

Registered number
SC376020

Paywizard plc
Report and financial statements
31 December 2015



Paywizard plc**Registered number:**

SC376020

Directors' report

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

Dividends

The directors do not recommend the payment of a dividend (2014: no dividend)

Items included in strategic review

The directors have chosen to set out certain items (business and financial risk, future developments) in the strategic report that are required by Schedule 7 SI 2008/410 to be in the Directors' report.

Directors

The following persons served as directors during the year:

R Millar
J Guthrie

Directors' responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

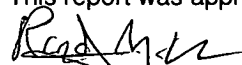
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 27 April 2016 and signed on its behalf.


Ronald Millar

Director

Paywizard plc

Strategic report

Business review

The company's principal activity during the year was the provision of an e-wallet service designed to handle payments across all digital devices.

The company reported a loss for the year of £25,718 (2014: profit £142,324).

The company monitors, on a monthly basis, key performance indicators and metrics in relation to business delivery.

Review of the business

The company reduced its services in 2015 as a result of transferring non e-wallet turnover to its parent company, Paywizard Group plc. This has allowed the company to focus solely on the provision of the e-wallet service.

Future developments

The company will continue to provide an e-wallet service to its existing clients and look for opportunities to grow a diversified customer base.

Regulation and compliance

The directors ensure they can understand the risks related to payment processing and e-wallet operations and have identified and implemented processes to manage and mitigate those risks. There are dedicated personnel in post to understand and monitor the regulatory requirements and set strategies accordingly.

Business risks

The directors set policies and manage financial risks to enable the company to achieve its long-term growth targets within a prudent risk management framework.

The main business risk is the loss or failure of one major customer. The company derived the majority of its revenue in the year from one customer. The company maintains a close relationship with this customer to continually meet and respond to their requirements.

The main risks arising from the company's financial instruments are interest rate risk, credit risk, and liquidity risk. The directors review exposure to each of these risks on a regular basis, and assess whether or not it is appropriate to adopt relevant financial instruments to mitigate the risk.

This report was approved by the board on 27 April 2016 and signed on its behalf.



Ronald Millar
Director

**Independent auditors' report
to the member of Paywizard plc**

We have audited the financial statements of Paywizard plc 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 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 auditors' 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 auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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 the accounts

In our opinion the accounts:

- 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.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Thomas Chadwick
(Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
28 April 2016

Level 8
110 Queen Street
Glasgow
G1 3BX

Paywizard plc
Statement of income and retained earnings
for the year ended 31 December 2015

	Notes	2015 £	2014 £
Turnover	3	567,712	851,106
Cost of sales		(244,219)	(304,993)
Gross profit		<u>323,493</u>	<u>546,113</u>
Administrative expenses		(350,024)	(404,259)
Operating (loss)/profit		<u>(26,531)</u>	<u>141,854</u>
Interest receivable		813	470
(Loss)/profit on ordinary activities before taxation		<u>(25,718)</u>	<u>142,324</u>
Tax on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit for the financial year		<u>(25,718)</u>	<u>142,324</u>
Retained profits at 1 January		326,608	184,284
Dividends paid		-	-
Retained profits at 31 December		<u>300,890</u>	<u>326,608</u>

Paywizard plc
Statement of financial position
as at 31 December 2015

	Notes	2015 £	2014 £
Current assets			
Debtors	6	340,441	288,162
Cash at bank and in hand	7	<u>1,078,595</u>	<u>1,286,492</u>
		1,419,036	1,574,654
Creditors: amounts falling due within one year	8	(718,146)	(848,046)
Net current assets		<u>700,890</u>	<u>726,608</u>
Net assets		<u>700,890</u>	<u>726,608</u>
Capital and reserves			
Called up share capital	9	400,000	400,000
Profit and loss account		300,890	326,608
Total equity		<u>700,890</u>	<u>726,608</u>



Ronald Millar
Director

Approved by the board on 27 April 2016

Paywizard plc
Notes to the accounts
for the year ended 31 December 2015

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102. There were no adjustments on transition to FRS 102 in the year, or in the year ended 31 December 2014.

Going concern

In line with FRS 102 guidance on going concern, the directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis.

The company updates trading forecasts covering a 12 month period on a regular basis, which together with the supporting assumptions are reviewed by the Board. The current forecast shows that the company is able to operate within its banking facilities during this period and the directors believe that the assumptions underpinning this forecast are both prudent and reasonable.

The directors believe, on the basis of current financial projections and facilities available, that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents the invoiced value of services received or receivable, net of discounts and value added taxes. Turnover is earned from transaction processing services. Revenues are recognised at the time services are rendered.

Related party transactions exemption

The company has taken advantage of the exemption under FRS102 (section 33) not to disclose transactions with companies belonging to the same group.

Cash flow exemption

The company's parent undertaking publishes group financial statements which include the company's results. The company has therefore taken the exemption from preparing a cash flow statement required under FRS 102.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Paywizard plc
Notes to the accounts
for the year ended 31 December 2015

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Wallet holders' cash

The company maintains a bank account which is segregated from operating funds and which contain funds held on behalf of customers (Wallet holders). The balance in the segregated account is maintained at a sufficient level to fully offset amounts owing to the company's customers.

Paywizard plc
Notes to the accounts
for the year ended 31 December 2015

2 Critical accounting estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items where these judgements and estimates have been made include amounts owed by group undertakings. These have been classified as current assets as the balance arises from the normal course of trading.

3 Analysis of turnover

	2015	2014
	£	£
Services rendered	<u>567,712</u>	<u>851,106</u>
By geographical market:		
UK	<u>567,712</u>	<u>851,106</u>

4 Directors' emoluments

All directors are remunerated through the parent undertaking, Paywizard Group plc. The total remuneration of the directors that provided qualifying services to the company is shown below. As these directors are remunerated for their work for the group, it has not been possible to apportion the remuneration specifically in respect of services to this company.

	2015	2014
	£	£
Emoluments	281,512	265,801
Company contributions to defined contribution pension plans	<u>15,307</u>	<u>11,138</u>
	<u>296,819</u>	<u>276,939</u>
Highest paid director:		
Emoluments	146,666	134,061
Company contributions to defined contribution pension plans	<u>11,000</u>	<u>10,000</u>
	<u>157,666</u>	<u>144,061</u>

Number of directors to whom retirement benefits accrued:

	2015	2014
	Number	Number
Defined contribution plans	<u>2</u>	<u>2</u>

Paywizard plc
Notes to the accounts
for the year ended 31 December 2015

5 Taxation	2015	2014
	£	£
Analysis of charge in period		
Tax on profit on ordinary activities	-	-

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2015	2014
	£	£
(Loss)/profit on ordinary activities before tax	(25,718)	142,324
Standard rate of corporation tax in the UK	20.25%	21.49%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	(5,207)	30,590
Effects of:		
Payment/(Receipt) for group relief	-	(101)
Deferred tax not recognised	-	(30,489)
Utilisation of tax losses	5,207	-
Current tax charge for period	-	-

Factors that may affect future tax charges

The Finance Act 2015 maintained the main rate of corporation tax at 20% effective from 1 April 2015.

The company has an unrecognised deferred tax asset of £238,064 (2014 - £259,372) comprised of tax losses. The unrecognised deferred tax asset has been calculated at 18%, as this is the rate substantively enacted at the balance sheet date. This asset has not been recognised as there is insufficient evidence that it will be reversed in the foreseeable future.

6 Debtors	2015	2014
	£	£
Trade debtors	8,409	-
Amounts owed by group undertakings	238,076	79,188
Other debtors	90,623	208,974
Prepayments and accrued income	3,333	-
	340,441	288,162

Paywizard plc
Notes to the accounts
for the year ended 31 December 2015

7 Cash at bank and in hand	2015	2014
	£	£
Wallet holders' cash	460,301	414,148
Cash at bank and in hand	618,294	872,344
	<u>1,078,595</u>	<u>1,286,492</u>

8 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	4,906	350
Other taxes and social security costs	13,411	44,595
Other creditors	699,829	801,434
Accruals and deferred income	-	1,667
	<u>718,146</u>	<u>848,046</u>

9 Share capital	Nominal value	2015 Number	2015 £	2014 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	400,000	<u>400,000</u>	<u>400,000</u>

10 Controlling party

The company's parent undertaking is PayWizard Group plc, a company registered in Scotland. It has included the company in its group financial statements, copies of which can be obtained from Cluny Court, John Smith Business Park, Kirkcaldy, KY2 6QJ.

11 Presentation currency

The financial statements are presented in sterling.

12 Legal form of entity and country of incorporation

Paywizard plc is a limited company incorporated in Scotland.

13 Principal place of business

The address of the company's principal place of business and registered office is:

Cluny Court
John Smith Business Park
Kirkcaldy
KY2 6QJ

Paywizard plc
Company information

Directors

R Millar
J Guthrie

Auditors

Grant Thornton UK LLP
Level 8
110 Queen Street
Glasgow
G1 3BX

Bankers

Royal Bank of Scotland Group plc
36 St Andrew Square
Edinburgh
EH1 1YZ

Solicitors

Olswang
90 High Holborn
London
WC1V 6XX

Registered office

Cluny Court
John Smith Business Park
Kirkcaldy
KY2 6QJ

Registered number

SC376020