Company Registered No: 04509853

YESPAY INTERNATIONAL LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

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DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS

DIRECTORS:

R Patni (resigned 9 December 2014)
C Patni (resigned 9 December 2014)
R M Kalifa (appointed 6 March 2013)
D Hobday (appointed 1 October 2013)
J Wilkinson (appointed 1 October 2013, resigned 8 July 2014)
R De Tonnac (resigned 6 March 2013)
M Konnerup (resigned 6 March 2013)
D Wilson (appointed 6 March 2013, resigned 30 September 2013)
E Toivonen (appointed 6 March 2013, resigned 13 October 2013)

REGISTERED OFFICE:

The Walbrook Building
Walbrook
London
EC4N 8AF

PRINCIPAL BANK:

HSBC
431 Oxford Street
London
W1C 2DA

AUDITOR:

KPMG LLP
15 Canada Square
London
E14 5GL

Registered in England & Wales

DIRECTORS' REPORT

The Directors of YESpay International Limited present their report, together with audited financial statements, for the year ended 31 December 2013.

Dividends

No dividends were paid in the financial period (2012: £nil) and there have been no further dividends approved since 31 December 2013 to the date of approval of these financial statements.

Donations

In the period to 31 December 2013 charitable and political donations paid amounted to £nil (2012: £nil).

Share Issue

The company had an option scheme for all employees. The options are settled in equity once exercised. The total outstanding options as at 31 December 2013 were Nil (2012: 5,565 options). The 5,565 options were fully exercised during the year.

Change in ownership

YESpay International Limited and its subsidiaries YESpay IT Services (India) Limited and YESpay International in Canada, were acquired by Worldpay Group on 6th March 2013. Since that date many of the company operations have been intergrated into the large Worldpay group to provide further commercial and financial strength.

Going concern

The Group have prepared forecasts covering a period of more than 12 months from the date of signing of the financial statements which demonstrate that the Company is forecast to be profitable, cash generative and has net assets.

Therefore the Directors, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, have prepared the financial statements on a going concern basis.

The Directors consider that appropriate funding will be available from Worldpay Group companies and the Company's future operations. As part of the wider Worldpay Group, the company have moved location (into the Group head-office) reducing overheads and running costs through 2014, improving cash flow and profitability.

Employees

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and emails are distributed to all employees. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. A significant proportion of employees are eligible to receive an annual bonus related to the overall profitability of the Group.

Disabled applications are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with YESpay International Limited continues and appropriate training is provided. It is the policy of YESpay International Limited that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

DIRECTORS' REPORT (continued)

DIRECTORS
The current Directors, who have served throughout the financial year and up to the date of this report, except where noted below, are listed on page 1.
From 1 January 2013 to date the following changes have taken place:

Director	Appointed	Resigned
R Patni		9 December 2014
C Patni		9 December 2014
R M Kalifa	6 March 2013	-
D Hobday	1 October 2013	-
J Wilkinson	1 October 2013	8 July 2014
R D Tonnac		6 March 2013
D Wilson	6 March 2013	30 September 2013
M Konnerup		6 March 2013
E Toivonen	6 March 2013	13 October 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT AND DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgements and 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 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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

Each of the Directors at the date of approval of this report confirms that:
- so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken to make himself/herself aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

DIRECTORS' REPORT (continued)

DIRECTORS' INDEMNITIES
In terms of section 236 of the Companies Act 2006, none of the Directors have been granted Qualifying Third Party Indemnity Provisions by YESpay International Limited.

AUDITOR
KPMG LLP was appointed as the Company's auditor during the year. A resolution to re-appoint KPMG LLP as the Company's auditor will be put to the forthcoming Annual General Meeting. KPMG LLP have expressed their willingness to continue in office as auditor.

Approved by the Board of Directors and signed on behalf of the Board

R Kalifa
Director
Date: 23 JANUARY 2015

STRATEGIC REPORT

Principal activity

The Company was acquired by Ship Submidco Limited on 6 March 2013.

The Company is part of the WorldPay Group ("the Group") with the ultimate holding company being Ship Investor & Cy S.C.A. registered in Luxembourg. The Company receives ongoing capital, funding and liquidity resources from the Group, which, coupled with other sources of funding and liquidity enable the Company to meet its obligations as they fall due.

YESpay International Limited are a global payment services company that provide highly secure and scalable EMV Chip & PIN, contactless, magnetic, e-commerce and mobile card payments processing services within the multi-chain retail, hospitality and unattended market verticals.

Forming part of the Worldpay UK division, the Directors see a unique opportunity to propel the combined Group as the global leader in payment services.

Business review

The Directors are satisfied with the Company's performance in the financial year (prior to one-off provisions against intercompany receivables).

Continued growth has been seen with revenue increasing by 17% to £4,121,376. This growth is due to an increase in the volume of transactions and linking in with the wider Worldpay UK Division and it's customer base, utilising a large sales force and affiliate network, as well as continued development of the Worldpay Zinc brand.

Review of trading results

The Company's trading financial performance in 2013 was strong. A combination of income growth and strong cost control ensured that the business met the challenging targets it was set at the beginning of the year. The major inpact on the results was the provision made against intercompany receivables due from YESpay International Limited Canada. A provision of £1,860,932 was made against the receivable leading to a loss for the year.

Loss after tax for the financial year was £1,633,113 (2012: Profit £410,676) which has been deducted against reserves.

At the end of the year, the financial position showed net current liabilities of £195,054 (2012: net current assets £1,478,601) and net assets of £59,755 (2012: £1,361,176).

Position of the company at year end

The full year results as at 31 December 2013 are presented under United Kingdom General Accepted Accounting Practice.

Information about the performance of the company during the financial year in response to S417(3) (b) of the Companies Act 2006 (the Companies Act) is included above.

STRATEGIC REPORT (continued)

Trends impacting future development, performance and position of the business
The Company continues to invest significant amounts in developing new products.

Whilst YESpay International Limited has some exposure to the UK economy and the current challenges to consumer spending, it is well positioned for continued growth due to the following:

- Its expanding global network of local money transfer and payment services.
- A wide customer base that encompasses all business sizes and sectors.
- Continued focus on innovation and alternative methods of payment.

Principal Risks and Uncertainties

The company seeks to minimise its exposure to external financial risks. The risks included below are taken from the Worldpay Group risk register, and are included here to the extent that they are relevant to the Company.

Technology risk

Technology is critical to ensure that we can deliver market-leading capability and services to our customer base. Following the sale of Worldpay by RBS, a project was established to migrate the Worldpay systems off the RBS infrastructure and redesign the core platform. This separation project is expected to complete in 2015. In the meantime, Worldpay faces a performance and stability risk while systems remain on the legacy RBS infrastructure, as well as the risk of failure to develop new systems, products and infrastructure to meet the demands of our growing customers.

Potential impact

Any deterioration in the performance of our systems harms the reputation of Worldpay. A decrease in customer satisfaction as a result of system issues may lead to customers moving their business away from Worldpay.

Failure to correctly develop and implement new systems may also cause an inability to satisfy customer expectations and might result in a loss of customers.

Risk mitigation

Worldpay has contractual agreements in place with RBS which cover the monitoring and support available to ensure system stability. There are also regular meetings between Worldpay and RBS to review system performance. When incidents occur, they are ranked in terms of criticality and are escalated according to their impact on our customers' operations.

Migration off the RBS infrastructure is happening progressively to minimise risk and, as it does, Worldpay is investing heavily in additional capacity and monitoring tools to manage its new infrastructure and ensure that the new platforms remain stable and available. In addition, an incident management centre is on-call around the clock to deal with any issues.

Data security risk

As a leading global payments business, Worldpay manages and transmits detailed personal customer data relating to the transactions being processed. As a result, there is a risk that this customer data may be lost accidentally, accessed for non-business purposes by colleagues, or stolen by individuals not employed by Worldpay.

STRATEGIC REPORT (continued)

Potential impact

The accidental loss of transaction data could mean that Worldpay is unable to complete the transactions submitted to it by its customers. Such an event would cause reputational damage and embarrassment to our customers, and could result in financial claims being made against Worldpay by those customers. In the event of data being stolen, there would be an immediate cost to the business relating to compensating the customers affected by the data theft. There would be negative publicity which could seriously damage our reputation and may lead to a loss of confidence amongst existing and potential customers.

Risk mitigation

Worldpay operates protective processes so that the effect of any data that is accidentally lost is limited.

All Worldpay systems contain audit trails which identify the user of systems and data. In addition, employees are provided with training relating to the importance of customer data and the need to keep all data confidential.

A team of IT security professionals is employed to prevent any unauthorised system access. The latest scanning software is deployed to identify any attempt to deploy malicious software on Worldpay systems. Regular vulnerability tests are carried out to test the defences of the business systems.

The security status of Worldpay's systems and reports of any incidents are documented and reported to the Risk Committee with a focus on key metrics and a forward-looking review of emerging threats.

Regulatory risk

The regulatory landscape for the payments industry is constantly changing. It is important that Worldpay remains fully aware of all proposals and changes in legislation in the countries where it operates, to ensure the continuation of services to its customers and their protection from regulatory breach.

Potential impact

A failure to identify, or understand, the impacts of a changing legislation environment may prevent Worldpay from trading in the relevant jurisdiction; may result in Worldpay or its customer unknowingly breaching regulations; or may result in delays in providing services to our customers. Any impact on the customer would damage Worldpay's reputation and could result in regulatory or legal penalties.

Risk mitigation

Within Worldpay, we have a team of compliance professionals, together with a network of external advisers, who maintain a constant review of current and future regulatory developments and their potential impacts.

A report is provided to the Executive Committee on a monthly basis and as important changes are identified. Each Risk Committee agenda also contains a section relating to regulatory developments and potential impacts.

As a leading merchant services provider, Worldpay continues to be active in the payments industry and with the regulatory authorities, providing specialist input and support to the decision forums.

Customer credit risk

The nature of merchant services subjects Worldpay to credit risk through the inability of merchants to deliver contractual services or refund the associated payment. At any point in time, it is estimated that Worldpay has contingent exposure of circa £3bn.

STRATEGIC REPORT (continued)

Potential impact

Unanticipated losses may directly impact our profits and, if large scale or unchecked, could limit the Group's ability to operate.

Risk mitigation

Worldpay carries out due diligence before customers are approved to receive services. This due diligence includes a review of public record information, comparison with existing Worldpay customers and, in some instances, the analysis of financial statements.

Once a customer has been approved and they enter the onboarding process, monitoring is carried out daily at a transactional level with sophisticated models to review and assess merchant behaviour and transaction trends before referring questionable transactions to highly trained analysts to review.

For customers who carry larger exposures, Worldpay employs a team of credit analysts to carry out in-depth analysis of the merchant including, but not limited to, their processing activity, the sector in which they operate, their financial statements and a comparison with similar customers in the same sector on the Worldpay book. These customers often supply internal management information to assist Worldpay in managing the exposure.

There is a tiered approval authority for credit exposures with larger exposures and more complicated customers requiring approval at credit committees comprised of members of the senior management team who are experienced in business lending and merchant services.

Financial markets risk

Worldpay operates across the globe and as a result is exposed to a number of different financial risks including foreign exchange risk and interest rate risk. These risks, their potential impact, and their management is discussed in more detail in Note 5e of the Group's Annual Report.

Scale of change

The separation of Worldpay from RBS, and establishment as a stand-alone company has resulted in a number of simultaneous large-scale projects, together with process and procedural changes to systems. The work associated with these projects and with identifying and implementing process and procedural changes poses the risk that employees and management could fail to prioritise effectively and create problems by allowing project or 'business as usual' activities to fail.

Potential impact

Failure to carry out activities or errors in processes could result in financial or reputational damage to Worldpay.

STRATEGIC REPORT (continued)

Risk mitigation

The Executive Committee operates weekly and monthly meetings to monitor and track the performance of the various initiatives and projects. At these meetings, there are discussions concerning the available resources and the current workload. Where necessary, additional prioritisation of activities takes place.

Below the Executive level, there are frequent functional meetings attended by managers and subject matter experts that review and analyse the priorities against available headcount and provide the recommendations that roll up to the Board.

Following the separation from RBS Group the Directors consider that appropriate funding will be available for the company's future operations and that the business will continue operating without significant change to its business model.

Approved by the Board of Directors and signed on behalf of the Board

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R Kalifa
Director
Date: 23 JANUARY 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YESPAY INTERNATIONAL LIMITED

We have audited the financial statements of YESpay International Limited for the year ended 31 December 2013 set out on pages 11 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

James Ledward FCA (Senior Statutory Auditor)
For and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

23 JANUARY 2015

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	3	4,121,376	3,532,632
Cost of sales		(406,107)	(353,796)
Gross profit		3,715,269	3,178,836
Administration expenses		(5,411,973)	(2,746,143)
Operating (loss)/profit	4	(1,696,704)	432,693
Net finance (costs) /income	8	(7,040)	227
(Loss)/Profit before tax		(1,703,744)	432,920
Taxation benefit/(charge)	9	70,631	(22,244)
(Loss)/Profit for the financial year		(1,633,113)	410,676

No Statement of Total Recognised Gains and Losses has been prepared as there have been no gains or losses other than the profit/loss for each financial period disclosed above. The profit/loss for each financial year is derived from continuing operations.

The accompanying notes on pages 13 to 22 form an integral part of these financial statements.

BALANCE SHEET
as at 31 December 2013

	Note	2013 £	2012 £
Fixed Assets			
Investments in Subsidiary undertakings	10	**8,053**	8,053
Intangible assets	11	**68,271**	75,521
Tangible fixed assets	12	**329,876**	167,577
		406,200	251,151
Current assets			
Debtors	13	**655,706**	1,907,778
Cash	14	**377,093**	497,609
		1,032,799	2,405,387
Total assets		**1,438,999**	2,656,538
Current liabilities			
Creditors: amounts falling due within one year	15	**(1,227,853)**	(926,786)
		(1,227,853)	(926,786)
Net current (liabilities)/assets		**(195,054)**	1,478,601
Total assets less current liabilities		**211,146**	1,729,752
Non Current liabilities			
Creditors: amounts falling due after more than one year	16	**(151,391)**	(368,576)
Net assets		**59,755**	1,361,176
Capital and reserves			
Called up share capital	17	**93,821**	88,256
Share premium	18	**1,771,277**	1,445,150
Other reserves	18	**5,751**	5,751
Retained losses	18	**(1,811,094)**	(177,981)
Shareholders' funds		**59,755**	1,361,176

Total retained losses at 31 December 2013 of £1,811,094 (2012: retained losses of £177,981) were wholly attributable to the owners of the Company. The accompanying notes on pages 13 to 22 form an integral part of these financial statements.

The financial statements of YESpay International Limited, company registration number 04509853, were approved and authorised for issue by the Board of Directors on 23 JANUARY 2015 and signed on its behalf by:

R Kalifa

R Kalifa
Director

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Presentation of financial statements
The Company is incorporated in the United Kingdom and registered in England and Wales.

The financial statements are prepared in accordance with United Kingdom General Accepted Accounting Practice and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

The Company is dependent on the support of its immediate parent company Ship Submidco Limited. Ship Submidco Limited has indicated that it is willing to provide support and that it will not request repayment of amounts due to it from the company if it will render the company unable to meet its liabilities as they fall due for at least the next 12 months from the date of approval of these accounts.

The directors of the Company therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, the directors of the Company continue to adopt the going concern basis in preparing the financial statements.

b) Foreign currencies
The Company's financial statements are presented in Sterling which is the functional currency of the Company.

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

c) Revenue recognition
Turnover represents fees and commission receivable on payments transacted, as well as foreign exchange and interest income, net of VAT. It also includes income received in the normal course of business from services provided to customers, which is recognized as the services are rendered over the contracted period. These are stated net of trade discounts, VAT and other sales related taxes.

d) Pension cost
YESpay International Limited operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Accounting policies (continued)

e) Taxation
Provision is made for taxation at current enacted rates on taxable profits, arising in income or in equity. Deferred taxation is accounted for in full for all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes, except in relation to overseas earnings where remittance is controlled by the Company.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

f) Tangible fixed assets
Tangible fixed assets are stated at their purchase price, including directly attributable expenses on acquisition less accumulated depreciation and any recognised impairment loss.

Tangible fixed assets purchased from companies under common control are transferred across at carrying value.

Tangible fixed assets are depreciated on a straight line basis over the expected useful economic lives of the assets concerned. Depreciation is provided on a monthly basis with the first charge occurring in the month of acquisition and no charge in the month of disposal.

The principal useful economic lives used for this purpose are:

- Fixtures & fittings 4 years
- Computers & office equipment 4 years

g) Impairment of fixed assets
At each reporting date, the Company assesses whether there is any indication that its fixed assets are impaired. If any such indication exists, the Company estimates the recoverable amount of the asset and the impairment loss (if any). If an asset does not generate cash flows that are independent from those of other assets or groups of assets, the recoverable amount is determined for the income-generating unit to which the asset belongs.

The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Value in use is the present value of future cash flows from the asset or income generating unit discounted at a pre-tax rate that reflects market interest rates adjusted for risks specific to the asset or income generating unit that have not been reflected in the estimation of future cash flows. If the recoverable amount of a tangible asset is less than its carrying value, an impairment loss is recognised immediately in the Profit and Loss account and the carrying value of the asset reduced by the amount of the loss.

A reversal of an impairment loss on tangible fixed assets is recognised as it arises provided the increased carrying value does not exceed that which it would have been had no impairment loss been recognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

h) Provisions

The Company recognises a provision for a present obligation resulting from a past event when it is more likely than not that it will be required to transfer economic benefits to settle the obligation and the amount of the obligation can be estimated reliably.

i) Cash

Cash comprises cash and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

j) Investments in subsidiary undertakings

Investments held in subsidiary undertakings are held at cost less provision for impairment.

k) Operating Leases

Rentals under operating leases are charged to the Profit and Loss account on a straight line basis over the the lease term.

l) Intangible assets

Intellectual Property Rights (IPR) are included at cost and amortised in equal annual instalments over a period of 20 years, which is the estimated useful economic life.

2. Cash flow statement, financial risk and related party disclosures

The Company is a wholly owned subsidiary of Ship Luxco 3 S.à.r.l and is included in the consolidated financial statements of Ship Luxco 3 S.à.r.l. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 within these financial statements. The Company is also exempt under the terms of FRS 8 from disclosing related-party transactions with subsidiaries that are wholly owned by the Ship Luxco 3 S.à.r.l group or investees of the Ship Luxco 3 S.à.r.l group. For details of other related-party transactions see note 21.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Turnover

	2013	2012
	£	£
Merchant Service Charge	3,152,054	2,680,478
Terminal Rental	96,061	81,005
Joining Fees	267,624	237,949
Terminal Sales	524,926	498,882
Other	80,711	34,318
	4,121,376	3,532,632

The Company's activities consist of providing integrated and mobile payment products and services in the United Kingdom, Europe and the rest of the world allocated as follows:

	2013	2012
	%	%
United Kingdom	99	99
Europe	1	1
Rest of World	-	-
Total	100	100

4. Operating profit

Operating profit before tax is stated after charging:

	2013	2012
	£	£
Amortisation of intangible fixed assets	7,250	7,250
Depreciation of tangible fixed assets	121,649	112,272
Operating lease rentals	41,696	39,960
Pension costs	16,313	68,552
Research and development costs	248,320	407,205
Difference on foreign exchange	177,080	18,740
Provision for Intercompany receivables	1,860,932	-

5. Auditor's remuneration

The audit fees of the Company of £18,000 (2012: £10,600) have been charged to a Group company, Ship Midco Limited. A complete breakdown of the audit fees and fees for related services incurred by the WorldPay Group for the financial year can be found in the consolidated accounts of Ship Luxco 3 S.à.r.l.

6. Staff costs

	2013	2012
	£	£
Wages & salaries	1,011,526	974,521
Social security	117,565	110,782
Other pension costs	16,313	68,552
	1,145,404	1,153,855

All YESpay employees are employed by either YESpay International Limited or another group subsidiary company, YESpay IT Services (India) Limited.

The average monthly number of persons employed by the Company during the financial period was:

	2013	2012
Full time employees	17	15
Part time employees	1	-
Contractors	3	3

7. Directors' emoluments

The Directors' remuneration for the year were as follows:

	2013 £	2012 £
Basic salary	53,823	227,900
Termination costs		-
Discretionary bonus	47,000	56,496
Other benefits		-
Pensions	8,066	54,348
	108,889	338,744

Details of the highest paid director during the year are as follows:

	2013 £	2012 £
Basic salary	33,775	121,900
Discretionary bonus	23,500	27,917
Other benefits		-
Pensions	4,316	28,608
	61,591	178,425

As from April 2013 the directors of the Company are remunerated by other group companies and amounts are not recharged. Details of such directors' remuneration are disclosed in the financial statements of Ship Midco Limited, a UK parent company.

8. Net finance costs

	2013 £	2012 £
Bank charges	(7,040)	-
Bank interest received	-	227
	(7,040)	227

9. Tax

	2013 £	2012 £
Current Tax:		
UK corporation tax charge on profit for the year	340	184
Deferred taxation:		
Deferred tax asset recognised	(70,971)	-
Deferred tax asset utilised	-	22,060
	(70,631)	22,244

9. Tax (continued)

The actual current tax charge differs from the expected current tax charge computed by applying the UK average corporation tax of 23.25% (2012: 24.50%) as follows:

	2013	2012
	£	£
(Loss)/profit before tax	**(1,703,744)**	432,920
(Loss)/profit before tax at standard rate of tax in the UK 23.25%	**(396,120)**	86,584
Permanent difference	**(60,745)**	(106,730)
Non deductible items	**466,051**	15,558
Timing Differences	**13,527**	17,490
Adjustments to tax in prior periods	**160**	
Utilisation of brought forward losses	**(22,533)**	(12,718)
Actual current tax charge for the financial year	**340**	184

UK statutory tax rate reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. It has not yet been possible to quantify the full anticipated effect of the further rate reductions, although this will further reduce the company's future current tax charge accordingly.

There are accumulated tax losses of £213,159 (2012 £:310,078) available to carry forward against future trading profits, subject to the agreement of HM Revenue and Customs.

10. Investments in subsidiary undertakings

Investments in subsidiary undertakings are carried at cost.

	£
At 1 January 2013 and 31 December 2013	**8,053**

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
YESpay IT Services (India) Private Limited	India	100%	100%	Operational back office and development centre
YESpay International Limited Canada	Canada	100%	100%	Sales subsidiary

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Intangible fixed assets

	IPR £
Cost	
At 1 January 2013 and 31 December 2013	145,000
Accumulated depreciation	
At 1 January 2013	(69,479)
Charge for the financial year	(7,250)
At 31 December 2013	**(76,729)**
Net book value	
At 31 December 2013	**68,271**
At 1 January 2013	75,521

12. Tangible fixed assets

	Office Furniture £	Computers & Office Equipment £	Total £
Cost			
At 1 January 2013	1,755	616,267	618,022
Additions	1,342	282,606	283,948
At 31 December 2013	**3,097**	**898,873**	**901,970**
Accumulated depreciation			
At 1 January 2013	(1,755)	(448,690)	(450,445)
Charge for the financial year	(112)	(121,537)	(121,649)
At 31 December 2013	**(1,867)**	**(570,227)**	**(572,094)**
Net book value			
At 31 December 2013	**1,230**	**328,646**	**329,876**
At 1 January 2013	-	167,577	167,577

13. Debtors

	2013 **£**	2012 £
Trade debtors	**443,344**	350,392
Amounts due from group undertakings	**78,008**	1,553,224
Deferred tax asset	**70,971**	-
Other debtors	**63,383**	4,162
	655,706	1,907,778

NOTES TO THE FINANCIAL STATEMENTS (continued)

13.Trade and other debtors (continued)

Trade debtors comprise:

	2013 £	2012 £
Gross trade debtors	**577,564**	377,631
Impairment provisions	**(134,220)**	(27,239)
	443,344	350,392

Reconciliation of impairments:

	2013 £	2012 £
At period start	**(27,239)**	-
New Provision	**(106,981)**	(27,239)
Provision against debtor due from group undertakings	**(1,860,932)**	-
At period end	**(1,995,152)**	(27,239)

Impaired trade debtors were fully provided for at year end.

The gross receivable of £1,860,932 owed by YESpay International Limited Canada has been fully provided for, as the entity has net liabilities and limited trading activity.

The following trade debtors were past due at the balance sheet date but not considered impaired:

	Past due 0 – 3 mths £	Past due 3 mths - 1 yr £	Past due > 1 year £	Total £
At 31 December 2013	**67,820**	**141,661**	-	**209,481**
At 31 December 2012	150,860	70,352	-	221,212

In determining the recoverability of trade debtors the Company considers any change in the credit quality of the trade debtors from the date credit was initially granted up to the reporting date. The concentration of credit risk is taken into consideration when determining the extent of recoverability. Accordingly the Directors believe that no further provision is required.

14. Cash

	2013 £	2012 £
Cash at bank and in hand	**377,093**	497,609

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	**164,884**	189,692
Amounts due to group undertakings	**434,279**	-
Accruals and deferred income	**592,198**	460,983
Other creditors	**36,492**	276,111
	1,227,853	926,786

16. Creditors: Amounts falling due after more than one year

	2013 £	2012 £
Accruals and deferred income	**151,391**	368,576

17. Share capital

	2013 £	2012 £
Allotted called up and fully paid		
23,500 A ordinary shares of £1 each	**23,500**	23,500
70,321 ordinary shares at £1 each *(2012: 64,756)*	**70,321**	64,756
	93,821	88,256

Share rights

The A Ordinary shares may be converted on a one for one basis into ordinary shares and have a prior right to return capital over the ordinary shares. In all other aspects the A ordinary shares rank parri passu with the ordinary shares.

Share options

The company had an option scheme for all employees. The options are settled in equity once exercised. The total outstanding options as at 31 December 2013 were Nil (2012: 5,565 options). The 5,565 options were fully exercised in the year for £331,692.

18. Reconciliation of movements in shareholders' funds

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
At 1 January 2013	**88,256**	**1,445,150**	**5,751**	**(177,981)**	**1,361,176**
Loss for the year	-	-	-	(1,633,113)	(1,633,113)
Shares issued in the year	5,565	326,127	-	-	331,692
At 31 December 2013	**93,821**	**1,771,277**	**5,751**	**(1,811,094)**	**59,755**

19. Capital resources

The Company's capital consists of equity, issued share capital, share premium, other reserves and retained earnings. The Company manages its capital to ensure that it is able to continue as a going concern and also to ensure that the entity continues to meet regulatory requirements. The Company complied with all externally imposed capital requirements.

20. Commitments

Operating lease commitments

As at 31 December 2013 the Company had annual commitments under non-cancellable operating leases which expire:

	2013 £	2012 £
Land and bulidings		
Within one year	**9,990**	9,900
	9,990	9,900

21. Related parties

The Company is part of the WorldPay Group ("the Group") with the ultimate holding company being Ship Luxco Holding & Cy S.C.A. incorporated and registered in Luxembourg, and its immediate parent company is Tayvin 346 Limited incorporated and registered in the United Kingdom. The ultimate holding company is jointly controlled by Advent International and Bain Capital.

As at 31 December 2013, Ship Luxco Holding & Cy S.C.A heads the largest group in which the Company is consolidated with Ship Luxco 3 S.à.r.l heading the smallest group in which the Company is consolidated and the financial statements are available from 2-4, rue Beck, L-1222 Luxembourg.
The Company is exempt under the terms of FRS 8 from disclosing related-party transactions with subsidiaries that are wholly owned by the Ship Luxco 3 S.à.r.l group or investees of the Ship Luxco 3 S.à.r.l group.

There are no balances with other related parties as at 31 December 2013.