

# **PAY-X LIMITED**

Company No: 3293069

## **DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**Period ended 31 December 1997**



# **PAY-X LIMITED**

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# **PAY-X LIMITED**

## **Company Information**

<b>Company number</b>	3293069
<b>Director</b>	GCS Corporate Nominees Limited
<b>Secretary</b>	Goodwille Corporate Services Limited 29 Abingdon Road London W8 6AH
<b>Registered office</b>	29 Abingdon Road London W8 6AH
<b>Bankers</b>	Lloyds Bank Plc 8-10 Waterloo Place London SW1Y 4BE

# PAY-X LIMITED

## Director's Report

The director presents the annual report and financial statements for the period ended 31 December 1997.

### Principal activities and review of the business

The company was incorporated on 11 December 1996 and commenced trading on January 1st 1997. Its principal activity during the period was the provision of consultancy and support services in the payment systems sector. The results for the period are stated on Page 5. The director considers that the company's performance in the period was satisfactory.

### Issue of shares

Upon formation the company issued 2 ordinary shares of £1 fully paid to PAYX Services Ltd.

### Directors and their interests

The sole director had no beneficial interest in the company's shares at the beginning and end of the period.

### Taxation status

The company is a close company for tax purposes.

### Auditors

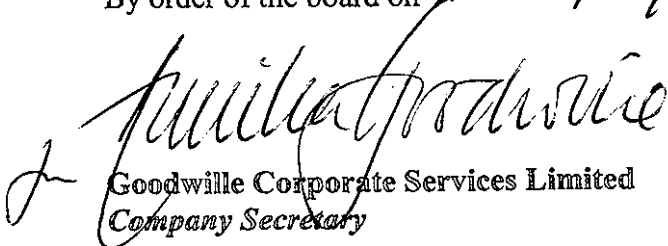
As stated on the balance sheet, the company is exempt from the statutory audit requirements of the Companies Act 1985 and, accordingly, the financial statements are unaudited.

### Disclosure exemption

The directors have relied on special exemptions available to small companies on the grounds that the company is a small company by virtue of S.247 of the Companies Act 1985.

By order of the board on

12/10/98

  
Goodwill Corporate Services Limited  
Company Secretary

# **PAY-X LIMITED**

## **Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit and loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1985 and 1989. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **PAY-X LIMITED**

## **Profit and Loss Account for the period ended 31 December 1997**

		<b>1997</b>
	<b>Note</b>	<b>£</b>
<b>Turnover</b>	<b>1(b)</b>	173,761
Cost of sales		(80,373)
<b>Gross profit</b>		<u>93,388</u>
Operating expenses	<b>2</b>	(79,001)
<b>Operating profit</b>		<u>14,387</u>
Interest receivable	<b>3</b>	566
<b>Profit on ordinary activities before taxation</b>		<u>14,953</u>
Taxation	<b>4</b>	(3,300)
<b>Profit on ordinary activities after taxation and retained profit for the period</b>		<u><u>11,653</u></u>

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the above loss for the period and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 7 to 9 form part of these financial statements.

# PAY-X LIMITED

## Balance Sheet at 31 December 1997

	Note	1997 £
<b>Fixed assets</b>		
Tangible assets	1(c), 5	1,892
		<u>1,892</u>
<b>Current assets</b>		
Cash at bank		11,676
Debtors	6	35,916
		<u>47,592</u>
<b>Creditors: amounts due within one year</b>	7	<u>(37,829)</u>
<b>Net current assets</b>		<u>9,763</u>
<b>Net assets</b>		<u><u>11,655</u></u>
<b>Capital and reserves</b>		
Called up share capital	8	2
Profit and loss account		11,653
<b>Shareholders' funds</b>	9	<u><u>11,655</u></u>

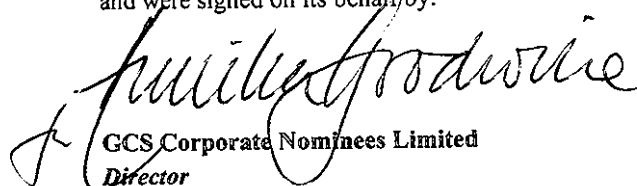
The company was entitled to total exemption from the statutory audit requirements under S.249 A (1), Companies Act 1985 for the period ended 31 December 1997. No notice requiring an audit has been deposited under S.249 B (2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with S.221 of the Companies Act 1885 and for preparing accounts which give a true and fair view of the state of the company's affairs as at 31 December 1997 and of its loss for the period, in accordance with the requirements of S.226, and which otherwise comply with the requirements of Companies Act 1985 as applicable to the company.

The directors have relied on special exemptions available to small companies on the grounds that the company is a small company by virtue of S.247 of the Companies Act 1985.

These financial statements were approved by the board of directors on  
and were signed on its behalf by:

*12 Oct -98*

  
GCS Corporate Nominees Limited  
Director

The notes on pages 7 to 9 form part of these financial statements.

# PAY-X LIMITED

*Period ended 31 December 1997*

## Notes to the Financial Statements

### 1 Accounting policies

#### (a) Basis of preparation

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

#### (b) Turnover

Turnover represents fees invoiced to third parties excluding value added tax.

#### (c) Tangible fixed assets and depreciation

Depreciation is provided to write off the cost of fixed assets over their respective estimated useful lives. The actual annual rates and methods applied are as follows:

Computer equipment - 20% straight line.

#### (d) Foreign currency

Transactions in foreign currency are recorded in the accounts at the rate of exchange ruling at the date of receipt or payment. Items in foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date and credited to the profit and loss account.

1997  
£

### 2 Operating expenses

Operating expenses are stated after charging the following items:

Depreciation (*Note 5*) 250

### 3 Interest receivable

Bank interest 566

### 4 Taxation

Corporation Tax has been provided at a rate of 21.75% on the tax-adjusted profit of the period.



# PAY-X LIMITED

*Period ended 31 December 1997*

## Notes to the Financial Statements (cont'd)

	1997
	£
<b>5 Tangible fixed assets</b>	
<u>Cost</u>	
Balance at 11 December 1996	Nil
Additions	<u>2,142</u>
Balance at 31 December 1997	<u>2,142</u>
<u>Depreciation</u>	
Balance at 11 December 1996	Nil
Charge for the year	<u>250</u>
Balance at 31 December 1997	<u>250</u>
<u>Net book value</u>	
At 31 December 1997	<u>1,892</u>
<b>6 Debtors</b>	
Trade debtors	34,685
Other debtors	<u>1,231</u>
	<u>35,916</u>
<b>7 Creditors: falling due within one year</b>	
Trade creditors	1,810
Corporation Tax	3,300
Accruals	31,881
Amount owing to parent company	<u>838</u>
	<u>37,829</u>
<b>8 Called up share capital</b>	
<u>Authorised</u>	
Ordinary shares of £1 each	<u>10,000</u>
<u>Allotted, called up and fully paid</u>	
Ordinary shares of £1 each	<u>2</u>

# PAY-X LIMITED

*Period ended 31 December 1997*

## Notes to the Financial Statements (cont'd)

1997

£

### 9 Reconciliation of shareholders' funds

Consideration received on issue of shares	2
Profit for the period	<u>11,653</u>
Shareholders' funds carried forward	<u>11,655</u>

### 10 Capital commitments and contingent liabilities

As at the balance sheet date the company had no capital commitments and the directors are not aware of any contingent liabilities.

### 11 Cash flows

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company as defined in the Companies Act 1985.

### 12 Control and related party transactions

The immediate parent company throughout the year was PAY-X Services Ltd, incorporated in Jersey, all the shares of which are owned by The Bridge Trust of which the trustees are resident in Jersey.

Included in operating expenses are fees for management, sales and marketing services amounting to £58,140 charged by its parent company PAY-X Services Ltd. As stated in Note 7 the company owed £838 to the parent company at the end of the period.