

Registered number: 06079692

COMPANIES HOUSE

RETAIL MERCHANT FINANCE LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

MONDAY



A10 *A7BASBLM* 30/07/2018 #24
COMPANIES HOUSE

RETAIL MERCHANT FINANCE LIMITED
--

COMPANY INFORMATION

Directors	Mr P McOmish Mr K O'Keefe (appointed 28 September 2017)
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 S8 0XF
Bankers	Natwest Bank PLC Victoria Street GRIMSBY DN31 1UX

RETAIL MERCHANT FINANCE LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 7
Statement of Income and Retained Earnings	8
Statement of Financial Position	9
Notes to the Financial Statements	10 - 18

RETAIL MERCHANT FINANCE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their Strategic Report for the year ended 31 December 2017.

Principal activity and business review

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

The company is wholly owned by Retail Merchant Group Limited. The group was purchased by Technology Crossover Ventures (TCV) in February 2017, who have put a large amount of structural investment into the business in order to assist with growth, which has resulted in lower margins in 2017.

Annual turnover increased to £11.7 million (2016: £11.0 million). The directors are satisfied with the annual results. The company achieved an operating profit of £6.1 million, a slight decrease from the prior year of £6.2 million. The company has a sizeable tax charge of £1.1 million and has a net profit for the year of £4.9 million, which is a decrease of 10% on the previous year of £5.5 million.

The company has retained much of its net profit and this has helped strengthen its working capital to £13.8 million compared with £8.9 million at the end of the prior year.

Cash generation was strong, resulting in a net increase in cash of £1.4 million, to £4.2 million.

We continue to develop and invest in new technologies and services to drive the growth and efficiency of the business and create additional opportunities with both new and existing customers.

Principal risks and uncertainties

The principal risks to the business arise from competition, recruitment and retention of key people, technological changes and regulatory changes.

Competition

We are at risk from competitors who offer the same service. To mitigate this risk we ensure that we recruit experienced staff and offer a competitive package to our customers.

We continue to grow the business through Customer referrals, direct marketing, social media and PR activities to spread the message about the unique offering and benefits package and to expand our head count with new offices and a growing sales force.

Recruitment and retention of key people

With the company expanding, the board of directors are responsible for creating and appointing critical new business positions to build and supplement departments with the critical experience, key skills and industry knowledge needed to keep ahead of the competition.

Technological changes

The market the company operates in is relatively mature but new payment technologies are being developed continually. The risk to the company is that we do not understand and anticipate changes occurring and are caught out by not having "state of the art" devices for our customers. To mitigate this risk we have a dedicated team who work with the industry to identify potential changes and continually keep the board informed of the risks and options available to us.

Regulatory changes

The industry is significantly regulated although our business is not. We continue to monitor the direction of travel of regulations and anticipate where changes might occur. We continue to improve our process order systems to ensure readiness should any regulatory change occur.

RETAIL MERCHANT FINANCE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Liquidity risk

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through inter-company accounts and bank borrowings.

Key performance indicators

Financial key performance indicators

The directors manage the ongoing performance of the business by reviewing key financial performance indicators as follows;

- Gross Margin 56% (2016: 59%)
- Net Margin 42% (2016: 49%)

Other key performance indicators

The directors also measure the importance of staff and customer retention.

Future outlook

The group will continue to develop and invest in new technologies and services to drive the growth and efficiency of the business and create additional opportunities with both new and existing customers.

This report was approved by the board on 19 July 2018 and signed on its behalf.



Mr P McOmish
Director

RETAIL MERCHANT FINANCE LIMITED
--

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors

The directors who served during the year were:

Mr P McOmish

Mr K O'Keefe (appointed 28 September 2017)

Mr G Poppleton (resigned 28 September 2017)

Mr N Watson (appointed 28 September 2017, resigned 31 December 2017)

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they a true and fair view of the state of affairs and profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements 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 to 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.

RETAIL MERCHANT FINANCE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 the director 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 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.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 19 July 2018 and signed on its behalf.



Mr P McOmish
Director

RETAIL MERCHANT FINANCE LIMITED
--

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RETAIL MERCHANT FINANCE LIMITED

Opinion

We have audited the financial statements of Retail Merchant Finance Limited (the 'company') for the year ended 31 December 2017, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit or loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

RETAIL MERCHANT FINANCE LIMITED
--

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RETAIL MERCHANT FINANCE LIMITED
(CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

RETAIL MERCHANT FINANCE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RETAIL MERCHANT FINANCE LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Michael Redfern

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

19 July 2018

RETAIL MERCHANT FINANCE LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	11,686,197	11,038,233
Cost of sales		(5,135,930)	(4,484,524)
Gross profit		6,550,267	6,553,709
Administrative expenses		(469,710)	(345,558)
Operating profit	5	6,080,557	6,208,151
Interest receivable and similar income	9	1,401	573,543
Profit before tax		6,081,958	6,781,694
Tax on profit	10	(1,149,074)	(1,317,779)
Profit after tax		4,932,884	5,463,915
Retained earnings at the beginning of the year		8,866,911	3,402,996
Profit for the year		4,932,884	5,463,915
Retained earnings at the end of the year		13,799,795	8,866,911

The notes on pages 10 to 18 form part of these financial statements.

RETAIL MERCHANT FINANCE LIMITED
REGISTERED NUMBER: 06079692

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	11	11,022,127	7,094,902
Cash at bank and in hand	12	4,234,607	2,842,691
		<u>15,256,734</u>	<u>9,937,593</u>
Creditors: amounts falling due within one year	13	(1,456,839)	(1,070,582)
Net current assets		<u>13,799,895</u>	<u>8,867,011</u>
Total assets less current liabilities		<u>13,799,895</u>	<u>8,867,011</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	15	13,799,795	8,866,911
		<u>13,799,895</u>	<u>8,867,011</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 July 2018.



Mr P McOmish
Director

The notes on pages 10 to 18 form part of these financial statements.

RETAIL MERCHANT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Retail Merchant Finance Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at Matrix House, North Fourth Street, Milton Keynes, MK9 1NJ.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of RMS Holdco Limited as at 31 December 2017 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Going concern

The company uses working capital balances that arise directly from its operations and manages its financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Liquidity is monitored by reference to forecasts covering the period to 2019 and available facilities. Having reviewed forecasts, the directors do not believe there are any uncertainties which cast doubt on the ability of the company to continue as a going concern.

RETAIL MERCHANT FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.4 Revenue

A transaction fee is incurred each time a credit or debit card terminal is used by one of the company's customers (primarily independent retailers). This is recorded by a third party, who receive the fees from the bank for each transaction and then pay a commission to the company.

This commission revenue from a contract to provide services is recognised in the period in which the services are provided and is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Commission revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Operating leases

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments (other than those wholly repayable or receivable within one year), including accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the

RETAIL MERCHANT FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the statement of financial position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.11 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.12 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

RETAIL MERCHANT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

The items in the financial statements where these judgements or estimates have been made include:

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated provision.

4. Turnover

The whole of the turnover is attributable to the rendering of services.

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	10,751,301	10,588,770
Rest of Europe	934,896	449,463
	<u>11,686,197</u>	<u>11,038,233</u>

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Operating lease rentals: - other operating leases	<u>476,292</u>	<u>414,394</u>

6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	1,000	1,000
Fees payable to the company's auditor and its associates for other services	<u>450</u>	<u>675</u>

RETAIL MERCHANT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

7. Employees

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

	2017 £	2016 £
Wages and salaries	3,958,431	3,418,140
Social security costs	359,140	275,136
Cost of defined contribution scheme	18,932	17,938
	<u>4,336,503</u>	<u>3,711,214</u>

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

	2017 No.	2016 No.
Administration & Management	4	6
Sales	80	71
	<u>84</u>	<u>77</u>

8. Directors' remuneration

The Company is wholly owned by Retail Merchant Group Limited. Details of directors' remuneration are included within the financial statements of Retail Merchant Group Limited as at 31 December 2017, which may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

9. Interest receivable

	2017 £	2016 £
Interest receivable from group companies	-	570,153
Other interest receivable	1,401	3,390
	<u>1,401</u>	<u>573,543</u>

RETAIL MERCHANT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	1,145,000	1,285,209
Adjustments in respect of previous periods	4,074	32,570
Taxation on profit on ordinary activities	1,149,074	1,317,779

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	6,081,958	6,781,694
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	1,170,777	1,356,339
Effects of:		
Adjustments to tax charge in respect of prior periods	4,074	32,570
Effects of changes in tax rates	55	39
Other differences leading to a decrease in the tax charge	522	-
Group relief	(26,354)	(71,388)
Deferred tax not recognised	-	219
Total tax charge for the year	1,149,074	1,317,779

11. Debtors

	2017 £	2016 £
Trade debtors	1,154,598	1,148,828
Amounts owed by group undertakings	9,674,202	5,805,719
Other debtors	193,327	140,355
	11,022,127	7,094,902

There were no impairment losses recognised against trade debtors for either year.

RETAIL MERCHANT FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>4,234,607</u>	<u>2,842,691</u>

13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	75,175	101,843
Corporation tax	1,146,760	743,135
Taxation and social security	166,900	146,787
Accruals and deferred income	68,004	78,817
	<u>1,456,839</u>	<u>1,070,582</u>

14. Financial instruments

	2017 £	2016 £
Financial assets measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	1,154,598	1,148,828
Amounts owed by group undertakings	9,674,202	5,805,719
Other debtors	193,327	140,355
	<u>11,022,127</u>	<u>7,094,902</u>
Financial liabilities at amortised cost		
Financial liabilities measured at amortised cost:		
Trade creditors	(75,175)	(101,843)
Accruals and deferred income	(68,004)	(78,817)
	<u>(143,179)</u>	<u>(180,660)</u>

RETAIL MERCHANT FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Reserves

Profit & loss account

Includes all current and prior period retained profit and losses.

16. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

17. Capital commitments

The company had no capital commitments for the year ended 31 December 2017 (2016 - £nil).

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 £18,932 (2016 - £17,938). Contributions totalling £2,458 (2016 - £1,290) were payable to the fund at the statement of financial position date.

19. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	376,984	329,572
Later than 1 year and not later than 5 years	403,386	424,076
Total	<u>780,370</u>	<u>753,648</u>

RETAIL MERCHANT FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

20. Related party transactions

As a qualifying entity, the company has taken advantage of the disclosure exemptions of FRS 102 section 1.

The Company is wholly owned by Retail Merchant Group Limited. Details of key management personnel compensation are included within the financial statements of Retail Merchant Group Limited as at 31 December 2017, which may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

21. Controlling party

The company is wholly owned by Retail Merchant Group Limited.

At 31 December 2017, its controlling related party was TCV IX, L.P., an exempted limited partnership incorporated in the Cayman Islands.