

# Financial Statements

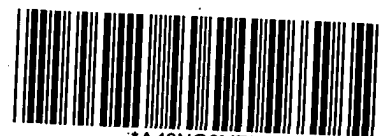
## PSI - Pay Limited

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For the year ended 31 December 2014

Registered number: 05899168

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## Company Information

<b>Directors</b>	Mr P J Davies Mr A R Davis Mr C James (appointed 1 May 2014)
<b>Registered number</b>	05899168
<b>Registered office</b>	Afon Building Worthing Road Horsham West Sussex RH12 1TL
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Explorer Building Fleming Way Crawley RH10 9GT

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# Directors' Report

For the year ended 31 December 2014

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

## **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.

## **Results**

The profit for the year, after taxation, amounted to £815,237 (2013 - £59,196).

## **Directors**

The directors who served during the year were:

Mr A R Davis  
Mr P J Davies  
Mr C James (appointed 1 May 2014)  
Mr J Daw (resigned 17 February 2014)

## **Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

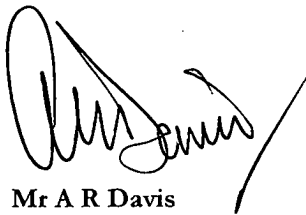
## Directors' Report

For the year ended 31 December 2014

### **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 March 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'A R Davis', with a long diagonal stroke extending from the bottom right.

**Mr A R Davis**  
Director

# Strategic Report

For the year ended 31 December 2014

## Introduction

The directors present their strategic report for the year ended 31 December 2014.

## Principal activities and business review

### Principal activities

The principal activity of the company is that of an e money issuer regulated by the Financial Conduct Authority (Registration No 481195) and this regulatory status has been passported to include all EEA states.

The company is a Principal Member of MasterCard and has developed a Bank Identification Number, 'BIN', sponsorship payment card issuance model as a secondary activity to e money business.

It is anticipated that the company will continue to operate its core businesses in the same way over the forthcoming year.

Revenues and costs in respect of merchant contracts are recognised in PSI Holdings Limited. Revenue and costs in respect of business contracts have been transferred to the company's parent undertaking, PSI Holdings Limited, from 1 January 2014, as this is the entity with whom the merchants and businesses have a contractual relationship.

Revenues and costs relating to the sponsorship of third party card programs have been recognised in PSI-Pay Limited, as this is the company which is a principal member of MasterCard and therefore the supplier of card services.

### Business review

Turnover increased in 2014 by 23% from £2,311,917 to £2,842,617 and gross profit increased by 75% from £964,488 (restated) to £1,692,568.

### Principal risks and uncertainties

The company uses financial instruments comprising cash and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are foreign currency risk, liquidity risk, credit risk, fraud risk and regulatory risk. In addition the company has commercial risks surrounding competition, suppliers and technology. The directors review and agree policies for managing each of these risks and they are summarised below:

#### Foreign currency risk

The company issues e-money in a number of different currencies and this may result in significant foreign exchange exposures which may or may not be reduced through the use of hedging techniques. Foreign currency risk is monitored on a daily basis to ensure that potential exposure is kept within the Financial Conduct Authority requirement for e money issuers.

#### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. The company is financed through equity and intercompany debt. At 31 December 2014 the company had a positive net cash balance.

## Strategic Report (continued)

For the year ended 31 December 2014

### **Credit risk**

The company extends a small amount of credit for a very short period of time to its customers in certain circumstances. This carries a credit risk which the company monitors on a regular basis and takes appropriate action where necessary to mitigate losses.

### **Fraud risk**

The company faces the risk of fraud from customers that seek to abuse the payment methods that it offers. Accordingly, the company has policies and procedures to identify suspicious transactions to prevent significant levels of fraud occurring. Management continually review these policies and procedures and enhance them where new threats are identified.

### **Regulatory risk**

There can be no assurance that the regulatory bodies providing licences to the company, namely the Financial Conduct Authority and MasterCard Europe, will not change their licencing requirements, including the terms and conditions to which the licences and approvals currently held by the company are subject. If a regulatory scheme under which the company operates were to change its licencing requirements, the company may be required to expend significant capital or other resources to comply with the new requirements and/or may not be able to meet the new requirements, either or a combination of which could have a material adverse effect on the company's business, financial condition and results of operations.

The merchants that participate in the company's EcoPayz payment system may themselves be regulated by the relevant regulators in the jurisdictions in which they are based, and therefore the position in their place of supply (and where their regulators and applicable local laws deem the gambling transaction to take place) is explicitly legal. However, the supply of internet based services continues to be subject to complex, inconsistent and often protectionist approaches by jurisdictions worldwide. There is therefore a risk that action taken by these jurisdictions may result in a significant downturn in merchant activity, with a corresponding downturn in the revenues and profits of the Company.

### **Competition risk**

The company competes with a number of companies, some of which have greater financial, marketing and other resources than the company. These companies may adopt more aggressive pricing policies or undertake more extensive marketing and advertising campaigns. This may have a negative impact on revenues or profit margins achieved by the company in the future. The company closely monitors competition within the industry and has a long term approach to improving its products, marketing, and infrastructure.

### **Supplier risk**

The company has relationships with a number of key third party suppliers who provide products and services which support the delivery of sophisticated, high performance transaction processing systems. However the company exercises little control over many of these third party suppliers and is reliant on them to perform their services in accordance with the terms of their contracts, which increases its vulnerability to problems with the products and services they provide. Any adverse event affecting the company's relationship with them could have a material adverse effect on the company's reputation, business, financial condition and results of operations. The company attempts to mitigate this risk by having multiple suppliers whenever possible.

## Strategic Report (continued)

For the year ended 31 December 2014

### Technology risk

The company's operations are highly dependent on technology and advanced information systems and there is a risk that such technology or systems could fail. In addition to such failure, there can be no assurance that such technology or systems will not be subject to damage or interruption caused by human error, unauthorised access, computer viruses, distributed denial of service (DDoS) attacks, increase in volume in usage of online services, sabotage, natural hazards or disasters or other similarly disruptive events including other security breaches, or will be able to support a significant increase in online traffic or increased customer numbers. Any failure or disruption of, or damage to, the company's technology or systems, could have a material adverse effect on the company's business, financial condition or results of operations.

The company has in place data recovery and systems recovery procedures, security measures, and business continuity plans in the event of failure or disruption of, or damage to, the company's technology or systems.

### Future Developments

The company is in process of establishing two distinct business areas, that of the e wallet and that of payment card issuance. With regards to the e-wallet business a strategy for expanding into other key geographic areas is being researched and an entry plan will be formulated for each territory based upon merit. A 'BIN' sponsorship card issuance initiative was tested during the year 2013, and the concept proven during 2014, and its success has prompted the company to actively seek new corporate clients. The company has developed a unique onboarding business model which sets industry standards in this area. In both business areas the company has been keen to measure and plot its development against KPI's. To this end a more sophisticated data capture and extrapolation technology is being designed to be rolled out and replacing the separate inter departmental reporting currently in place.

This report was approved by the board on 19 March 2015 and signed on its behalf.



**Mr A R Davis**  
Director





## Independent Auditor's Report to the Members of PSI - Pay Limited

We have audited the financial statements of PSI - Pay Limited for the year ended 31 December 2014, which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and Reconciliation of net cash flow to movement in net funds and the related notes. 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 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, 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 (APB'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](http://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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



## Independent Auditor's Report to the Members of PSI - Pay 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.

*Grant Thornton UK LLP*

Eleanor Walsh (Senior Statutory Auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Crawley

19 March 2015

## Profit and Loss Account

For the year ended 31 December 2014

	Note	2014 £	As restated 2013 £
<b>Turnover</b>	1,2	2,842,617	2,311,917
Cost of sales	3	(1,150,049)	(1,347,429)
<b>Gross profit</b>		<b>1,692,568</b>	<b>964,488</b>
Administrative expenses	3	(739,298)	(905,292)
<b>Profit on ordinary activities before taxation</b>	3	<b>953,270</b>	<b>59,196</b>
Tax on profit on ordinary activities	6	(138,033)	-
<b>Profit for the financial year</b>	13	<b>815,237</b>	<b>59,196</b>

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.

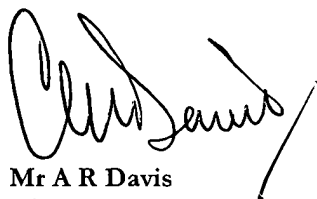
The notes on pages 11 to 19 form part of these financial statements.

## Balance Sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	7		7,183		7,089
<b>Current assets</b>					
Debtors	9	926,033		2,722,960	
Cash at bank	8	10,998,966		2,735,574	
		<u>11,924,999</u>		<u>5,458,534</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(8,777,203)</u>		<u>(3,125,881)</u>	
<b>Net current assets</b>			<u>3,147,796</u>		<u>2,332,653</u>
<b>Net assets</b>			<u><u>3,154,979</u></u>		<u><u>2,339,742</u></u>
<b>Capital and reserves</b>					
Called up share capital	12		2,700,003		2,700,003
Profit and loss account	13		<u>454,976</u>		<u>(360,261)</u>
<b>Shareholders' funds</b>	14		<u><u>3,154,979</u></u>		<u><u>2,339,742</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 March 2015.



**Mr A R Davis**  
Director

The notes on pages 11 to 19 form part of these financial statements.

## Cash Flow Statement

For the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	15	8,269,884	(1,433,505)
Capital expenditure and financial investment	16	(6,792)	(2,595)
<b>Increase/(Decrease) in cash in the year</b>		<b>8,263,092</b>	<b>(1,436,100)</b>

## Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 December 2014

	2014 £	2013 £
Increase/(Decrease) in cash in the year	8,263,092	(1,436,100)
<b>Movement in net funds in the year</b>	<b>8,263,092</b>	<b>(1,436,100)</b>
Net funds at 1 January 2014	2,735,550	4,171,650
<b>Net funds at 31 December 2014</b>	<b>10,998,642</b>	<b>2,735,550</b>

The notes on pages 11 to 19 form part of these financial statements.

# Notes to the Financial Statements

For the year 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**

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on pages 3 to 5.

The company is expected to generate positive cash flows on its own account for the foreseeable future.

The directors, have assessed statements from the directors of the company's parent company, PSI Holdings Limited, and of the majority shareholder of PSI Holdings Limited, who have confirmed that they will continue to provide support in order that the company will continue in operational existence for the foreseeable future.

On the basis of their assessment of the company's financial position and of the confirmations received from directors of PSI Holdings Limited, and from the majority shareholder of PSI Holdings Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **1.3 Turnover**

Turnover comprises fees and commissions receivable and other revenue generated from the normal operations of the customer accounts in respect of the year. Fees and commissions are earned and recognised on the date that the transactions occurs giving rise to that fee or commission.

### **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:

Fixtures, fittings and equipment      -      33% per annum

### **1.5 Operating leases**

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

# Notes to the Financial Statements

For the year ended 31 December 2014

## **1. Accounting Policies (continued)**

### **1.6 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

### **1.7 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.

### **1.8 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

### **1.9 Classification of cash balances**

Cash represents cash on hand and demand deposits held by the company. Cash equivalents represent short-term, highly liquid investments held by the company that are readily convertible to known amounts of cash.

Cash in transit, where the company has rights to and risks associated with the cash, and where receipt is imminent, is treated as cash and cash equivalents.

## **2. Turnover**

The whole of the turnover is attributable to the principal activity of the company. The directors consider there to be one class of business and, as such, further analysis has not been prepared.

All turnover arose within the European Union.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 3. Profit on ordinary activities before taxation

The profit is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	5,467	4,778
Auditor's remuneration	28,325	28,325
Auditor's remuneration - non-audit	4,200	4,200
- land and buildings		
- other operating leases	59,040	83,897
Difference on foreign exchange	306,182	175,298
	<u>306,182</u>	<u>175,298</u>

It has been concluded that the better classification for the difference on foreign exchange is to cost of sales rather than administrative expenses. Therefore for the year ending 31 December 2014, £306,182 (2013: £175,298) has been recognised as cost of sales instead of administrative expenses.

## 4. Staff costs

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

	2014	2013
	£	£
Wages and salaries	305,046	303,417
Social security costs	33,578	31,218
Other pension costs	42,722	39,343
	<u>381,346</u>	<u>373,978</u>

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

	2014	2013
	No.	No.
Average monthly number employed including executive directors	<u>8</u>	<u>5</u>

## 5. Directors' remuneration

	2014	2013
	£	£
Remuneration	<u>43,067</u>	<u>136,000</u>
Company pension contributions to defined contribution pension schemes	<u>20,833</u>	<u>5,000</u>

During the year retirement benefits were accruing to 2 directors (2013 - 1) in respect of defined contribution pension schemes.



# Notes to the Financial Statements

For the year ended 31 December 2014

## 6. Taxation

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	140,949	-
<b>Deferred tax</b> (see note 11)		
Origination and reversal of timing differences	(2,916)	-
<b>Tax on profit/(loss) on ordinary activities</b>	<u>138,033</u>	<u>-</u>

### Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>953,270</u>	<u>59,196</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	204,858	13,763
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	402	1,247
Capital allowances for year in excess of depreciation	(1,047)	(603)
Utilisation of tax losses	(60,308)	(15,279)
Short term timing difference leading to an increase (decrease) in taxation	(2,956)	872
<b>Current tax charge for the year</b> (see note above)	<u>140,949</u>	<u>-</u>

As at 31 December 2013 there was an unrecognised deferred tax asset of £87,021. This consists of deferred tax relating to fixed asset timing differences of £3,971, deferred tax relating to other short term timing differences of £2,300 and unutilised losses of £351,087 giving rise to deferred tax of £80,750.

## Notes to the Financial Statements

For the year ended 31 December 2014

**7. Tangible fixed assets**

	Office equipment £
<b>Cost</b>	
At 1 January 2014	142,873
Additions	6,792
Disposals	(130,595)
At 31 December 2014	<u>19,070</u>
<b>Depreciation</b>	
At 1 January 2014	135,784
Charge for the year	5,467
On disposals	(129,364)
At 31 December 2014	<u>11,887</u>
<b>Net book value</b>	
At 31 December 2014	<u><u>7,183</u></u>
At 31 December 2013	<u><u>7,089</u></u>

**8. Cash at bank**

Within the cash at bank balance of £10,998,966, an amount totalling £1,303,707 relates to funds held on behalf of an external party. There is a matching liability recognised in respect of this balance, and the funds are held solely for the purpose of facilitating the business operations of the external party. No such balances were present as at 31 December 2013.

**9. Debtors**

	2014 £	2013 £
Amounts owed by related parties (see note 19)	556,470	2,374,228
Other debtors	327,147	290,711
Prepayments and accrued income	39,500	58,021
Deferred tax asset (see note 11)	2,916	-
	<u><u>926,033</u></u>	<u><u>2,722,960</u></u>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 10. Creditors:

### Amounts falling due within one year

	2014	2013
	£	£
Bank loans and overdrafts	324	24
Trade creditors	64,119	189,315
Amounts owed to group undertakings	3,929,878	1,025,667
Corporation tax	140,949	-
Other taxation and social security	10,168	38,107
E-money float	4,587,443	1,820,912
Accruals and deferred income	44,322	51,856
	<u>8,777,203</u>	<u>3,125,881</u>

## 11. Deferred taxation

	2014	2013
	£	£
At beginning of year	-	-
Released during year (P&L)	2,916	-
	<u>2,916</u>	<u>-</u>
At end of year	<u>2,916</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	2014	2013
	£	£
Fixed asset timing differences	2,916	-
	<u>2,916</u>	<u>-</u>

A deferred tax asset of £87,021 in respect of corporation tax loss brought forward has not been recognised at 31 December 2013.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 12. Share capital

	2014 £	2013 £
<b>Authorised</b>		
2,000,000 Ordinary shares of £1 each	2,000,000	2,000,000
1,600,000 Redeemable Preference shares of £1 each	1,600,000	1,600,000
	<u>3,600,000</u>	<u>3,600,000</u>
<b>Allotted, called up and fully paid</b>		
1,100,003 Ordinary shares of £1 each	1,100,003	1,100,003
1,600,000 Redeemable Preference shares of £1 each	1,600,000	1,600,000
	<u>2,700,003</u>	<u>2,700,003</u>

The 1,600,000 Redeemable Preference shares of £1 each are redeemable by the company at any time with not less than one month's written notice to the holders of the preference shares. The preference shares carry no voting rights, receive no dividends, and rank in priority to the ordinary shares for repayment in the event of the company being wound up.

The preference shares can only be redeemed at the discretion of the company. Therefore the preference shares do not satisfy the definition of a financial liability under FRS 25 'Financial Instruments: Presentation' and have been presented as an equity instrument.

## 13. Reserves

	<b>Profit and loss account</b> £
At 1 January 2014	(360,261)
Profit for the financial year	815,237
	<u>454,976</u>
At 31 December 2014	

## 14. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	2,339,742	2,280,546
Profit for the financial year	815,237	59,196
	<u>3,154,979</u>	<u>2,339,742</u>
Closing shareholders' funds		

## Notes to the Financial Statements

For the year ended 31 December 2014

**15. Net cash flow from operating activities**

	2014 £	2013 £
Operating profit	953,270	59,196
Depreciation of tangible fixed assets	5,467	4,778
Loss on disposal of tangible fixed assets	1,231	-
Decrease/(increase) in debtors	1,799,843	(2,388,392)
Increase in creditors	5,510,073	890,913
<b>Net cash inflow/(outflow) from operating activities</b>	<b>8,269,884</b>	<b>(1,433,505)</b>

**16. Analysis of cash flows for headings netted in cash flow statement**

	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(6,792)	(2,595)

**17. Analysis of changes in net funds**

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	2,735,574	8,263,392	-	10,998,966
Bank overdraft	(24)	(300)	-	(324)
<b>Net funds</b>	<b>2,735,550</b>	<b>8,263,092</b>	<b>-</b>	<b>10,998,642</b>

**18. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £42,722 (2013: £39,343). Contributions totalling £nil (2013: £nil) were payable to the fund at the balance sheet date.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 19. Operating lease commitments

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

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within 1 year	-	23,400
Between 2 and 5 years	60,480	-
	<u>60,480</u>	<u>-</u>

## 20. Related party transactions

During the year, the company made charges totalling £78 (2013: £8,904) to Bancom Europe Limited and was charged £60,000 (2013: nil) by Bancom Europe Limited, a company owned by Avi Shaked, the ultimate controlling party of PSI - Pay Limited. At the year end, an amount of £8,982 (2013: £8,904) was owed to the company by Bancom Europe Limited.

During the year, cash transfers were made to and from Swift Bureau Services Limited, a company owned by the directors of PSI - Pay Limited. At the year end, an amount of £547,488 (2013: £2,365,324) was owed to the company.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with PSI Holdings Limited on the basis that the company is a wholly owned subsidiary of that company.

## 21. Ultimate parent undertaking and controlling party

The company is controlled by its immediate parent company, PSI Holdings Limited, incorporated in Gibraltar which owns 100% of the company's shares. The ultimate controlling party is Avi Shaked by virtue of his majority shareholding in PSI Holdings Limited.