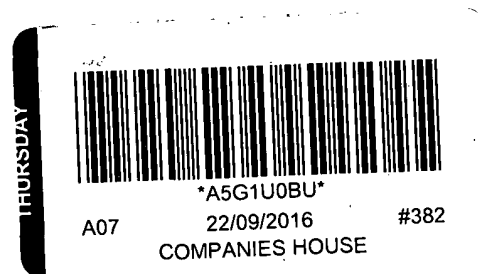


COMPANIES HOUSE

Financial Statements Retail Merchant Services Limited

For the Year Ended 31 December 2015



Registered number: 06079704

Retail Merchant Services Limited
Registered number:06079704

Company Information

Directors	Mr G Poppleton Mr P McOmish Mr M E Postle
Company secretary	Mr P McOmish
Registered number	06079704
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

Retail Merchant Services Limited
Registered number:06079704

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Strategic Report

For the Year Ended 31 December 2015

The directors present their Strategic Report for the year ended 31 December 2015.

Business review

Annual turnover increased to £7,991,268 (2014 - £7,001,847). The directors are satisfied with the annual group results. 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 risk to the business is 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.

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.

Financial key performance indicators

The directors manage the ongoing performance of the business by reviewing the management accounts, monitoring variance analysis and reviewing ongoing customer feedback.

This report was approved by the board on 21 June 2016 and signed on its behalf.



Mr G Poppleton
Director

Directors' Report

For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the Company during the year was providing membership to retailers.

Results and dividends

The loss for the year, after taxation, amounted to £316,495 (2014 - profit £530,242).

No dividends were paid in the current or preceding financial year.

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 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 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 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.

Directors' Report

For the Year Ended 31 December 2015

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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

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 21 June 2016 and signed on its behalf.



Mr G Poppleton
Director



Independent Auditor's Report to the Members of Retail Merchant Services Limited

We have audited the financial statements of Retail Merchant Services Limited for the year ended 31 December 2015, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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 Financial Reporting Council'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 2015 and of its 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.



Independent Auditor's Report to the Members of Retail Merchant Services Limited

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 and the directors' report has been prepared in accordance with applicable legal requirements.

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.

Michael Redfern

Michael Redfern (Senior Statutory Auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Sheffield

21 June 2016

Statement of Income and Retained Earnings

For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	7,991,268	7,001,847
Cost of sales		<u>(3,737,910)</u>	<u>(3,000,217)</u>
Gross profit		4,253,358	4,001,630
Distribution costs		<u>(398,278)</u>	<u>(288,636)</u>
Administrative expenses		<u>(3,762,414)</u>	<u>(2,814,718)</u>
Operating profit	5	92,666	898,276
Interest receivable and similar income	8	332	27,226
Interest payable and expenses	9	<u>(433,934)</u>	<u>(253,688)</u>
(Loss)/profit before tax		(340,936)	671,814
Tax on (loss)/profit	10	<u>24,441</u>	<u>(141,572)</u>
(Loss)/profit after tax		<u>(316,495)</u>	<u>530,242</u>
Retained earnings at the beginning of the year		<u>993,749</u>	<u>463,507</u>
		993,749	463,507
(Loss)/profit for the year		<u>(316,495)</u>	<u>530,242</u>
Retained earnings at the end of the year		<u>677,254</u>	<u>993,749</u>

The notes on pages 8 to 22 form part of these financial statements.

Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	11	240,109	-
Tangible assets	12	5,772,735	4,685,340
		<u>6,012,844</u>	<u>4,685,340</u>
Current assets			
Debtors: amounts falling due within one year	13	604,996	544,678
Cash at bank and in hand	14	339,982	27,060
		<u>944,978</u>	<u>571,738</u>
Creditors: amounts falling due within one year	15	(6,280,468)	(4,261,529)
Net current liabilities		<u>(5,335,490)</u>	<u>(3,689,791)</u>
Total assets less current liabilities		<u>677,354</u>	<u>995,549</u>
Provisions for liabilities			
Deferred tax	17	-	(1,700)
		<u>-</u>	<u>(1,700)</u>
Net assets		<u><u>677,354</u></u>	<u><u>993,849</u></u>
Capital and reserves			
Called up share capital	19	100	100
Profit and loss account	18	677,254	993,749
		<u><u>677,354</u></u>	<u><u>993,849</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 June 2016.



Mr G Poppleton
Director

The notes on pages 8 to 22 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2. General information

The principal activity of the Company is disclosed within the Directors' Report and the registered address of the Company is as listed on the Company Information page within these financial statements.

2.1 Revenue

Revenue 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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

2.2 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life based on the cash generating unit to which they are associated. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as stated below.

Depreciation is provided on the following basis:

Terminals	- 20% straight line
Office equipment	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Income and Retained Earnings.

2.4 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.5 Impairment of fixed assets and intangible assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

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, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other 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 Profit and loss account.

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 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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

2.9 Creditors

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

2.10 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 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 payments obligations.

The contributions are recognised as an expense in the Income Statement 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.

2.12 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Preparation of the financial statements requires management to make significant judgments 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 judgments or estimates have been made include:

Impairment of intangibles

The company makes an estimate of the recoverable value of intangible assets. When assessing impairment of , management considers factors including the likely future discounted cashflows and historical experience. See note 11 for the net carrying amount of the debtors and associated provision.

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 13 for the net carrying amount of the debtors and associated provision.

Notes to the Financial Statements

For the Year Ended 31 December 2015

4. Analysis of turnover

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

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom :	7,615,425	6,849,382
Rest of Europe	375,843	152,465
	<u>7,991,268</u>	<u>7,001,847</u>

5. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	1,857,010	1,251,105
Amortisation of intangible assets, including goodwill	13,758	-
Impairment of intangible assets	221,765	-
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	23,680	13,564
Defined contribution pension cost	26,944	13,666
	<u>2,143,157</u>	<u>1,278,335</u>

6. Employees

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

	2015 £	2014 £
Wages and salaries	3,536,572	2,778,339
Social security costs	256,337	216,242
Cost of defined contribution scheme	26,944	13,666
	<u>3,819,853</u>	<u>3,008,247</u>

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

	2015 No.	2014 No.
Administration and management	60	60
Sales	111	89
	<u>171</u>	<u>149</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

7. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	87,483	65,000
Company contributions to defined contribution pension schemes	-	2,400
	<u>87,483</u>	<u>67,400</u>

During the year retirement benefits were accruing to no directors (2014 - 1) in respect of defined contribution pension schemes.

8. Interest receivable

	2015 £	2014 £
Interest receivable from group companies	-	25,793
Other interest receivable	332	1,433
	<u>332</u>	<u>27,226</u>

9. Interest payable and similar charges

	2015 £	2014 £
Loans from group undertakings	433,934	253,688
	<u>433,934</u>	<u>253,688</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

10. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	-	117,000
Adjustments in respect of previous periods	-	872
	<u>-</u>	<u>117,872</u>
Total current tax	<u>-</u>	<u>117,872</u>
Deferred tax		
Origination and reversal of timing differences	(27,978)	23,700
Changes to tax rates	3,082	-
Adjustments in respect of prior periods	455	-
	<u>(24,441)</u>	<u>23,700</u>
Total deferred tax	<u>(24,441)</u>	<u>23,700</u>
Taxation on (loss)/profit on ordinary activities	<u>(24,441)</u>	<u>141,572</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>(340,936)</u>	<u>671,814</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.49%)	<u>(69,040)</u>	<u>144,373</u>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	881
Capital allowances for year in excess of depreciation	1,391	1,257
Adjustments to tax charge in respect of prior periods	(1,140)	894
Adjustments to tax charge in respect of prior periods - deferred tax	455	(3,702)
Adjustments to opening and closing deferred tax to average rate	3,082	(2,131)
Group relief	40,784	-
Deferred tax not recognised	27	-
Total tax charge for the year	<u>(24,441)</u>	<u>141,572</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

11. Intangible assets

	Customer list £
Cost	
Additions	475,632
At 31 December 2015	475,632
Amortisation	
Charge for the year	13,758
Impairment charge	221,765
At 31 December 2015	235,523
Net book value	
At 31 December 2015	240,109
At 31 December 2014	-

During the year the entity acquired the customer list of a competitor. The customers were reviewed by comparison to the average income from the Company's existing customer base and impaired to reflect likely future cashflows.

Notes to the Financial Statements

For the Year Ended 31 December 2015

12. Tangible fixed assets

	Terminals £	Office equipment £	Total £
Cost			
At 1 January 2015	7,249,573	1,082,761	8,332,334
Additions	2,833,086	203,714	3,036,800
Disposals	(391,883)	-	(391,883)
At 31 December 2015	9,690,776	1,286,475	10,977,251
Depreciation			
At 1 January 2015	3,128,878	518,116	3,646,994
Charge owned for the period	1,685,927	171,083	1,857,010
Disposals	(299,488)	-	(299,488)
At 31 December 2015	4,515,317	689,199	5,204,516
Net book value :			
At 31 December 2015	5,175,459	597,276	5,772,735
At 31 December 2014	4,120,695	564,645	4,685,340

13. Debtors

	2015 £	2014 £
Trade debtors	520,936	442,861
Other debtors	62,460	101,817
Deferred taxation [†]	21,600	-
	<u>604,996</u>	<u>544,678</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

14. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	339,982	27,060
	<u>339,982</u>	<u>27,060</u>

15. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	394,923	981,707
Amounts owed to group undertakings	4,418,634	2,023,574
Corporation tax	-	117,000
Taxation and social security	261,244	127,899
Accruals and deferred income	1,205,667	1,011,349
	<u>6,280,468</u>	<u>4,261,529</u>

16. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	520,936	442,861
Other debtors	62,460	101,817
	<u>583,396</u>	<u>544,678</u>
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade creditors	(394,923)	(981,707)
Amounts owed to group undertakings	(4,418,634)	(2,023,574)
Accruals	(277,799)	(219,368)
	<u>(5,091,356)</u>	<u>(3,224,649)</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

17. Deferred taxation

	Deferred tax £
At 1 January 2015	(1,700)
Charged to the profit or loss	23,300
At 31 December 2015	21,600

The deferred taxation balance is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	20,800	(3,000)
Short term timing differences	800	1,300
	21,600	(1,700)

18. Reserves**Profit & loss account**

- includes all current and prior period retained profit and losses.

19. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

20. 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 £26,944 (2014 - £13,666). Contributions totalling £4,035 (2014 - £6,438) were payable to the fund at the balance sheet date.

Notes to the Financial Statements

For the Year Ended 31 December 2015

21. Related party transactions

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

Key management personnel are considered to be the Board of Directors. Their remuneration is disclosed in note 7.

22. 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.

Retail Merchant Services Limited

Notes to the Financial Statements

For the Year Ended 31 December 2015

23. First time adoption of FRS 102

	As previously stated 1 January 2014	Effect of transition 1 January 2014	FRS 102 (as restated) 1 January 2014	As previously stated 31 December 2014	Effect of transition 31 December 2014	FRS 102 (as restated) 31 December 2014
Note	£	£	£	£	£	£
Fixed assets	3,313,434	-	3,313,434	4,685,340	-	4,685,340
Current assets	5,146,135	-	5,146,135	571,738	-	571,738
Creditors: amounts falling due within one year	(3,995,962)	(4,000,000)	(7,995,962)	(2,237,955)	(2,023,574)	(4,261,529)
Net current liabilities	1,150,173	(4,000,000)	(2,849,827)	(1,666,217)	(2,023,574)	(3,689,791)
Total assets less current liabilities	4,463,607	(4,000,000)	463,607	3,019,123	(2,023,574)	995,549
Creditors: amounts falling due after more than one year	(4,000,000)	4,000,000	-	(2,023,574)	2,023,574	-
Provisions for liabilities	-	-	-	1,700	-	1,700
Net assets	463,607	-	463,607	997,249	-	997,249
Capital and reserves	463,607	-	463,607	-	997,249	997,249

Notes to the Financial Statements

For the Year Ended 31 December 2015

23. First time adoption of FRS 102 (continued)

	As previously stated	Effect of transition	FRS 102 (as restated)
	31 December 2014	31 December 2014	31 December 2014
Note	£	£	£
Turnover	7,001,847	-	7,001,847
Cost of sales	(3,000,217)	-	(3,000,217)
	<hr/>	<hr/>	<hr/>
	4,001,630	-	4,001,630
Distribution expenses	(288,636)	-	(288,636)
Administrative expenses	(2,814,718)	-	(2,814,718)
	<hr/>	<hr/>	<hr/>
Operating profit	898,276	-	898,276
Interest receivable and similar income	27,226	-	27,226
Interest payable and similar charges	(253,688)	-	(253,688)
Taxation	(141,572)	-	(141,572)
	<hr/>	<hr/>	<hr/>
Profit on ordinary activities after taxation and for the financial year	530,242	-	530,242
	<hr/>	<hr/>	<hr/>

Explanation of changes to previously reported profit and equity:

- 1 Changes to classification of amounts owed to group undertakings, with no impact on previously reported profit and equity.