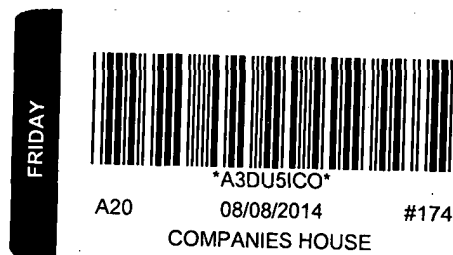


COMPANIES HOUSE

Financial Statements

Retail Merchant Finance Limited

For the year ended 31 December 2013



Registered number: 06079692

Company Information

Directors	Mr G Poppleton Mr P McOmish Mr M E Postle
Company secretary	Mr P McOmish
Registered number	06079692
Registered office	Matrix House North Fourth Street MILTON KEYNES MK9 1NJ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Broadfield Court SHEFFIELD South Yorkshire S8 0XF
Bankers	Natwest Bank PLC Victoria Street GRIMSBY DN31 1UX

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Directors' report

For the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Principal activity

The principal activity of the company during the year was providing credit and debit card processing services to retailers.

Directors

The directors who served during the year were:

Mr G Poppleton
Mr P McOmish
Mr M E Postle

Directors' responsibilities statement

The directors are responsible for preparing 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;
- 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 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.

Retail Merchant Finance Limited

Directors' report

For the year ended 31 December 2013

Auditor

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 15 July 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'G Poppleton', is written over the printed name.

Mr G Poppleton
Director



Independent auditor's report to the members of Retail Merchant Finance Limited

We have audited the financial statements of Retail Merchant Finance Limited for the year ended 31 December 2013, which comprise the profit and loss account, the balance sheet 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/apb/scope/private.cfm.

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 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 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 Retail Merchant Finance 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report and in preparing the Directors' report.

A handwritten signature in black ink, appearing to read "Michael Redfern".

Michael Redfern (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
SHEFFIELD

15 July 2014

Profit and loss account

For the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	1,3	4,780,314	3,328,735
Cost of sales		<u>(3,099,226)</u>	<u>(2,946,587)</u>
Gross profit		1,681,088	382,148
Administrative expenses		<u>(421,608)</u>	<u>(123,163)</u>
Operating profit	4	1,259,480	258,985
Interest receivable and similar income		4,815	3,031
Interest payable and similar charges	7	<u>(42,782)</u>	<u>(49,332)</u>
Profit on ordinary activities before taxation		1,221,513	212,684
Tax on profit on ordinary activities	8	<u>159,000</u>	<u>46,000</u>
Profit for the financial year	14	<u>1,380,513</u>	<u>258,684</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.

Balance sheet

As at 31 December 2013

	Note	£	2013 £	£	2012 £
Current assets					
Debtors	9	2,630,463		1,389,902	
Cash at bank		1,031,181		203,902	
		<u>3,661,644</u>		<u>1,593,804</u>	
Creditors: amounts falling due within one year	10	<u>(2,480,343)</u>		<u>(1,793,016)</u>	
Net current assets/(liabilities)			<u>1,181,301</u>		<u>(199,212)</u>
Total assets less current liabilities			<u>1,181,301</u>		<u>(199,212)</u>
Creditors: amounts falling due after more than one year	11		2,000,000		2,000,000
Capital and reserves					
Called up share capital	13	100		100	
Profit and loss account	14	<u>(818,799)</u>		<u>(2,199,312)</u>	
	15		<u>(818,699)</u>		<u>(2,199,212)</u>
			<u>1,181,301</u>		<u>(199,212)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 July 2014.



Mr G Poppleton
Director

The notes on pages 7 to 13 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2013

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 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax.

1.3 Operating leases

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

1.4 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.

1.5 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.

The company makes contributions for staff into personal pension plans. The pension cost represents contributions payable to the fund.

1.6 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.

Notes to the financial statements

For the year ended 31 December 2013

2. Going concern

The directors have prepared these financial statements under the going concern basis. The company directors have reviewed forecasts and are confident that the company will be profitable and will generate cash in the future. The parent company, Retail Merchant Group Limited, has confirmed that the group will not seek repayment of the loan within 12 months of signing these financial statements unless the company is in a position to meet its obligations as they fall due. The company also has the ongoing financial support of the parent company and has been assured that it will continue to make sufficient funds available to enable the company to meet its obligations as they fall due.

3. Turnover

The whole of the turnover is attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2013	2012
	£	£
Auditor's remuneration	3,100	3,000
Auditor's remuneration - non-audit	1,900	1,800
Operating lease rentals:		
- other operating leases	350,113	314,742

The company has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 December 2013. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by shareholders by written resolution.

Notes to the financial statements

For the year ended 31 December 2013

5. Staff costs

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

	2013	2012
	£	£
Wages and salaries	2,263,339	1,930,043
Social security costs	242,805	202,007
Other pension costs	2,063	3,225
	<u>2,508,207</u>	<u>2,135,275</u>

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

	2013 No.	2012 No.
Administration and Management	7	0
Sales	60	58
	<u>67</u>	<u>58</u>

6. Directors' remuneration

	2013	2012
	£	£
Remuneration	<u>66,266</u>	<u>64,015</u>

During the year no directors accrued retirement benefits (2012 - nil) in respect of defined contribution pension schemes.

7. Interest payable

	2013	2012
	£	£
On loans from group undertakings	<u>42,782</u>	<u>49,332</u>

Notes to the financial statements

For the year ended 31 December 2013

8. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
Deferred tax (see note 12)		
Origination and reversal of timing differences	(159,000)	(46,000)
Tax on profit on ordinary activities	<u>(159,000)</u>	<u>(46,000)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>1,221,513</u>	<u>212,684</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	284,002	52,108
Effects of:		
Utilisation of tax losses	(284,002)	(51,365)
Group relief	-	(743)
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

9. Debtors

	2013 £	2012 £
Trade debtors	425,871	311,944
Amounts owed by group undertakings	1,902,860	940,578
Prepayments and other debtors	96,732	91,380
Deferred tax asset (see note 12)	205,000	46,000
	<u>2,630,463</u>	<u>1,389,902</u>

Notes to the financial statements

For the year ended 31 December 2013

10. Creditors:

Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	32,742	27,531
Amounts owed to group undertakings	2,312,539	1,618,969
Other taxation and social security	62,824	58,472
Accruals and deferred income	72,238	88,044
	<u>2,480,343</u>	<u>1,793,016</u>

11. Creditors:

Amounts falling due after more than one year

	2013	2012
	£	£
Amounts owed to group undertakings	<u>2,000,000</u>	<u>2,000,000</u>

12. Deferred tax asset

	2013	2012
	£	£
At beginning of year	46,000	-
Released during year (P&L)	159,000	46,000
	<u>205,000</u>	<u>46,000</u>
At end of year	<u>205,000</u>	<u>46,000</u>

The deferred tax asset is made up as follows:

	2013	2012
	£	£
Tax losses carried forward	<u>205,000</u>	<u>46,000</u>

The company has an unrecognised deferred tax asset for £nil (2012 - £459,000) relating to losses which are available to offset against future taxable profits.

Notes to the financial statements

For the year ended 31 December 2013

13. Share capital

	2013 £	2012 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares shares of £1 each	<u>100</u>	<u>100</u>

14. Reserves

	Profit and loss account £
At 1 January 2013	(2,199,312)
Profit for the financial year	<u>1,380,513</u>
At 31 December 2013	<u>(818,799)</u>

15. Reconciliation of movement in shareholders' deficit

	2013 £	2012 £
Opening shareholders' deficit	(2,199,212)	(2,457,896)
Profit for the financial year	<u>1,380,513</u>	<u>258,684</u>
Closing shareholders' deficit	<u>(818,699)</u>	<u>(2,199,212)</u>

16. Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Expiry date:		
Within 1 year	46,848	136,024
Between 2 and 5 years	<u>236,673</u>	<u>82,701</u>
Total	<u>283,521</u>	<u>218,725</u>

17. Related party transactions

As a wholly owned subsidiary of Retail Merchant Group Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by that company.

Notes to the financial statements

For the year ended 31 December 2013

18. Ultimate parent undertaking and controlling party

The company is wholly owned by Retail Merchant Group. Consolidated financial statements for Retail Merchant Group Limited, which is the largest and smallest group into which the results of the company are consolidated, are available at Companies House.

Its ultimate parent undertaking and controlling related party is Nightingale Holdings Limited, a company incorporated in the Isle of Man.