

Registered number  
SC376020

PayWizard Plc  
Report and accounts  
31 December 2013



## **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 profit for the year of £87,866 (2012: £46,112). A review of the business is included within the Strategic Report for the parent company, PayWizard Group Plc. The directors do not recommend the payment of a dividend (2012: no dividend).

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

#### **Review of the business**

The poor economic environment that persisted in 2012 has improved markedly in 2013. This has led to greater opportunities in the digital market for our products and we are optimistic that this will generate significant revenue growth over the next few years.

#### **Regulation and compliance**

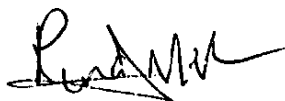
The directors ensure they can understand the risks related to payment processing and e-wallet operations and have identified and implemented processes to manage and mitigate those risks. There are dedicated personnel in post to understand and monitor the regulatory requirements and set strategies accordingly.

#### **Financial instrument risk**

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 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 18 April 2014 and signed on its behalf.



Ronald Millar  
Director

**PayWizard Plc****Registered number: SC376020****Directors' report**

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

**Going concern**

In line with the FRC guidance on Going Concern issued in November 2009, the directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis.

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to interest, credit, and liquidity rate risk are described in the strategic report.

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.

**Directors**

The following persons served as directors during the year:

R Millar  
J Guthrie

**Directors' responsibilities**

The directors are responsible for preparing the strategic report, the directors' report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, 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 accounts;
- prepare the accounts 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 accounts 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.

**PayWizard Plc**

**Registered number: SC376020**

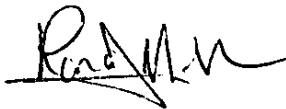
**Directors' report**

**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 18 April 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Ronald Millar', with a stylized flourish at the end.

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 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 set out on page 2, 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 financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the 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.

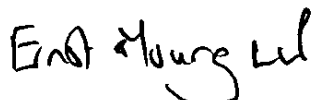
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' 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.



James Bishop  
(Senior statutory auditor)  
for and on behalf of  
Ernst & Young LLP  
Statutory Auditor  
Edinburgh 18 April 2014

**PayWizard Plc**  
**Profit and loss account**  
**for the year ended 31 December 2013**

	Notes	2013 £	2012 £
<b>Turnover</b>	2	788,766	597,474
Cost of sales		(299,919)	(209,734)
<b>Gross profit</b>		<u>488,847</u>	<u>387,740</u>
Administrative expenses		(401,138)	(336,254)
<b>Operating profit</b>	3	<u>87,709</u>	<u>51,486</u>
Interest receivable		157	-
Interest payable	5	-	(5,374)
<b>Profit on ordinary activities before taxation</b>		<u>87,866</u>	<u>46,112</u>
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>		<u>87,866</u>	<u>46,112</u>

**Continuing operations**

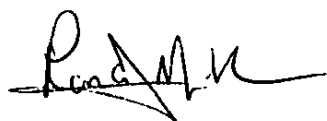
None of the company's activities were acquired or discontinued during the above two financial years.

**Statement of total recognised gains and losses**

There are no recognised gains or losses other than the profit for the above two financial years.

**PayWizard Plc**  
**Balance sheet**  
**as at 31 December 2013**

	Notes	2013 £	2012 £
<b>Current assets</b>			
Debtors	7	209,921	394,667
Cash at bank and in hand		<u>847,543</u>	<u>509,295</u>
		1,057,464	903,962
<b>Creditors: amounts falling due within one year</b>	8	(473,180)	(407,544)
<b>Net current assets</b>		<u>584,284</u>	<u>496,418</u>
<b>Net assets</b>		<u>584,284</u>	<u>496,418</u>
<b>Capital and reserves</b>			
Called up share capital	9	400,000	400,000
Profit and loss account	10	184,284	96,418
<b>Shareholder's funds</b>	11	<u>584,284</u>	<u>496,418</u>



Ronald Millar  
Director

Approved by the Board on 18 April 2014

**PayWizard Plc**  
**Notes to the accounts**  
**for the year ended 31 December 2013**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

***Deferred taxation***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. The exception to this is that, to the extent that it is considered prudent, deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***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 under FRS1 Cash flow Statements.

***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.

***Development expenditure***

Development expenditure incurred on an individual project is only capitalised if its future recoverability can reasonably be regarded as assured. Development expenditure comprises directly attributable labour costs and the incremental costs associated with the project.

Amortisation of development expenditure commences with commercial production or the application of the project. The carrying value of capitalised development expenditure is reviewed for impairment at the end of each accounting period or when events or circumstances indicate that the carrying value may not be recoverable.



**PayWizard Plc**  
**Notes to the accounts**  
**for the year ended 31 December 2013**

**2 Analysis of turnover**

Turnover represents the invoiced value of services supplied by the company, net of value added tax. Where invoices are raised prior to the provision of the service, they are treated as deferred income and only recognised as income once the services have been performed.

Turnover is attributable to the provision of an e-wallet service in the United Kingdom. The Board believe this is a single continuing activity.

**3 Operating profit**

The company's audit fee is paid by its parent company, PayWizard Group Plc.

**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.

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Emoluments	277,420	244,561
Company contributions to personal pensions	13,335	18,240
	<u>290,755</u>	<u>262,801</u>

Highest paid director:		
Emoluments	143,246	133,061
Company contributions to personal pensions	10,735	9,920
	<u>153,981</u>	<u>142,981</u>

<b>Number of directors in company pension schemes:</b>	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
Money purchase schemes	<u>2</u>	<u>2</u>

<b>5 Interest payable</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>-</u>	<u>5,374</u>

**PayWizard Plc**  
**Notes to the accounts**  
**for the year ended 31 December 2013**

<b>6 Taxation</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in period</b>		
Tax on profit on ordinary activities	-	-

**Factors affecting tax charge for period**

The tax assessed on the profit on ordinary activities for the period is different from the standard rate of corporation tax in the UK of 23.25% (2012: 24.50%). The differences are reconciled below.

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	87,866	46,112
Standard rate of corporation tax in the UK	23.25%	24.5%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	20,429	11,297
Effects of:		
Group relief (received)	(37)	-
Utilisation of brought forward tax losses	(20,392)	(11,297)
Current tax charge for period	-	-

**Factors that may affect future tax charges**

The Finance Act 2013 reduced the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and from 21% to 20% effective from 1 April 2015.

The company has an unrecognised deferred tax asset of £287,743 (2012 - £351,077) comprised of tax losses. The unrecognised deferred tax asset has been calculated at 20%, 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.

**PayWizard Plc**  
**Notes to the accounts**  
**for the year ended 31 December 2013**

<b>7 Debtors</b>			<b>2013</b>	<b>2012</b>
			£	£
Amounts owed by group undertakings			54,778	132,563
Other debtors			15,357	145,316
Wallet holders' cash			139,786	115,124
Prepayments and accrued income			-	1,664
			<u>209,921</u>	<u>394,667</u>
<b>8 Creditors: amounts falling due within one year</b>			<b>2013</b>	<b>2012</b>
			£	£
Other taxes and social security costs			43,395	33,597
Other creditors			429,785	371,895
Accruals and deferred income			-	2,052
			<u>473,180</u>	<u>407,544</u>
<b>9 Share capital</b>	<b>Nominal value</b>	<b>2013 Number</b>	<b>2013</b>	<b>2012</b>
			£	£
Allotted, called up and fully paid:				
Ordinary shares	£1 each	400,000	<u>400,000</u>	<u>400,000</u>
<b>10 Profit and loss account</b>			<b>2013</b>	
			£	
At 1 January 2013			96,418	
Profit for the financial year			87,866	
			<u>184,284</u>	
At 31 December 2013				

**PayWizard Plc**  
**Notes to the accounts**  
**for the year ended 31 December 2013**

<b>11 Reconciliation of movement in shareholder's funds</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
At 1 January	496,418	150,306
Profit for the financial year	87,866	46,112
Shares issued	-	300,000
At 31 December	<u>584,284</u>	<u>496,418</u>

**12 Related parties exemption**

The company has taken advantage of the exemption under Financial Reporting Standard 8 (FRS) "Related Party Disclosures" not to disclose transactions with companies belonging to the same group.

**13 Ultimate 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 Busines Park, Kirkcaldy, KY2 6QJ.

**PayWizard Plc**  
**Company Information**

**Directors**

R Millar  
J Guthrie

**Auditors**

Ernst & Young LLP  
Ten George Street  
Edinburgh  
EH2 2DZ

**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