>

ePayMe Limited

(Registration number: 09921785)

Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>11</u>	19,588	17,013
Current assets			
Debtors	<u>12</u>	28,436	131,398
Cash at bank and in hand		3,210,990	2,524,940
		<u>3,239,426</u>	<u>2,656,338</u>
Creditors: Amounts falling due within one year	<u>14</u>	<u>(3,035,374)</u>	<u>(2,349,863)</u>
Net current assets		<u>204,052</u>	<u>306,475</u>
Total assets less current liabilities		223,640	323,488
Creditors: Amounts falling due after more than one year	<u>14</u>	-	(32,828)
Provisions for liabilities	<u>15</u>	<u>(3,722)</u>	<u>(3,232)</u>
Net assets		<u>219,918</u>	<u>287,428</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>219,818</u>	<u>287,328</u>
Shareholders' funds		<u>219,918</u>	<u>287,428</u>

Approved and authorised by the director on 23 July 2021

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Mrs S J Sharpe
Director

ePayMe Limited

Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		212,490	287,328
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	4,104	5,338
Loss on disposal of tangible assets		-	7,768
Finance income	<u>6</u>	(6,956)	(6,341)
Income tax expense	<u>10</u>	49,963	67,796
		259,601	361,889
Working capital adjustments			
Decrease/(increase) in trade and other debtors	<u>12</u>	102,962	(68,406)
Increase in trade and other creditors	<u>14</u>	671,451	494,529
Cash generated from operations		1,034,014	788,012
Income taxes paid	<u>10</u>	(68,241)	(8,728)
Net cash flow from operating activities		965,773	779,284
Cash flows from investing activities			
Interest received	<u>6</u>	6,956	6,341
Acquisitions of tangible assets		(6,679)	(18,108)
Proceeds from sale of tangible assets		-	6,375
Net cash flows from investing activities		277	(5,392)
Cash flows from financing activities			
Dividends paid	<u>19</u>	(280,000)	(124,706)
Net increase in cash and cash equivalents		686,050	649,186
Cash and cash equivalents at 1 January		2,524,940	1,875,754
Cash and cash equivalents at 31 December		3,210,990	2,524,940

ePayMe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales. The registered company number is 09921785.

The address of its registered office is:

Basepoint Business Centre
377-399 London Road
Camberley
Surrey
GU15 3HL
England

These financial statements were authorised for issue by the director on 23 July 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity, and are rounded to the nearest £.

ePayMe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions which 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 income.

Key sources of estimation uncertainty

Useful economic lives of tangible assets: The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. These are amended when necessary to reflect current estimates, based on economic utilisation and physical condition of the assets..

Holiday accrual: The company establishes a reliable estimate of holiday pay accrued during the current year. This estimate is based on a percentage of holiday pay records for live employees at the year end. This percentage is determined by management's best estimates of costs that will be incurred based on legislative and contractual requirements and historical experience of holiday pay claimed by workers. . The carrying amount is £93,998 (2019 -£148,458).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme. The Company has not directly benefited from any other forms of government assistance.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

ePayMe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	25% reducing balance

Intangible assets

Costs incurred in the development phase of intangible assets will be expensed in the period incurred.

Cash and cash equivalents

Cash is represented by cash in hand and bank deposits.

Trade debtors

Short term debtors are measured at transaction price, less any impairment.

Trade creditors

Short term creditors are measured at the transaction price.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

ePayMe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Financial instruments

Recognition and measurement

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

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.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Rendering of services	25,250,376	28,265,312

Revenue is derived from sales made directly to the UK.

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020 £	2019 £
Government grants	3,429,994	-

Government grant income in the current year is from the Coronavirus Job Retention Scheme.

5 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	4,104	5,338
Loss on disposal of property, plant and equipment	-	7,768
Auditor's remuneration - The audit of the company's annual accounts	5,000	5,000

6 Other interest receivable and similar income

	2020 £	2019 £
Interest income on bank deposits	6,956	6,341

ePayMe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

7 Staff costs

The aggregate payroll costs (including director's remuneration) were as follows:

	2020	2019
	£	£
Wages and salaries	25,708,542	25,035,851
Social security costs	1,918,365	1,833,766
Pension costs, defined contribution scheme	223,182	194,066
Other employee expense	1,193	4,818
	<u>27,851,282</u>	<u>27,068,501</u>

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Administration and support	12	12
Other departments	1,313	1,286
	<u>1,325</u>	<u>1,298</u>

8 Director's remuneration

The director's remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	87,385	239,370
Company contributions to money purchase schemes	1,314	5,537
	<u>88,699</u>	<u>244,907</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020	2019
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>2</u>

In respect of the highest paid director:

	2020	2019
	£	£
Remuneration	87,385	246,412
Company contributions to money purchase pension schemes	1,314	2,647

ePayMe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

9 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	5,000	5,000
Other fees to auditors		
All other non-audit services	25,550	22,350

10 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	49,473	68,241
Deferred taxation		
Arising from origination and reversal of timing differences	490	(445)
Tax expense in the income statement	49,963	67,796

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	262,453	355,124
Corporation tax at standard rate	49,866	67,474
Effect of expense not deductible in determining taxable profit (tax loss)	96	507
Tax (decrease)/increase from effect of capital allowances and depreciation	(489)	260
Tax increase/(decrease) from other short-term timing differences	490	(445)
Total tax charge	49,963	67,796

ePayMe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Deferred tax

Deferred tax assets and liabilities

	Liability £
2020	
Capital allowances and depreciation	3,722
	<u>3,722</u>
2019	
Capital allowances and depreciation	3,232
	<u>3,232</u>

11 Tangible assets

	Office equipment £	Total £
Cost or valuation		
At 1 January 2020	18,108	18,108
Additions	6,679	6,679
	<u>24,787</u>	<u>24,787</u>
At 31 December 2020		
Depreciation		
At 1 January 2020	1,095	1,095
Charge for the year	4,104	4,104
	<u>5,199</u>	<u>5,199</u>
At 31 December 2020		
Carrying amount		
At 31 December 2020	<u>19,588</u>	<u>19,588</u>
At 31 December 2019	<u>17,013</u>	<u>17,013</u>

12 Debtors

	2020 £	2019 £
Trade debtors	9,366	76,675
Other debtors	9,267	8,404
Prepayments	9,803	46,319
	<u>28,436</u>	<u>131,398</u>
Total current trade and other debtors		

ePayMe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	107,284	66,587
Short-term deposits	3,103,706	2,458,353
	<u>3,210,990</u>	<u>2,524,940</u>

14 Creditors

	Note	2020 £	2019 £
Due within one year			
Trade creditors		42,136	18,468
Social security and other taxes		2,778,154	1,995,059
Other payables		116,086	326,252
Accrued expenses		98,998	10,084
		<u>3,035,374</u>	<u>2,349,863</u>
Due after one year			
Other non-current financial liabilities		-	32,828

15 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2020	3,232	3,232
Additional provisions	490	490
At 31 December 2020	<u>3,722</u>	<u>3,722</u>

The deferred tax liability relates to the reversal of timing differences on acquired tangible assets and capital allowances through depreciation.

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £223,182 (2019 - £194,066).

ePayMe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

17 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

18 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	16,868	86,733
Later than one year and not later than five years	-	294
	<u>16,868</u>	<u>87,027</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £90,976 (2019 - £157,133).

19 Dividends

Interim dividends paid

	2020	2019
	£	£
Interim dividend of £2,800 (2019 - £1,247) per each Ordinary	280,000	124,706

20 Analysis of changes in net debt

	At 1 January 2020	Financing cash flows	At 31 December 2020
	£	£	£
Cash and cash equivalents			
Cash	<u>2,524,940</u>	<u>686,050</u>	<u>3,210,990</u>
	<u>2,524,940</u>	<u>686,050</u>	<u>3,210,990</u>

ePayMe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

21 Related party transactions

Key management compensation

	2020	2019
	£	£
Salaries and other short term employee benefits	115,596	230,213

Other transactions with directors

At the year end the director owed the company £811 (2019: £811). The loan is unsecured and repayable on demand. Interest has not been charged on the loan.

Summary of transactions with other related parties

During the year Sharston Ltd, a related party, invoiced the company £181,200 (2019: £186,068) for rental and consultancy services. £597 was owed to Sharston Ltd at the year end (2019: £nil).

Xifos Limited, a related party, invoiced the company £3,488 (2019: £11,462) for business cloud and connectivity services. £nil was owed by ePayMe Limited at the year end (2019: £2,390).

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