
PAYCO FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014

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PAYCO FINANCIAL SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	T R Briggs E Dollinger
REGISTERED NUMBER	07805564
REGISTERED OFFICE	2nd Floor Block C Dukes Court Dukes Street Woking Surrey GU21 5BH
INDEPENDENT AUDITORS	Peters Elworthy & Moore Chartered Accountants & Statutory Auditors Salisbury House Station Road Cambridge CB1 2LA
BANKERS	Deutsche Handelsbank Elsenheimerstraße 41 D - 80687 München Germany

PAYCO FINANCIAL SERVICES LIMITED

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PAYCO FINANCIAL SERVICES LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

BUSINESS REVIEW

The principal activity of the company will be an e-money provider, and the company commenced trade in the period. The company has been registered with the FCA since August 2013.

Since the company commenced trading, revenue of £11,109 has been generated, but further set up and operating costs have given rise to a loss amounting to £156,122 (2013 - £52,835). At the year end the company had a net assets position of £281,548 (2013 - £341,730).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk and uncertainty of the business is the scope of its future success and its ability to generate sufficient future profits. The Directors are confident that revenue and sales in sufficient volume will be generated when trading commences. The strategic approach to this will be online marketing.

The company's operations expose it to some exchange rate risk. Given the size of the company, responsibility for monitoring exchange rate risk is in the hands of the Directors. The company does not use derivative financial instruments to manage exchange rate fluctuations as the Directors do not deem the risk to be significant.

FINANCIAL KEY PERFORMANCE INDICATORS

Key performance indicators at this time are the liquidity of the company and its ability to continue as a going concern. The parent company, Payment Company AG, is offering financial support for the foreseeable future.

The company must maintain sufficient capital as prescribed by the FCA regulations.

This report was approved by the board on 12.8.2015 and signed on its behalf.

T R Briggs
Director



PAYCO FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the period ended 31 December 2014.

DIRECTORS

The directors who served during the period were:

T R Briggs
E Dollinger

FUTURE DEVELOPMENTS

The sales programme will be further developed in 2015 and performance monitoring introduced.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

PAYCO FINANCIAL SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *12-8-2015* and signed on its behalf.



**T R Briggs
Director**

PAYCO FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PAYCO FINANCIAL SERVICES LIMITED

We have audited the financial statements of Payco Financial Services Limited for the period ended 31 December 2014, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' 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.

UNQUALIFIED 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 31 December 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

PAYCO FINANCIAL SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PAYCO FINANCIAL SERVICES
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.

Kelly Bretherick (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

24 August 2015

PAYCO FINANCIAL SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	11,109	-
Administrative expenses		<u>(167,231)</u>	<u>(52,835)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(156,122)	(52,835)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD	11	<u>(156,122)</u>	<u>(52,835)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

The notes on pages 8 to 12 form part of these financial statements.

PAYCO FINANCIAL SERVICES LIMITED
REGISTERED NUMBER: 07805564

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	31 December 2014 £	31 October 2013 £
FIXED ASSETS			
Tangible assets	7	100	145
CURRENT ASSETS			
Debtors	8	293,689	17,095
Cash at bank		6,362	341,400
		<u>300,051</u>	<u>358,495</u>
CREDITORS: amounts falling due within one year	9	<u>(18,503)</u>	<u>(16,910)</u>
NET CURRENT ASSETS		<u>281,548</u>	<u>341,585</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>281,648</u>	<u>341,730</u>
CAPITAL AND RESERVES			
Called up share capital	10	490,605	394,565
Profit and loss account	11	(208,957)	(52,835)
SHAREHOLDERS' FUNDS	12	<u>281,648</u>	<u>341,730</u>

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

12/08/15



T R Briggs
Director

The notes on pages 8 to 12 form part of these financial statements.

PAYCO FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Going concern

Since the company is in the early stages of trading, it has continued to be loss making. The company had a net loss for the period of £156,122 and overall net asset position of £281,548.

The directors are confident that the future trading income streams will be sufficient to meet the company's financial requirements for the foreseeable future. Therefore the financial statements are prepared on a going concern basis.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the period, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	- 25% straight line
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1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

2. TURNOVER

The whole of the turnover is attributable to the service fee arising on the provision of e-money services.

All turnover arose within the United Kingdom.

PAYCO FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

3. LOSS

The loss is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	45	10
Operating lease rentals:		
- other operating leases	15,266	4,390
Difference on foreign exchange	18,626	12,785
	<u> </u>	<u> </u>

4. AUDITORS' REMUNERATION

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	9,240	3,480
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	600	600
All other non-audit services not included above	5,790	1,342
	<u> </u>	<u> </u>

5. STAFF COSTS

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

	2014 £	2013 £
Wages and salaries	87,500	25,000
Social security costs	8,885	3,096
	<u> </u>	<u> </u>
	96,385	28,096
	<u> </u>	<u> </u>

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

	2014 No.	2013 No.
	1	1
	<u> </u>	<u> </u>

PAYCO FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

6. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>87,500</u>	<u>12,500</u>

7. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 November 2013 and 31 December 2014	<u>155</u>
Depreciation	
At 1 November 2013	10
Charge for the period	<u>45</u>
At 31 December 2014	<u>55</u>
Net book value	
At 31 December 2014	<u>100</u>
At 31 October 2013	<u>145</u>

8. DEBTORS

	31 December 2014 £	31 October 2013 £
Amounts owed by group undertakings	290,368	14,711
Prepayments	3,321	2,384
	<u>293,689</u>	<u>17,095</u>

PAYCO FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

9. CREDITORS:
Amounts falling due within one year

	31 December 2014 £	31 October 2013 £
Trade creditors	1,957	340
Other taxation and social security	2,821	11,273
Other creditors	4,590	735
Accruals	9,135	4,562
	<hr/> 18,503 <hr/>	<hr/> 16,910 <hr/>

10. SHARE CAPITAL

	31 December 2014 £	31 October 2013 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1
570,000 Ordinary shares of €1 each	490,604	394,564
	<hr/> 490,605 <hr/>	<hr/> 394,565 <hr/>

The company has allotted 120,000 ordinary shares at par during the period with a nominal value of €1 each.

11. RESERVES

	Profit and loss account £
At 1 November 2013	(52,835)
Loss for the financial period	(156,122)
	<hr/> (208,957) <hr/>
At 31 December 2014	

PAYCO FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2014 £	31 October 2013 £
Opening shareholders' funds	341,730	1
Loss for the financial period/year	(156,122)	(52,835)
Shares issued during the period/year	96,040	394,564
	<hr/>	<hr/>
Closing shareholders' funds	281,648	341,730
	<hr/>	<hr/>

13. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 31 December 2014 £	31 October 2013 £
Expiry date:		
Within 1 year	-	12,960
	<hr/>	<hr/>

14. RELATED PARTY TRANSACTIONS

Included within debtors at the year end is a balance due from Payment Company AG, the parent company, of £290,368 (2013 - £14,711). No interest is charged on this amount.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent company is Payment Company AG, incorporated in Switzerland. The group accounts can be obtained from Bahnhofstrasse 23, 6301 Zug, Switzerland.