PayPoint plc
Preliminary results
Year ended 31 March 2015

HIGHLIGHTS

	Year ended 31 March 2015	Year ended 31 March 2014	Increase
Revenue	**£218.5m**	£212.2m	3.0%
Net revenue[1]	**£123.1m**	£113.7m	8.3%
Gross margin	**48.1%**	45.7%	2.4ppts
Operating profit[2]	**£49.5m**	£45.4m	9.1%
Profit before tax	**£49.6m**	£46.0m	7.7%
Diluted earnings per share	**57.4p**	52.6p	9.1%
Dividend per share (full period)	**38.5p**	35.3p	9.1%

Operating highlights

- Retail networks performed well, with net revenue up 10.1% including retail services up 19.9%
- Romanian bill payment transactions grew 36.8%, increasing profitability and market share
- Collect+ transactions up 38.7% to 18.8 million. Available in over 5,800 sites
- New multi-channel capability launched for energy sector smart meter payments and first sale achieved
- Mobile and Online[3] transactions up 10.0% to 145.3 million, with strong parking transaction growth
- Announced sale process for our parking and online payment processing companies to realise their value

Financial highlights

- Record group transaction volumes at 812.7 million, up 5.9%
- Operating profits[2] up 9.1% with improved margin
- Robust balance sheet with cash of £43.9 million[4]
- Increase in final dividend by 9.2% to 26.1p

Enquiries
PayPoint plc *(telephone: 01707 600 317)*
Dominic Taylor, Chief Executive
George Earle, Group Finance Director

Finsbury *(telephone: 0207 2513 801)*
Rollo Head
Charlotte Whitley

A presentation for analysts is being held at 11.45am today (28 May 2015) at Finsbury Group, Tenter House, 45 Moorfields London EC2Y 9AE

This announcement is available on the PayPoint plc website: www.paypoint.com

1. Net revenue is revenue less the cost of mobile top-ups (where PayPoint is principal), SIM cards and other costs incurred by PayPoint, which are recharged to clients and merchants. These costs include retail agent commission, card payment merchant service charges and costs for the provision of call centres for mobile parking clients. Net revenue is a measure which the directors believe assists with a better understanding of the underlying performance of the group.
2. Operating profit including our share of joint venture results and excluding the £0.2 million costs associated with the acquisition of Adaptis Solutions Limited in the previous year.
3. Mobile and Online comprises our parking and online payment processing companies.
4. Excludes £3.3 million for Mobile and Online included in assets held for sale.

CHAIRMAN'S STATEMENT

I am privileged to have been asked to serve the company and its board as Chairman, having been appointed as a non-executive director in 2009.

We are pleased to report strong growth in net revenue with operating profits up 9.1% for the year under review. Our retail networks performed well and we have continued to make progress in Mobile and Online. We are proposing a final dividend of 26.1p per share, an increase of 9.2% on the final dividend last year, and our cash position remains strong.

Following a review of the Mobile and Online businesses, the board has decided to sell our parking and online payment processing companies to refocus on multi-channel payments and services, where we have retail networks. This will allow us to realise the value of the businesses we propose to sell. Further details of the proposed sale can be found in the Chief Executive's Statement.

We are committed to best-in-class governance for the board and processes that support the executives' strong record on controls, ethics, risk and management.

We are delighted that Neil Carson has joined the board as senior independent director and remuneration committee Chair. I am also delighted to welcome Gill Barr, who has agreed to join our board on 1 June 2015. We would like to thank David Newlands for his contribution as Chairman over many years and Eric Anstee, who has served as audit committee Chairman for the last seven years. We would also like to thank Warren Tucker for his contribution.

We have already reorganised the continuing business to focus on developing multi-channel payments and services for the blue chip clients of our retail networks following the decision to sell the parking and online payment processing businesses. We have developed and sold the first multi-channel product and will look to extend the application across our varied client base. Our new terminal, now under development, will be piloted this year and will bring with it wider opportunities for new products for clients, retailers and consumers. We will also be continuing the search for retail expansion in new geographies.

The board is excited by the long term potential for profitable growth and development as we capitalise on our competitive advantages and market opportunities.

Nick Wiles
Chairman
28 May 2015

CHIEF EXECUTIVE'S REVIEW

Proposed sale of Mobile and Online businesses

We have built our Mobile and Online business organically and by acquisitions since 2006 to provide clients with a complete payment solution, gain access to fast growing markets and provide a migration path from cash in the event of decline. Notwithstanding predictions to the contrary, during our ownership of these businesses cash use has remained robust, and we have been able to improve our retail differentiation. Technology and changing consumer trends are also giving rise to new opportunities for future growth centred around our retail proposition. At the same time, the mobile and online market has attracted a substantial amount of new investment, particularly last year. This investment has changed the competitive landscape, bringing pressure for both faster development and larger scale to support lower margins. The need for greater pace and scale has increased the execution risk and extended the timetable for returns for PayPoint. Positioned against the opportunities centred around our retail proposition, the board believes that there are likely better owners for these businesses and as a consequence has decided to sell the parking and online payment processing companies to realise their value.

We will continue with our strategy to develop a multi-channel payments company, but refocused on our retail network clients, retailers and consumers. We have built the capability to develop these products within the retained group. The focus on our retail network will further improve our differentiation and growth opportunities, without the need to own all the constituent processing.

Review of performance

We have made good progress in all of our businesses in the financial year just completed. We have again been able to increase net revenue and profits, building on our near 20 year track record of success.

Retail Payments and Services

Our UK and Romanian retail networks continued to perform strongly, with net revenue growth of 10.1%. PayPoint's market leadership in retail payments and services remains the driving force behind our success. We continue to be strongly differentiated through the unique quality and breadth of our client base and retail coverage. As a consequence, we contract with the best convenience retailers and are able to extend the range of payments and services that we provide, delivering new retail schemes that drive footfall and commission earnings to our retail partners.

In the UK and Ireland, convenience retailing continues to grow, as busy consumers demand quality products and services on their doorstep. This evolution continues to drive investment by convenience retailers in their stores and improved product ranges. PayPoint sits in a unique position at the centre of this change as a leading innovator of in-store payments and services for consumers. Coupled with the growth of our retail network, we have continued to improve technology in store by rolling out PayPoint Point of Sale, the software version of our terminal on retailers' till systems, and by placing broadband connected terminals, which process transactions more quickly. The benefits of our focus on retail services are demonstrated by strong transaction growth of 28.8% in the year, as well as the increase in our overall average retail yield per site[1]. This growth has helped to mitigate a small decline of 0.7% in UK prepaid energy transactions, caused by reduced domestic gas consumption, and the continued decline in mobile top-up transaction volumes. We are excited by the new products and services which will drive our growth, with the launch of our third generation terminal providing the platform for retail innovation. We have developed a multi-channel product in UK retail, to address the payment challenges faced by utilities, as a result of the UK Government mandated change to smart meters by 2020, building on our existing online payment solutions for prepayment meters. This product has been sold into the energy sector and is attracting interest from other sectors. It will be available outside the UK in due course.

Romania has made good progress with strong transaction growth, as we increase our share of over the counter bill payment, driving increased profitability. We continue to roll out further sites to get ever closer to where consumers live and work. With a network of over 9,000 sites, we already have the prime technology enabled network providing the platform to develop our payments and services offering. Bill payment transactions have grown 36.8%, as we continued to grow market share and add new clients and outlets. Contrary to the UK, mobile top-up transaction volumes have increased in Romania. We are evaluating new retail services to complement our international money transfer proposition, which has shown strong growth in the year. The prospects for Romania continue to be excellent, with the opportunity to extend our share of payments, develop our retail services proposition and start to introduce the group's new multi-channel payment capability to our Romanian client base.

1. Average retail yield per site is retail network net revenue, excluding Simple Payment service set up, divided by the average number of retail sites in the period.

Collect+
In Collect+, our joint venture with Yodel, transactions increased by 38.7% to 18.8 million as the service continues to attract consumers and the best online retailers. The company has grown profit in the year, although logistics costs have increased. We have started to re-organise the network of Collect+ stores to ensure optimum coverage for consumers and the number of sites has increased to over 5,800. We continue to invest in service improvements to encourage growth and maintain our strong position in a developing market landscape. As the service grows, Collect+ is becoming a significantly larger part of the logistics landscape. We are in discussion with Yodel concerning proposed further increases in charges and capacity constraints for the logistics services provided to Collect+.

Mobile and Online
Transaction growth in our Mobile and Online channels in the year was 10.0%, although net revenue declined by 3.8%. Transaction growth was mainly from larger merchants, or newer parking clients, which have lower than average net revenues per transaction. Few businesses can match our nine million customer registrations and activity levels. We have also made excellent progress in introducing a new advanced payments platform for our online payment processing company, as well as innovative products which are showing promise and should increase recurring service revenues going forward. Recent parking client wins have included Paris as well as many other long term renewals.

Opportunities beyond multi-channel

We have already made significant progress towards our multi-channel ambitions in our core retail client base and this can be continued and accelerated. The refocused strategy is evident in our new smart metering platforms, which provide broad multi-channel payments capability and draw on our payments experience as a specialised supplier.

In addition to our multi-channel payment services for clients, we are excited by the prospects for continued retail services success. Our major new initiative in this area will be our new tablet based terminal with integrated EPoS capability. We anticipate that this will enhance significantly our retail offer over the next few years, helping us to generate new sources of direct and third party revenues. As retailers adopt our EPoS capability, we should move even closer to the heart of retail operations, further increasing our yield per outlet, particularly in the independent and symbol sectors.

We have also been reviewing our international development options, building on our British, Irish and Romanian successes. We expect to move selectively into new territories organically and by acquisition, both in developing economies, where cash dominates and in more advanced economies, which are already open to multi-channel service delivery.

Technology

Our businesses depend on technology. As a leading supplier of retail technology, we are designing our next generation of point of sale infrastructure which, in due course, will replace existing terminals and provide much richer functionality for retailers. This will integrate our technology deeper into our retail networks, providing the potential for offering new and enhanced services. We are completing the new storage network for our two new data centres, which will be commissioned this year. We plan to close our other data centres after we have moved all systems and transaction processing.

Summary

We are invigorated by the opportunities ahead and continuing the momentum in our businesses. We are restructuring to gain efficiencies between group and our retail businesses, whilst realising the value of our parking and online payment processing businesses in the near future. Our exciting strategy for continuing success is set out on the pages that follow.

Dominic Taylor
Chief Executive
28 May 2015

STRATEGY AND BUSINESS MODEL

PayPoint's business success over 19 years has been achieved through excellence in serving the needs of three distinct but closely linked groups, namely our clients, retailers and consumers. Our achievement with each contributes opportunity – the best clients drive millions of consumers to use our services, which helps us to attract the best network of retailers and this in turn grows consumer demand and reinforces the loyalty of our clients and prospects. Our strategy is to extend our services to, and returns from, each group. Given the decision to sell the parking and online payment processing businesses, our focus is on retail as set out below.

Clients

Our client base includes many blue chip utility and consumer service organisations in both the commercial and public sectors. Building from our unique strength in over the counter cash payments, we have continued to develop a broader range of payment methods and channels to serve our clients' needs. This enables us to deepen and extend our client relationships and provides the bedrock of our success. Many of our major client relationships extend back to the early days of our business and this longevity is based on their trust in our ability to serve their consumers uniquely well. We will continue to promote a broad range of payments to clients across our multi-channel platform, drawing on the best of our own capability and integrating selected expert suppliers.

In delivering this vision, it is the overall integrated solution that is at the heart of our offer going forward, rather than, necessarily, the direct ownership of all aspects of service delivery. Following the proposed sale of our parking and online payment processing companies, we will retain their service delivery capabilities through our in-house expertise and through continuing supplier contracts but will focus more strongly on our blue chip retail client base.

Recent progress illustrates the potential for a multi-channel payments capability in our core billing world. For example, to address the structural change in energy with the introduction of smart metering in the next decade, we have launched our new multi-channel payment solution to our first client, Utilita and have other energy companies ready to take the service. Through this solution, consumers make payments and prepayments to utilities by electronic payment methods, online and by mobile, in addition to their traditional cash options. Industry opinion is that the availability of digital payment options will increase the number of consumers opting for pre-pay tariffs. We have also had success in selling our multi-channel capability into the social housing sector.

A major factor in building our credentials with our blue chip billing clients has been our ability to target verticals and develop an in depth understanding of client needs, based on which, we design and deliver our services. Verticals where we have demonstrated our ability to deliver value added, rather than commoditised services, are energy, water, local and central government, telecoms, media, gaming, financial services, transport ticketing and eMoney. We will continue to focus on these sectors and prospect for others which show potential for value added solutions. Increasingly, our role will be to become our major clients payments partner across their wide ranging needs.

The payments industry continues to be particularly vibrant and innovative, presenting many opportunities, but also causing untold complexity for consumer service organisations for which payments are a necessity, but not their core business expertise. PayPoint provides solutions aimed at the challenges businesses face, to help them find the optimum path offering traditional and new payments methods, providing consumers with payment choices that are seamlessly integrated to service delivery. This approach applies to money in and out; by cash, card, bank or alternative wallet; and by retail, online, mobile or other channel, thereby facilitating consumer demand to be able to pay when, where and how best suits their circumstances.

Retailers

By pioneering payment service delivery in convenient retail outlets, PayPoint has established a uniquely strong position at the heart of neighbourhood retailing, one of the few areas of retailing which has been resilient and complementary to the online shopping boom. Our 37,500 outlets across the UK, Ireland and Romania provide full national footprints for service delivery and also a community of successful local entrepreneurs and more substantial retailer businesses, which are both distributors of, and customers for, our services.

The depth of our retail offer allows us to layer on more services for increasing retail yield, by selling additional value added services and footfall drivers to our retail partners. In the earlier days of PayPoint, retailer interest was more limited to the traditional convenience store and newsagents sector, but in recent years there has been increasing demand from all sizes of retailer, including the big grocers, as they seek to secure more reasons for customers to visit for their valuable regular grocery shopping. PayPoint has proven its ability to deliver footfall, more than any other service provider and continues to focus on securing the strongest product and service portfolio to deliver competitive advantage to our retail partners.

As mobile prepay volumes have declined and general payments growth rates have matured, PayPoint has been able to sustain growth through exceptionally strong retail services sales. We have introduced new services that many retailers want to offer and many consumers want to use to the benefit of our business and our retail partners. We will continue to drive retail services growth deeper into our network, including our established successful products such as ATMs, card payments, money transfers, SIM card sales, broadband connectivity and parcels and we will add further products to bring new sources of revenue and new sources of commission and footfall to our retailers.

A particular focus in the next few years will be the third generation evolution of our terminal platform. Our existing terminal is still by some margin the best in our sector and in recent years, we have also enjoyed success with our EPoS integrated solution for multiple and symbol retailers. However, this is an opportune time for a further step change in our retail platform capability to provide an even better terminal for future product delivery, deepening and expanding our ability to serve retailers.

The new terminal, which we aim to pilot in this financial year, will include a much larger tablet-like screen and an Android operating system that will enable us to launch and support our own app store. One of the most important new applications is a multi-level EPoS capability targeted at independent retailers and small chains helping them to run their stores more efficiently and to control better their stocks and promotions. A range of other added value applications will also be introduced with potential to generate direct and third party revenues. We will also be building in the capability to support beacons and other physical and wireless connectivity to support consumer apps and promotions.

Just as our EPoS integrated solutions have transformed our major multiple propositions, we anticipate that the availability of high quality and attractively priced EPoS directly through the PayPoint terminal will prove attractive to our retailers and will further embed us into their businesses for mutual benefit and as such we view this as one of our most important new strategic initiatives. In time, our new EPoS capability may take us into other retail sectors as a lead offer in its own right, rather than solely serving retailers in PayPoint's traditional convenience heartland.

A further attraction of EPoS is the purchasing and behavioural data to which it gives access, which we would seek to monetise.

Consumers

PayPoint's past and continuing success is in no small part due to our ability to deliver solutions that consumers love to use and adopt at scale. Our satisfaction rates and promoter scores continue to be exceptional, but the clearest evidence of consumer demand is the continuing record volumes that we generate in payments, parcels, cash withdrawals, card payments and money transfers.

The consumer is ultimately the glue in our business and is the common factor that motivates PayPoint, our clients and our retailers to provide exceptional service. The consumer is also at the heart of our future product and service evolution. Our business volumes in retail are over 10 million per week but this is still a minority of the overall footfall through the outlets in which PayPoint is located. Our focus is to harness this customer flow and generate still more through our innovative new products and services. These are typically B2B2C services rather than our own consumer offers. For example, our parcels business has grown to volumes of over 18 million in just five years of operations, which are delivered through similar shops, but with a different consumer profile to our cash payments consumers.

This is a further driver in our new terminal and EPoS strategy as, by moving beyond services more directly into core retail technology, we can become more central to broader product and service delivery to consumers, including critically the opportunities to link point of sale capability with the consumers' mobile phone. We aim to support our retail partners in exploiting these opportunities through our platforms and our experience in consumer applications, having operated PayByPhone, one of the most popular, convenient and heavily used mobile apps.

We will continue to develop our understanding of consumer needs and to innovate to serve them through retail and their broader multi-channel needs.

International

Building on our success in the UK, Ireland and Romania, we have been reviewing further international potential in recent months and expect to take further steps in the current year to grow into new countries by green field or acquisition routes. The countries in which we choose to operate will allow us to deliver a broad service portfolio including, as appropriate, our wider retail services products and our multi-channel payments for billers.

New countries typically require considerable focus and take time to grow volume to cover the costs of network roll out. We will, therefore, continue to assess these selectively according to the scale of the opportunity and whether the local environment is attractive and receptive to our capabilities. We are considering developing economies, where cash still dominates, and more advanced economies, which are already embracing multi-channel solutions.

Summary of strategy

As we focus on maximising our success with clients, retailers and consumers in existing and new countries our strategy is, therefore, focused on:

- Continuing to leverage our model of securing the best client content to maintain the best retail footprint to deliver the best consumer footfall to in turn attract the best clients and retailers

- Enhancing our client offer to be their preferred payments partner across a broader multi-channel, multi-tender payment portfolio

- Continuing our retail services drive whilst embedding our role deeper into retail technology through our next generation terminal and EPoS capability as a direct source of income and a platform for helping retailers to develop their businesses

- Continuing to innovate with attractive new scale consumer services

- Selectively moving into additional countries which we see as having attractive scale, payment needs and receptive clients and retailers.

We believe that the simplified focus that results from divesting our mobile and online businesses will provide a stronger basis for driving shareholder value in the coming years.

KEY PERFORMANCE INDICATORS

In order to realise its strategic aims, PayPoint has identified areas of strategic focus and records a number of KPIs to measure progress against them. Whilst these KPIs are helpful in measuring the group's performance, they are not exhaustive and the group uses many other measures to monitor progress.

Measuring our performance

Strategic focus	KPI	Description	2015	2014
Shareholder return	Earnings per share (diluted)	Profit after tax attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period (including the impact of shares which are likely to be issued under share schemes).	**57.4p**	52.6p
	Dividends per share	Proposed final dividend and interim dividend divided by the number of fully paid shares at the end of the period.	**38.5p**	35.3p
	Economic profit	Operating profit (including PayPoint's share of joint venture results and excluding exceptional costs, relating to the cost of acquisitions) after tax and a charge for capital employed, excluding cash, based upon the group's cost of capital.	**£31.3 million**	£28.1 million
Growth	Retail networks transactions	Number of transactions processed in the period on our terminals, ATMs and on our retailers' EPoS systems.	**667.3 million**	635.4 million
	Mobile and Online transactions	Number of transactions processed in the period by Mobile and Online.	**145.3 million**	132.2 million
	Transaction value	The value of transactions processed via our terminals, retailers' EPoS systems, online merchants, ATMs, mobile payments and the sale of other retail services.	**£14.8 billion**	£14.7 billion
	Net revenue	Revenue less: commissions paid to retail agents; the cost of mobile top-ups and SIM cards where PayPoint is principal; acquiring bank charges and call centre costs recharged to clients.	**£123.1 million**	£113.7 million
	Operating margin	Operating profit including our share of joint venture results and excluding exceptional costs, relating to the cost of acquisitions, as a percentage of net revenue.	**40.2%**	39.9%
Asset optimisation	Return on capital employed	Total operating profit for the period divided by average month end capital employed (net assets including assets held for sale and excluding cash).	**63.6%**	62.6%
	Growth in retail networks yield per site	Growth in net revenue from retail networks, excluding Simple Payment service set up, divided by the average number of sites in the period.	**4.3%**	3.9%
People	Labour turnover	Number of permanent employees who left during the period divided by average total permanent employees:		
		UK & Ireland	**21.7%**	20.7%
		Rest of world	**16.5%**	8.7%

REVIEW OF BUSINESS

The review of business presented includes highlights on page 1, the Chairman's statement on page 2 and the Chief Executive's review on pages 3 and 4.

PayPoint processes consumer transactions and as such, has only one operating segment. However, we include an analysis of the number and value of consumer transactions, revenue and net revenue by product and an analysis of our networks to help to explain our performance and strategy execution.

Growth opportunities include: provision of single solution, multi-channel payments and services to new and existing clients; the extension of services in each payment channel across our existing and prospective clients, new and existing client development and retail services in the UK and Romanian retail networks; the expansion of these retail networks; building and developing Collect+. There are also opportunities to extend our services into other countries.

The channel and product analysis is as follows:

Retail Payments and Services:
Bill and general (prepaid energy, bills and cash out services)
Top-ups (mobile, e-money vouchers, prepaid debit cards and lottery)
Retail services (ATM, debit/credit, parcels, money transfer, SIMs, broadband, receipt advertising, charges for failed direct debits and paper invoicing)
Collect+ parcels service

In addition, fees for early settlement, development and set up are attributed to the client, to which they are billed and included above in the relevant categories.

Mobile and Online:
Parking, permits, tolling, ticketing, bicycle rental transactions, consumer transactions with merchants, pre-authorisations, optimisation of authorisations, FraudGuard, where separately charged and real time management reporting.

OPERATING REVIEW

		Year ended 31 March 2015	Year ended 31 March 2014	Increase %
Transactions	'000	**812,668**	767,520	5.9
Transaction value	£000	**14,756,476**	14,742,667	0.1
Revenue	£000	**218,495**	212,158	3.0
Net revenue [1]	£000	**123,131**	113,740	8.3

Transactions have increased to 812.7 million (2014: 767.5 million), up 5.0% in the retail networks and 10.0% in Mobile and Online.

Transaction value increased to £14.8 billion (2014: £14.7 billion), up 3.5% in the Retail Payments and Services (retail networks) but down 6.7% in Mobile and Online.

Revenue has increased to £218.5 million (2014: £212.2 million), up 3.4% in the retail networks but down 1.5% in Mobile and Online. Revenue growth is lower than transaction volume due to higher transaction growth in some larger online merchants who benefit from lower pricing and from charges to newer parking clients, which are lower than those to existing clients.

Net revenue has increased to £123.1 million (2014: £113.7 million), up 10.1% in the retail networks but down 3.8% in Mobile and Online. Net revenue growth is higher than revenue growth in retail networks, mainly as a consequence of a richer transaction mix from clients, an increase in requests for early client settlement, for which we charge fees, offset by a reduction in Simple Payment set up fees.

Operating profit, including our share of Collect+ and excluding exceptional costs, relating to the cost of acquisitions in the prior year, was £49.5 million (2014: £45.4 million), an increase of 9.1%. The increase in the operating profit is the result of the strong growth of our retail networks.

1. Net revenue is revenue less the cost of mobile top-ups (where PayPoint is principal), SIM cards and other costs incurred by PayPoint, which are recharged to clients and merchants. These costs include retail agent commission, card payment merchant service charges and costs for the provision of call centres for mobile parking clients. Net revenue is a measure which the directors believe assists with a better understanding of the underlying performance of the group.

Bill and general

		Year ended 31 March 2015	Year ended 31 March 2014	Increase %
Transactions	'000	**459,018**	445,597	3.0
Transaction value	£000	**8,485,736**	8,306,601	2.2
Revenue	£000	**89,229**	85,341	4.6
Net revenue[1]	£000	**58,954**	54,000	9.2

Bill and general transactions were ahead of the same period last year as a result of a 36.8% increase in Romanian bill payment transactions. UK and Irish bill and general transactions were down 0.2% on last year due to lower domestic gas consumption resulting from warmer weather, mitigated by the continuing increase in energy prepayment meters. Although not material in the year under review, we have launched our multi-channel payment solution for our first energy client for its smart meter customers. The strong growth in Romania, where we processed 53.5 million transactions (2014: 39.1 million) was the result of increasing market share in March for clients we serve to 20% (2014: 15%), including the addition of new clients, and notably the launch of road tax payments at many PayPoint sites.

Growth in net revenue of 9.2% exceeded that of revenue growth, mainly as a consequence of a richer transaction mix from clients offset by a reduction in Simple Payment set up fees.

Top-ups

		Year ended 31 March 2015	Year ended 31 March 2014	(Decrease) /increase %
Transactions	'000	**89,482**	97,465	(8.2)
Transaction value	£000	**821,049**	866,321	(5.2)
Revenue	£000	**69,978**	73,680	(5.0)
Net revenue[1]	£000	**23,154**	22,543	2.7

Top-up transactions decreased from last year as a result of the continued decline in mobile top-up volumes in the UK and Ireland of 13.3%. The reduction in UK and Irish mobile top-up transactions was only partly offset by an increase in other top-up transactions and Romanian mobile top-ups.

The reduction in top-up transaction value was lower than that of transaction numbers as the average value of mobile top-ups increased, which also helped mitigate the reduction in revenue and net revenue, as did the increase in other top-ups.

The growth in net revenue was driven by an increase in Romanian mobile top-ups, other top-ups and an increase in requests for early client settlement, for which we charge fees, the incidence of which is unpredictable, offset by the mobile top-up decline in the UK and Ireland.

1. Net revenue is revenue less the cost of mobile top-ups (where PayPoint is principal), SIM cards and other costs incurred by PayPoint, which are recharged to clients and merchants. These costs include retail agent commission, card payment merchant service charges and costs for the provision of call centres for mobile parking clients. Net revenue is a measure which the directors believe assists with a better understanding of the underlying performance of the group.

Retail services

		Year ended 31 March 2015	Year ended 31 March 2014	Increase %
Transactions	‘000	**118,849**	92,308	28.8
Transaction value	£000	**874,449**	667,303	31.0
Revenue	£000	**42,294**	35,883	17.9
Net revenue	£000	**26,507**	22,105	19.9

Retail services transaction volume has increased across all products except for SIM card sales. ATM transactions increased by 28.8%, credit and debit transactions by 27.4%, money transfer transactions by 44.2% and parcels by 38.7% over last year.

A higher average ATM transaction value has driven an increase in total transaction value in excess of the increase in transaction volume.

Revenue growth is lower than transaction growth due to parcel transactions earning a reduced fee from Collect+ above a volume tier which was reached for the first time this year, bonus payments for reaching contractual network targets in the prior year which are not repeated and lower revenues from receipt advertising. Strong net revenue growth of 19.9% was driven by the increases in parcels, ATM transactions, credit and debit and income from broadband (enabling faster terminal transactions).

Collect+

PayPoint has a 50% equity interest in Drop and Collect Limited, trading as Collect+, a 50:50 joint venture with Yodel. PayPoint does not consolidate the results of the joint venture but does include its share of the profit or loss of the joint venture in its consolidated income statement, after group operating profit.

Collect+ at 100%		Year ended 31 March 2015	Year ended 31 March 2014	Increase %
Transactions	‘000	**18,799**	13,555	38.7
Revenue	£000	**46,059**	34,093	35.1
Profit	£000	**2,634**	1,784	47.6

Transactions have grown substantially despite lower consumer send transactions, where there has been significant price competition. This, together with the expected increase in logistics costs, as Collect+ migrates from marginal use to dedicated use of transport, has reduced gross margins. The growth in revenue, offset by the increase in costs has delivered profit ahead of last year.

Discussions are underway with our joint venture partner, Yodel, which has proposed increases in its charges to Collect+ in the current financial year. The extent to which, if any, that Yodel’s proposed increases will be adopted is uncertain, making future profitability hard to predict.

Mobile and Online

		Year ended 31 March 2015	Year ended 31 March 2014	Increase/ (decrease) %
Transactions	'000	**145,319**	132,150	10.0
Transaction value	£000	**4,575,242**	4,902,442	(6.7)
Revenue	£000	**16,994**	17,254	(1.5)
Net revenue	£000	**14,516**	15,092	(3.8)

Transactions increased by 10.0% with online payment processing transactions of 106 million up 6.1% and parking transactions of 40 million up 21.9%.

Payment transaction growth was driven by adding new merchants and organic growth. Parking transaction growth was driven predominantly by the continued increase in consumer adoption in existing clients. The decline in transaction value is due to a change in mix and the impact on parking from the weakening of the US and Canadian currency against sterling.

We have continued to add parking contracts with cities, operators and local authorities, as we provide them with a more convenient and cost effective method for collecting parking charges. The business has rolled out the first phase of parking payment services in Paris during the period, which has 155,000 parking spaces. This and other increases have made up for the loss of the Westminster contract last July.

Overall revenues decreased by 1.5% and net revenues by 3.8%, reflecting a decline in payment revenues, due to larger merchants benefitting from lower pricing on core payment transactions, offset by the growth in parking revenue.

In payments, the first sales have been achieved of two new licensed products. Cashier enables enterprise merchants to offer a highly customised payment experience for their online or mobile customers, hosted by PayPoint. It also has a built in capability to allow customers to store multiple cards. Cardlock reduces the complication and cost of Payment Card Industry compliance for merchants by removing card data from their websites and apps at the point of data entry and securing it remotely within PayPoint systems.

In time, the new platform will also enable the business to replace the existing payments gateway platforms. Significant work has also been undertaken on the core parking system to enable new functionality, and to increase flexibility for future developments. Work is also advanced on the next generation of the PayByPhone app, due later this year.

Continued expenditure in technology, product development, sales and marketing are necessary to take this venture forward and grow net revenue. As a consequence of the expenditure, this business is currently loss making and we expect it to remain in loss in the current financial year.

The assets of the Mobile and Online parking and online payment processing businesses, including their related goodwill, are shown as assets held for sale within current assets on the statement of financial position. Further detail can be found in note 9.

Network growth

Terminal sites overall have increased by 5.5% to 37,541.

In the UK and Ireland, site numbers have expanded by 1,065, an increase of 4%. We provide debit and credit card acceptance, including the capability for retailers to accept convenient contactless card transactions in 9,816 sites. During the year, we continued to roll out our PPoS integrated solution to retailers, which combines a virtual terminal (our software on the retailer's till system) with a plug in reader, to provide the service at lower cost. As well as enhancing our service to retailers, this allows us to redeploy terminals for use in Romania. In addition to these 7,498 PPoS solutions, there were 10,689 broadband enabled terminals (which offer a faster service than PSTN enabled terminals for transactions where the terminal has to contact the client's host) at 31 March 2015.

In Romania, we increased the number of terminal sites by 880 in the period.

We added over 170 new merchants for online payments during the year and the overall reduction in merchants, since 31 March 2014, is largely the result of the churn of low volume merchants.

We added Collect+ sites as transaction volumes increased. There is high demand among retailers for this service.

Analysis of sites	**31 March 2015**	31 March 2014	Increase/ (decrease) %
UK & Ireland terminal sites	**28,307**	27,242	3.9
Romania terminal sites	**9,234**	8,354	10.5
Total terminal sites	**37,541**	35,596	5.5
Internet merchants	**4,662**	5,168	(9.8)
Collect+ sites	**5,831**	5,582	4.5

FINANCIAL REVIEW

Income statement

Revenue for the period was 3.0% higher, at £218.5 million (2014: £212.2 million), from growth across the retail networks. Cost of sales reduced to £113.4 million (2014: £115.2 million). The cost of mobile top-ups in Ireland and Romania[1] has fallen to £29.5 million (2014: £31.3 million). Retailers' commission decreased to £63.3 million (2014: £64.9 million) as a result of lower mobile top-up commission. These reductions in cost were partially offset by higher depreciation (on increased capital expenditure). Gross profit margin improved to 48.1% (2014: 45.7%) mainly as a consequence of the reduction in the cost of sales.

Net revenue[2] of £123.1 million (2014: £113.7 million) was up 8.3% from the growth in bill payment, retail services and mobile parking.

Operating costs (administrative expenses) increased 8.0% to £56.9 million (2014: £52.7 million) reflecting:

- IT costs which grew in the second half of last year and continued in this year;
- increasing costs of development and marketing required to support new products; and
- continuing investment in Mobile and Online to support the potential for growth in these fast moving markets.

Our share of the profit in our parcels joint venture, Collect+, was £1.3 million (2014: £0.9 million). The integration of new merchants, heightened consumer awareness and growth in activity from existing clients all helped to drive up revenues which led to the business increasing profit. This was despite an increase in logistics costs, as Collect+ migrated from marginal to dedicated use of transport.

Operating margin[3] rose to 40.2% (2014: 39.9%) as a consequence of the performance of the retail networks and the improvement seen in Collect+ profitability.

Profit before tax was £49.6 million (2014: £46.0 million), an increase of 7.7%. Last year included a £0.7 million profit on disposal of a small investment. The tax charge of £10.4 million (2014: £10.1 million) represents an effective rate of 21.0% (2014: 21.9%). The reduction in tax rate reflects the decrease in the UK corporate tax rate in the current year, which would have been larger but for the recognition last year of development claims relating to prior periods and the projected use of past losses in Romania. The reduction in UK corporation tax nominal rate to 20% became effective after the year end.

Statement of financial position

Net assets of £115.3 million (2014: £103.6 million) include £54.8 million of net assets for the parking and online payment processing businesses which have been classified as assets held for sale (note 9). The group net assets reflect a strong financial position, including cash of £43.9 million including cash held for settlement of obligations to our clients (client cash) of £3.8 million in the UK, £10.1 million in Romania but excluding £3.3 million in Mobile and Online, which is reported within assets held for sale) higher than £41.6 million (including client cash of £6.5 million in the UK and £10.3 million in Romania and including £3.4 million in Mobile and Online) at 31 March 2014. The final dividend, subject to shareholder approval, will absorb £17.8 million and is payable in July.

Cash flow

Cash generated by operations was £53.6 million (2014: £55.8 million), reflecting strong conversion of profit to cash. Corporation tax of £8.6 million (2014: £10.3 million) was paid, lower than the prior year predominantly due to the tax relief on the cost of settled share schemes. Capital expenditure of £10.1 million (2014: £11.3 million) comprised expenditure on IT infrastructure, developments for new products, terminals, ATMs and prepaid energy card and key readers for PPoS (PayPoint Point of Sale, the software version of our terminal that can be loaded onto retailers' till systems). The amount paid for the acquisition of Adaptis in the year was £0.2 million (2014: £3.2 million). Share incentive schemes settled in cash absorbed £2.9 million (2014: £5.3 million). Equity dividends paid were £24.7 million (2014: £31.6 million, which included a 15.0p per share special dividend, which cost £10.2 million).

Economic profit

PayPoint's economic profit (operating profit less tax and capital charge) was £31.3 million (2014: £28.1 million), an increase of 11.7%.

1. In Ireland and Romania, PayPoint is principal in the sale of mobile top-ups and, accordingly, the face value of the top-up is included in sales and the corresponding costs in cost of sales.
2. Net revenue is revenue less the cost of mobile top-ups (where PayPoint is principal), SIM cards and other costs incurred by PayPoint, which are recharged to clients and merchants. These costs include retail agent commission, card payment merchant service charges and costs for the provision of call centres for mobile parking clients. Net revenue is a measure which the directors believe assists with a better understanding of the underlying performance of the group.
3. Operating profit including our share of joint venture results and excluding exceptional costs, relating to the cost of acquisitions, as a percentage of net revenue.

Dividend

We propose to pay a final dividend of 26.1p per share on 23 July 2015 (2014: 23.9p) to shareholders on the register on 26 June 2015, subject to the approval of the shareholders at the annual general meeting. An interim dividend of 12.4p (2014: 11.4p) was paid on 18 December 2014, making a total dividend for the period of 38.5p (2014: 35.3p), up 9.1%, in line with earnings.

Liquidity and going concern

The group has cash of £43.9 million, excluding £3.3 million of cash in Mobile and Online which is shown in assets held for sale, and has an undrawn £45.0 million revolving term credit facility expiring in May 2019. Cash includes amounts held to settle short term client settlement obligations, which at the period end, amounted to £3.8 million in the UK (2014: £6.5 million) and £10.1 million in Romania (2014: £10.3 million). The final dividend, if approved by shareholders, will absorb £17.8 million of the cash balance. Cash and borrowing capacity is adequate to meet the foreseeable needs of the group, taking account of risks (pages 17 and 18). The financial statements have, therefore, been prepared on a going concern basis.

Financing and treasury policy

The financing and treasury policy requires a prudent approach to the investment of surplus funds, external financing, settlement, foreign exchange risk and internal control structures. The policy prohibits the use of financial derivatives and sets limits for gearing.

Charitable donations

During the year, the group made charitable donations of £32,556 (2014: £23,879) to charities serving the communities in which the group operates. We encourage employees to raise funds for charity and the company matches funds raised by the employees, subject to certain limits.

Our UK retail network acted as a collection agent for the BBC's Children in Need telethon.

Employees

Our success depends upon the continuing support and commitment of all our staff. We would like to take this opportunity to thank PayPoint's employees for their commitment, energy and enthusiasm in the delivery of these results.

Economic climate

The company's bill and general payments service, which accounts for 47.9% (2014: 47.5%) of our net revenue, has continued to be resilient, as consumers' discretion in expenditure is limited for essential services and our service continues to be popular. Utility providers continue to install new prepay gas and electricity meters, which should have a beneficial impact on our transaction volumes. The online payment market continues to grow substantially. There has been an adverse impact on our mobile top-ups as mobile operators continue to offer more airtime at lower cost and to promote prepay less than contract. Mobile and Online is able to offer parking authorities a more cost effective collection system for parking compared to pay and display machines. The convenient service offered by Collect+ offers great opportunity for growth in parcel volumes.

PayPoint's exposure to retail agent debt in the UK and Ireland is limited as credit granted to retail agents is restricted by daily direct debiting for all UK and Irish transactions, other than EPoS mobile top-ups (which are collected weekly). There is some concentration of risk in multiple retail agents. Most of PayPoint's clients in the UK, other than for top-ups, bear the cost of retail agent bad debt. In PayPoint Romania, the risk of bad debt lies with the company. In Mobile and Online, exposure is limited to receivables from online merchants for fees, except in the case of bureau online merchants, where PayPoint.net retains credit risk on merchant default for credit card charge backs, a risk mitigated in part by cash retention and to receivables from parking authorities.

Trends and factors on future development

For the current financial year, trading is in line with the company's expectations, although the investment in and the continuing losses of Mobile and Online will lower earnings in the first half. Our retail networks in the UK and Romania should continue to deliver profitable growth from our breadth of services and extensive client base, despite the impact of the recent VAT ruling. We will continue to invest in network expansion, innovative retail technology and new services to improve retail network quality further. We anticipate that this will enhance our competitive advantage and increase retail yield. We continue to focus on growth and on evaluating new opportunities to extend our business, particularly in developing vertical markets and internationally. The provision of multi-channel payments and services to our client base remains an essential element of our strategy, placing us in growing markets and providing a bridge from cash to electronic payments. The sale of our parking and online payment processing businesses will enable us to focus this multi-channel payments strategy where we have a strong retail presence. Discussions are underway with our joint venture partner, Yodel, which has proposed increases in its charges to Collect+ in the current financial year. The extent to which, if any, that Yodel's proposed increases will be adopted is uncertain, making future profitability hard to predict.

RISKS

PayPoint's business, financial condition or operations could be materially and adversely affected by the risks summarised below. Although management takes steps to mitigate risks where possible or where the cost of doing so is reasonable in relation to the probability and seriousness of the risk, it may not be possible to avoid the crystallisation of some or all of such risks.

Risk area	Potential impact	Mitigation strategies
Loss or inappropriate usage of data	The group's business requires the appropriate and secure use of consumer and other sensitive information. Mobile telephone and internet-based electronic commerce requires the secure transmission of confidential information over public networks, and several of our products are accessed through the internet. Fraudulent activity, cyber-crime or security breaches in connection with maintaining data and the delivery of our products and services could harm our reputation, business and operating results.	The group has established rigorous information security, anti-fraud and whistleblowing standards, procedures, and recruitment and training schemes, which are embedded throughout its business operations. The group also screens new employees carefully. Continued investments are made in IT security infrastructure, including the significant use of data and communications encryption technology.
Dependence upon third parties to provide data and certain operational services	The group's business model is dependent upon third parties to provide operational services, the loss of which could significantly impact the quality of our services. Similarly, if one of our outsource providers, including third parties with whom we have strategic relationships, were to experience financial or operational difficulties, their services to us would suffer or they may no longer be able to provide services to us at all, significantly impacting delivery of our products or services.	The group selects and negotiates agreements with strategic suppliers and agents based on criteria such as delivery assurance and reliability. Single points of failure are avoided, where practicable and economically feasible. Controls are regularly reviewed and improved to minimise risk of retailer churn caused by financial loss to retailers through fraudulent third party activity.
Exposure to legislation or regulatory reforms and risk of non-compliance	The group is largely unregulated by financial services regulators although in the UK we have Payment Institution status for prefunded cash payments to consumers and to allow the online payments business to act as a master merchant for SME online merchants. The group's agents which offer money transfer are licensed as Money Service Businesses by HMRC. Our Mobile and Online business is subject to Payment Card Industry Data Security Standards regulated by the card schemes. Regulatory reform could increase the cost of the group's operations or deny access to certain territories in the provision of certain services. Non-compliance with law, regulation, privacy or information security laws could have serious implications in cost and reputational damage to the group.	The group's legal department works closely with senior management to adopt strategies to educate legislature, regulators, consumer and privacy advocates and other stakeholders to support the public policy debate, where appropriate, to ensure regulation does not have unintended consequences over the group's services. The group has in place a business ethics policy which requires compliance with local legislation in all the territories in which the group operates. A central compliance department co-ordinates all compliance monitoring and reporting. Subsidiary managing and finance directors are required to sign annual compliance statements.
Interruptions in business processes or systems	The group's ability to provide reliable services largely depends on the efficient and uninterrupted operation of our computer network systems, financial settlement systems, data and call centres, as well as maintaining sufficient staffing levels. System or network interruptions, recovery from fraud or security incidents or the unavailability of key staff or management resulting from a pandemic outbreak could delay and disrupt our ability to develop, deliver or maintain our products and services, causing harm to our business and reputation and resulting in loss of customers or revenue.	Comprehensive business continuity plans and incident management programmes are maintained to minimise business and operational disruptions, including fraudulent activity, system failure or pandemic incidents. Support arrangements have been established with third party vendors and there are strict standards, procedures and training schemes for business continuity.
Dependence on recruitment and retention of highly skilled personnel	The ability of the group to meet the demands of the market and compete effectively is, to a large extent, dependent on the skills, experience and performance of its personnel. Demand is high for individuals with appropriate knowledge and experience in payments, IT and support services. The inability to attract, motivate or retain key talent could have a serious consequence on the group's ability to service client commitments and grow our business.	Effective recruitment programmes are on-going across all business areas, as well as personal and career development initiatives. The executive management reviews talent potential at quarterly meetings. Compensation and benefits programmes are competitive and also reviewed regularly.

Risk area	Potential impact	Mitigation strategies
Technology change may render products obsolete	There are rapid changes in technology in the payments industry including the development of new payment methods, particularly on smart phones and tablets, but also as a consequence of technology changes in other areas e.g. smart meters, which will replace the use of the energy keys and gas cards currently used to pay for prepaid energy. Such changes may render current products and services obsolete.	IT development resource is directed at a group level and developments are in hand to ensure the group has relevant products in place to meet the demands brought about by changing technology. For smart meters, a multi-channel product has been developed and launched.
Exposure to materially adverse litigation	The group contracts with a number of large service organisations for which it provides services essential to their customers. Failure to perform in accordance with contractual terms could give rise to litigation.	The group seeks to limit exposure in its contracts. Mitigating actions are taken where contractual exposures are above the norm, including insurance coverage, where appropriate and economically sustainable.
Exposure to country and regional risk (political, financial, economic, social) in North America, United Kingdom, Romania, France and Ireland	The group's geographic footprint subjects its businesses to economic, political and other risks associated with international sales and operations. A variety of factors, including changes in a specific country's or region's political, economic or regulatory requirements, as well as the potential for geopolitical turmoil, including terrorism and war, could result in loss of services, prevent our ability to respond to agreed service levels or fulfil other obligations. These risks are generally outside the control of the group.	The group's portfolio is diversified by geography, by product, by sector and by client in order to protect itself against many of these fluctuations, especially those that are restricted to individual territories and market sectors, although the bulk of its operations and revenues are UK based.
Exposure to consolidation among clients and markets	Consolidation of retailers and clients could result in reductions in the group's revenue and profits through price compression from combined service agreements or through a reduced number of clients.	No single client accounts for more than 9% of the group's net revenue, and no single retailer accounts for more than 4% of the group's net revenue, which reduces the probability of this potential risk having a significant impact on the group's business. In addition, the group continues to expand in its developing businesses, and in CashOut (reversing the flow of money through its retail networks).
Acquisitions may not meet expectations	The group's acquisitions, strategic alliances and joint ventures may result in financial outcomes that are different than expected. The net sale proceeds from the proposed sale of the parking and online payment processing business may not exceed their carrying value. Yodel, our joint venture partner in Collect+, is seeking increases in its charges to the joint venture. It is not clear the extent to which, if any, these proposals will be adopted.	The group assesses all acquisitions rigorously, using both in-house experts and professional advisers. In addition, the group conducts regular reviews to monitor performance.
Exposure to the unpredictability of financial markets (foreign exchange, interest rate and other financial risks)	As the group operates on an international basis, it is exposed to the risk of currency fluctuations and the unpredictability of financial markets in which it operates.	The group's financial risk management seeks to minimise potentially adverse effects on the group's financial performance.
Exposure to increasing competition	The group operates in a number of geographic, product and service markets that are highly competitive and subject to technological developments for example the introduction of smart meters and new payment solutions. Competitors may develop products and services that are superior to ours or that achieve greater market acceptance than our products and services, which could result in the loss of clients, merchants and retailers or a reduction in revenue.	The group is committed to continued research and investment in new data sources, people, technology and products to support its strategic plan.
Loss or infringement of intellectual property rights	The group's success depends, in part, upon proprietary technology and related intellectual property rights. Some protection can be achieved but in many cases, little protection can be secured. Third parties may claim that the group is infringing their intellectual property rights or our intellectual property rights could be infringed by third parties. If we do not enforce or defend the group's intellectual property rights successfully, our competitive position may suffer, which could harm our operating results.	The group, where appropriate and feasible, relies upon a combination of patent, copyright, trademark and trade secret laws, as well as various contractual restrictions, to protect our proprietary technology and continues to monitor this situation. The group also vigorously defends all third party infringement claims.
Data centre security breaches	The group is highly dependent on information technology networks and systems to process, transmit and store electronic information. Fraudulent or unauthorised access, including security breaches of our data centres, could create system disruptions, shutdowns or unauthorised disclosure of confidential information.	The group's data centres are protected against physical break-ins. The group has strict standards and procedures for security and fraud prevention.

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Continuing operations			
Revenue	2	**218,495**	212,158
Cost of sales		**(113,415)**	(115,184)
Gross profit		**105,080**	96,974
Administrative expenses		**(56,892)**	(52,696)
Operating profit		**48,188**	44,278
Share of profit of joint venture		**1,317**	892
Investment income		**151**	231
Finance costs		**(95)**	(84)
Other gains and losses		**-**	691
Profit before tax		**49,561**	46,008
Tax	3	**(10,414)**	(10,092)
Profit for the period	11	**39,147**	35,916
Attributable to:			
Equity holders of the parent		**39,150**	35,938
Non-controlling interests		**(3)**	(22)
		39,147	35,916
Earnings per share			
Basic	5	**57.6p**	52.9p
Diluted	5	**57.4p**	52.6p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Items that may subsequently be reclassified to the consolidated income statement:			
Exchange differences on translation of foreign operations	11	**(1,393)**	(3,307)
Tax effect thereof		**-**	-
Other comprehensive loss for the period		**(1,393)**	(3,307)
Profit for the period		**39,147**	35,916
Total recognised income and expenses for the period		**37,754**	32,609
Attributable to:			
Equity holders of the parent		**37,757**	32,631
Non-controlling interests		**(3)**	(22)
		37,754	32,609

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 March 2015 £000	31 March 2014 £000 (restated)*
Non-current assets			
Goodwill		**7,694**	57,897
Other intangible assets		**6,443**	6,252
Property, plant and equipment		**21,505**	21,956
Investment in joint venture	6	**1,853**	686
Deferred tax asset		**1,131**	2,191
		38,626	88,982
Current assets			
Inventories		**686**	731
Trade and other receivables	7	**163,395**	162,653
Cash and cash equivalents	8	**43,913**	41,600
Assets held for sale	9	**59,066**	-
		267,060	204,984
Total assets		**305,686**	293,966
Current liabilities			
Trade and other payables	10	**181,724**	186,471
Current tax liabilities		**4,349**	3,845
Liabilities directly associated with assets classified as held for sale	9	**4,250**	-
		190,323	190,316
Non-current liabilities			
Other liabilities		**21**	79
		21	79
Total liabilities		**190,344**	190,395
Net assets		**115,342**	103,571
Equity			
Share capital	11	**227**	226
Share premium	11	**1,977**	408
Share based payment reserve	11	**3,926**	3,682
Translation reserve	11	**(4,006)**	(2,613)
Retained earnings	11	**113,348**	101,995
Total equity attributable to equity holders of the parent company		**115,472**	103,698
Non-controlling interest		**(130)**	(127)
Total equity		**115,342**	103,571

* The March 2014 consolidated statement of financial position has been restated. Details of the restatement are explained in note 1, Accounting Policies – Restatement of March 2014 consolidated statement of financial position.

These financial statements were approved by the board of directors and authorised for issue on 28 May 2015 and signed on behalf of the board of directors.

Dominic Taylor
Chief Executive
28 May 2015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £000	Share premium £000	Share based payment reserve £000	Translation reserve £000	Retained earnings £000	Total equity attributable to equity holders of the parent company £000	Non-controlling interest £000	Total equity £000
Opening equity 1 April 2013		**226**	**297**	**3,265**	**694**	**101,498**	**105,980**	**(105)**	**105,875**
Profit for the period		-	-	-	-	35,938	35,938	(22)	35,916
Dividends paid	4	-	-	-	-	(31,632)	(31,632)	-	(31,632)
Exchange differences on translation of foreign operations	11	-	-	-	(3,307)	-	(3,307)	-	(3,307)
Movement in share based payment reserve	11	-	-	417	-	-	417	-	417
Arising on issue of shares	11	-	111	-	-	-	111	-	111
Adjustment on share scheme vesting (net of tax benefit of £1,053,000)	11	-	-	-	-	(3,548)	(3,548)	-	(3,548)
Deferred tax on share based payments	11	-	-	-	-	(261)	(261)	-	(261)
Closing equity 31 March 2014		**226**	**408**	**3,682**	**(2,613)**	**101,995**	**103,698**	**(127)**	**103,571**
Profit for the period		-	-	-	-	39,150	39,150	(3)	39,147
Dividends paid	4	-	-	-	-	(24,696)	(24,696)	-	(24,696)
Exchange differences on translation of foreign operations	11	-	-	-	(1,393)	-	(1,393)	-	(1,393)
Movement in share based payment reserve	11	-	-	244	-	-	244	-	244
Arising on issue of shares	11	1	1,569	-	-	-	1,570	-	1,570
Adjustment on share scheme vesting (net of tax benefit of £686,000)	11	-	-	-	-	(2,457)	(2,457)	-	(2,457)
Deferred tax on share based payments	11	-	-	-	-	(644)	(644)	-	(644)
Closing equity 31 March 2015		**227**	**1,977**	**3,926**	**(4,006)**	**113,348**	**115,472**	**(130)**	**115,342**

CONSOLIDATED CASH FLOW STATEMENT

	Note	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Net cash inflow from operating activities	13	**44,896**	45,434
Investing activities			
Investment income		**153**	231
Proceeds on disposal of investments		**-**	1,127
Purchases of property, plant and equipment and technology		**(10,076)**	(11,343)
Proceeds from disposal of property, plant and equipment		**4**	211
Loan to joint venture	6	**-**	(225)
Repayment of loan by joint venture	6	**150**	475
Acquisition of subsidiary		**(180)**	(3,214)
Net cash used in investing activities		**(9,949)**	(12,738)
Financing activities			
Cash settled share based remuneration		**(2,898)**	(5,334)
Dividends paid:			
- Final and interim	4	**(24,696)**	(21,450)
- Special	4	**-**	(10,182)
Net cash used in financing activities		**(27,594)**	(36,966)
Net increase / (decrease) in cash and cash equivalents		**7,353**	(4,270)
Cash and cash equivalents at beginning of period		**41,600**	46,618
Effect of foreign exchange rate changes		**(1,755)**	(748)
Cash and cash equivalents at end of period		**47,198**	41,600

	Note	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Reconciliation of items disclosed on the consolidated statement of financial position:			
Cash and cash equivalents		**43,913**	41,600
Cash and cash equivalents included in assets held for sale	9	**3,285**	-
Cash and cash equivalents at end of period		**47,198**	41,600

NOTES TO THE FINANCIAL INFORMATION

1. Accounting policies

These financial statements have been prepared on an historical cost basis and on the basis of the policies set out below.

Basis of preparation
While the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards as adopted for use by the EU (IFRS), this announcement does not itself contain sufficient information to comply with IFRS. The company expects to publish full financial statements that comply with IFRS in due course.

The financial information set out above does not constitute the company's statutory accounts for the periods ended 31 March 2015 or 31 March 2014, but is derived from those accounts. Statutory accounts for 2014 have been delivered to the Registrar of Companies and those for 2015 will be delivered following the company's annual general meeting.

The auditor has reported on those accounts; the auditor's report was unqualified, did not draw attention to any matters by way of emphasis without qualifying its report and did not contain statements under s498(2) or (3) of the Companies Act 2006.

The financial information complies with the recognition and measurement criteria of IFRS, and with the accounting policies of the group which were set out on pages 53 to 56 of the 2014 annual report and accounts. No subsequent material changes have been made to the group's accounting policies.

The directors are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report.

Restatement of March 2014 consolidated statement of financial position
As a result of acquiring Adaptis Solutions Limited, management made judgements in the year ended 31 March 2014 regarding the fair value of assets and liabilities acquired. In the year ended 31 March 2015, in accordance with IFRS 3 Business Combinations, the group has adjusted the goodwill attributable to this acquisition to reflect the additional consideration arising from the net asset adjustment on finalisation of completion accounts. As a result, goodwill and trade and other payables have both been increased by £0.2 million at 31 March 2014.

Accordingly, the consolidated statement of financial position for 31 March 2014 has been restated.

The affected balances are as follows:

	31 March 2014	
	Restated £000	As originally stated £000
Goodwill	57,897	57,717
Trade and other payables	186,471	186,291

The restatement of these items has had no effect on the consolidated income, net assets, earnings per share or total cash flows as previously reported in the 2014 annual report.

2. Segment reporting, revenue, net revenue and cost of sales

(i) Segment information

PayPoint is a service provider for consumer transactions through various distribution channels, involving the processing of high volume transactions, the management of retailers and clients, the settlement of funds (collection and transmission) and transmission of data in a secure environment, by the application of technology.

The application of technology is directed on a group basis by the group's executive (comprising the Chief Executive, Group Finance Director, Business Development Director and Chief Information Officer) to develop products across the business, prioritised on an economic value basis (generally by product), rather than on a subsidiary by subsidiary basis. As the business has high fixed operating costs, the company regards the analysis of net revenue as the most reliable indication of contribution on a product by product basis and net revenue analysis is shown in the operating and financial review.

Whilst the group has a number of different services and products, these do not meet the definition of different segments under IFRS 8 and, therefore, the group has only one reportable class of business, being a service provider for consumer payment and value added transactions.

(ii) Revenue, net revenue and cost of sales

Revenue comprises the value of sales (excluding sales taxes) of services in the normal course of business.

Revenue performance of the business is measured by net revenue, which is calculated as the total revenue from clients less commissions paid to retail agents, the cost of mobile top-ups and SIM cards where PayPoint is principal and costs incurred by PayPoint which are recharged to clients and merchants. These costs include retail agent commission, merchant service charges levied by card scheme sponsors and costs for the provision of call centres for mobile parking clients.

Net revenue	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Revenue – transaction processing	**217,430**	211,196
– service charge income from ATMs	**1,065**	962
	218,495	212,158
less:		
Commission payable to retail agents	**(63,337)**	(64,925)
Cost of mobile top-ups and SIM cards as principal	**(29,549)**	(31,331)
Card scheme sponsors' charges	**(2,478)**	(2,162)
Net revenue	**123,131**	113,740

Cost of sales

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Cost of sales		
Commission payable to retail agents	**63,337**	64,925
Cost of mobile top-ups and SIM cards as principal	**29,549**	31,331
Card scheme sponsors' charges	**2,478**	2,162
Depreciation and amortisation	**6,530**	5,166
Other	**11,521**	11,600
Total cost of sales	**113,415**	115,184

Geographical information

Revenue		
UK	**173,976**	168,181
Ireland	**9,062**	11,672
Romania	**30,673**	28,258
North America	**4,784**	4,047
Total	**218,495**	212,158

Non-current assets (excluding deferred tax)		
UK	**36,519**	84,886
Romania	**976**	1,373
North America	**-**	532
Total	**37,495**	86,791

3. Tax

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Current tax		
Charge for current period	**10,015**	10,773
Adjustment in respect of prior periods	**(3)**	(437)
Current tax charge	**10,012**	10,336
Deferred tax		
Charge/(credit) for current period	**345**	(244)
Adjustment in respect of prior periods	**57**	-
Deferred tax charge/(credit)	**402**	(244)
Total income tax		
Income tax charge	**10,414**	10,092
The income tax charge is based on the United Kingdom statutory rate of corporation tax for the period of 21% (2014: 23%)		
The charge for the period can be reconciled to the profit before tax as set out in the consolidated income statement		
Profit before tax	**49,561**	46,008
Tax at the UK corporation tax rate of 21% (2014: 23%)	**10,408**	10,582
Tax effects of:		
Losses in countries where the tax rate is different to the UK	**(200)**	(189)
Disallowable expenses	**235**	106
Utilisation of tax losses not previously recognised	**(274)**	(222)
Losses in companies where a deferred tax asset was not recognised	**406**	492
Adjustments in respect of prior periods	**54**	(437)
Research and development allowance	**(310)**	(132)
Tax impact of share based payments	**95**	56
Revaluation of deferred tax asset	**-**	156
Deferred tax asset recognised for past losses in subsidiary	**-**	(320)
Actual amount of tax charge	**10,414**	10,092

4. Dividends on equity shares

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Equity dividends on ordinary shares:		
Interim dividend paid of 12.4p per share (2014: 11.4p)	**8,437**	7,739
Proposed final dividend of 26.1p per share (2014: paid 23.9p per share)	**17,760**	16,205
Total dividends paid and recommended of 38.5p per share (2014: 35.3p per share)	**26,197**	23,944
Amounts distributed to equity holders in the period:		
Final dividend for the prior period	**16,259**	13,711
Special dividend for the prior period	**-**	10,182
Interim dividend for the current period	**8,437**	7,739
	24,696	31,632

The proposed final and special dividends are subject to approval by shareholders at the annual general meeting and have not been included as a liability in these financial statements.

5. Earnings per share

Basic earnings per share

Basic and diluted earnings per share are calculated on the following profits and number of shares.

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Profit for basic and diluted earnings per share is the net profit attributable to equity holders of the parent	**39,147**	35,938

	31 March 2015 Number of shares	31 March 2014 Number of shares
Weighted average number of ordinary shares in issue (for basic earnings per share)	**68,019,437**	**67,895,495**
Potential dilutive ordinary shares:		
Long-term incentive plan	**-**	**312,532**
Deferred share bonus	**239,049**	**89,337**
Diluted basis	**68,258,486**	**68,297,364**

6. Investment in joint venture

On 5 February 2009, PayPoint entered a 50:50 joint venture with Yodel (formerly Home Delivery Network). The joint venture company, Drop and Collect Limited, trades as Collect+. PayPoint subscribed to £500,000 of ordinary shares in the company. The joint venture company has the same accounting reference date as PayPoint plc.

PayPoint's share of aggregated amounts relating to joint ventures	**31 March 2015 £000**	31 March 2014 £000
Total assets	**4,620**	4,212
Total liabilities	**(8,167)**	(9,076)
Share of net assets	**(3,547)**	(4,864)
Loan to joint venture	**5,400**	5,550
Investment in joint venture	**1,853**	686

PayPoint's share of aggregated amounts relating to joint ventures	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Revenues	**23,030**	17,046
Profit for period	**1,317**	892

7. Trade and other receivables

	31 March 2015 £000	31 March 2014 £000
Trade receivables [1]	**15,598**	15,808
Allowance for doubtful debts	**(946)**	(1,313)
	14,652	14,495
Items in the course of collection [2]	**139,940**	137,043
Other receivables	**1,001**	1,717
Prepayments and accrued income	**7,802**	9,398
	163,395	162,653

1 The average credit period on the sale of goods is 28 days (2014: 27 days).

2 Items in the course of collection represent amounts collected for clients by retail agents. PayPoint bears credit risk and will have title to the cash collected on only £29,719,000 of this balance at 31 March 2015 (2014: £28,053,000). Credit risk is mitigated by daily direct debiting and the suspension of terminals where direct debits fail. At the date of this report, all but £29,000 has been collected from retailers.

8. Cash and cash equivalents

Included within group cash and cash equivalents is £3,772,000 (2014: £6,459,000) relating to monies collected on behalf of clients where PayPoint has title to the funds (client cash). An equivalent balance is included within trade payables (note 10).

The group operates cash pooling amongst its various bank accounts in the UK and therefore individual accounts can be overdrawn without penalties being incurred so long as the overall position is in credit. At 31 March 2015, the group's cash was £43,913,000 (2014: £41,600,000), excluding £3,285,000 in assets held for sale.

Client settlement funds in the UK and Ireland are not shown in the balance sheet as the funds are held in trust for clients. In Romania, all client settlement funds are held in bank accounts owned by PayPoint Romania and this cash, which at 31 March 2015 amounted to £10.1 million (31 March 2014 £10.3 million) is included in the balance sheet.

9. Assets held for sale

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	£000
Assets held for sale:	
Goodwill	49,321
Other intangible assets	3,449
Property plant and equipment	733
Deferred tax asset	14
Trade and other receivables	2,264
Cash and cash equivalents	3,285
	59,066
Liabilities directly associated with assets classified as held for sale:	
Trade and other payables	4,030
Current tax liabilities	220
	4,250
Net assets held for sale	**54,816**

The assets held for sale are those of the Mobile and Online parking and online payments businesses, including their related goodwill.

As a consequence of the continuing investment and longer term payback required for these parking and online payments businesses to reach their undoubtedly considerable potential, the board has decided to realise their value. The board believes that there are likely better owners for these businesses.

Advisors for the sale were appointed before the end of the year and an active programme was started to market the sale and identify an appropriate buyer. The sale is expected to be completed in the current financial year.

The sale will be of separate legal entities within the group, with no material separation issues expected.

The net assets have been assessed to ensure their fair value less costs to sell is greater than the carrying value.

10. Trade and other payables

	31 March 2015 £000	31 March 2014 £000 (restated)*
Amounts owed in respect of client cash[1]	**3,772**	6,459
Other trade payables [2]	**24,847**	25,491
Trade payables	**28,619**	31,950
Settlement payable [3]	**139,940**	137,043
Other taxes and social security	**1,873**	1,836
Other payables	**3,106**	5,055
Accruals	**7,401**	9,709
Deferred income	**785**	878
	181,724	186,471

1 Included within trade payables is £3,772,000 (2014: £6,459,000) relating to monies collected on behalf of clients where the group has title to the funds (client cash). An equivalent balance is included within cash and cash equivalents (note 8).

2 The group aims to pay its creditors promptly, in accordance with terms agreed for payment. The group had 38 days purchases outstanding at 31 March 2014 (2014: 40 days) based on the average daily amount invoiced by suppliers during the period.

3 Payable in respect of amounts collected for clients by retail agents.

* The March 2014 consolidated statement of financial position has been restated. Details of the restatement are explained in note 1, Accounting Policies – Restatement of March 2014 consolidated statement of financial position.

11. Equity

	2015 £000	2014 £000
Authorised share capital		
4,365,352,200 ordinary shares of 1/3p each (2014: 4,365,352,200 ordinary shares of 1/3p each)	**14,551**	14,551
	14,551	14,551
Called up, allotted and fully paid share capital		
68,045,059 ordinary shares of 1/3p each (2014: 67,899,699 ordinary shares of 1/3p each)	**227**	226
	227	226
Called up share capital		
At start of period	**226**	226
Arising on issue of shares	**1**	-
At end of period	**227**	226
Share premium		
At start of period	**408**	297
Arising on issue of shares	**1,569**	111
At end of period	**1,977**	408
Share based payment reserve		
At start of period	**3,682**	3,265
Additions in period	**1,570**	1,324
Released in period	**(1,326)**	(907)
At end of period	**3,926**	3,682
Translation reserve		
At start of period	**(2,613)**	694
Movement during period	**(1,393)**	(3,307)
At end of period	**(4,006)**	(2,613)
Retained earnings		
At start of period	**101,995**	101,498
Profit for period	**39,147**	35,916
Non-controlling interest loss for period included in above	**3**	22
Dividends paid	**(24,696)**	(31,632)
Adjustment on share scheme vesting (net of tax benefit of £686,000)	**(2,457)**	(3,548)
Deferred tax on share based payments	**(644)**	(261)
At end of period	**113,348**	101,995

The long term incentive plan tranche fully vested in June 2014. Under IFRS 2, the fair value charges of £947,000 relating to this tranche, that had been previously charged to the income statement, are reclassed to retained earnings. The deferred share bonus also fully vested in June 2014 and accordingly the fair value charge of £379,000 was also reclassed to retained earnings.

12. Related party transactions

Remuneration of the directors, who are the key management of the group, was as follows during the period:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Short term benefits and bonus [1]	**2,624**	2,443
Pension costs [2]	**202**	195
Long term incentives [3]	**597**	2,995
Other [4]	**9**	17
Total	**3,432**	5,650

1 Includes salary, fees, benefits in kind and annual bonus
2 Defined contribution pension scheme, of which two current directors are members.
3 Long term incentives: includes the value of 2012 DSB and LTIP awards expected to vest after the period end (2014: 2011 DSB and LTIP awards)
4 SIP matching and dividend shares awarded in the year

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

PayPoint has entered into a loan agreement with its 50:50 joint venture Drop and Collect Limited (trading as Collect+) and during the period it has received repayments of £0.15 million from Drop and Collect Limited, bringing the total loan to £5.4 million.

The terms of the loan are:

- Interest payable annually at a rate of 3 months LIBOR.
- Repayable upon termination of the joint venture or upon demand by the lender.

The company and its subsidiaries, in the ordinary course of business, enter into various sales, purchase and service transactions with Collect+. These transactions are under terms that are no less favourable than those arranged with third parties. Amounts received from Collect+ during the year totalled £12.4 million (2014: £9.5 million) and PayPoint held a trade debtor at year end for Collect+ of £0.4 million (2014: £0.3 million).

13. Notes to the cash flow statement

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Profit before tax	**49,561**	46,008
Adjustments for:		
Depreciation of property, plant and equipment	**5,383**	4,551
Amortisation of intangible assets	**1,147**	615
Share of profits in joint venture	**(1,317)**	(892)
Gain on disposal of investment	**-**	(691)
Loss/(profit) on disposal of fixed assets	**7**	(15)
Net interest income	**(56)**	(147)
Share based payment charge	**1,570**	1,324
Operating cash flows before movements in working capital	**56,295**	50,753
(Increase)/decrease in inventories	**(25)**	390
(Increase)/decrease in receivables	**(971)**	718
(Decrease)/increase in payables		
– client cash	**(2,687)**	(492)
– other payables	**995**	4,448
Cash generated by operations	**53,607**	55,817
Corporation tax paid	**(8,614)**	(10,301)
Bank charges paid	**(97)**	(82)
Net cash from operating activities	**44,896**	45,434

Movements in items in the course of collection (see note 7) and settlement payables (see note 10) have not been included in this reconciliation as the directors do not consider them to be operating working capital balances.

Trading history

	Period ended March									
	2006 £m	**2007 £m**	**2008 £m**	**2009 £m**	**2010 £m**	**2011 £m**	**2012 £m**	**2013 £m**	**2014 £m**	**2015 £m**
Revenue	120.0	157.1	212.1	224.4	196.6	193.2	200.0	208.5	212.2	218.5
Net revenue	46.1	57.7	69.9	77.4	77.4	82.7	90.4	105.7	113.7	123.1
Profit before tax	**20.3**	**26.6**	**30.4**	**34.6**	**32.6**	**34.5**	**37.2**	**41.3**	**46.0**	**49.6**
Tax	3.4	7.9	9.4	10.8	10.5	10.6	10.3	10.3	10.1	10.4
Profit after tax	**16.9**	**18.7**	**21.0**	**23.8**	**22.1**	**23.8**	**26.9**	**31.0**	**35.9**	**39.1**
Earnings per share										
Basic	25.0p	27.7p	31.1p	35.6p	32.9p	35.2p	39.8p	45.7p	52.9p	57.6p
Diluted	24.7p	27.3p	30.8p	35.3p	32.7p	35.1p	39.8p	45.3p	52.6p	57.4p
Dividend per share (excluding special dividends)	7.5p	9.1p	10.4p	11.6p	21.8p	23.4p	26.5p	30.4p	35.3p	38.5p

This table does not form part of the audited financial statements or notes (as listed in the Independent Auditor's Report in the company's statutory accounts for the period ended 31 March 2015). All numbers quoted are reported under IFRS.

Today, with an ever expanding number of ways to pay, customers increasingly expect to pay the way they want, wherever they are and at any time. PayPoint answers that demand by taking the complexity of multi-channel payments and translating it into convenient, simple, value-added solutions.

We are an international leader in our field, and a pioneer of a range of payment technologies. We handle over £14 billion in payments annually, for 5,500 clients and merchants. Our solutions transform payments for everyone from consumers to retailers and our clients in utilities, telcos, media, gaming, government and other sectors. Our services are delivered through our unique combination of local shops, mobile and online distribution channels, both delivered through the businesses we own and by integrating the best services from more specialised suppliers.

Retail networks

We operate branded retail networks across the UK, Ireland and Romania.

In the UK, our growing network already includes terminals in over 27,800 local shops including Co-op, Spar, McColls, Costcutter, Sainsbury's Local, Tesco Express, One Stop, Asda, Londis and thousands of independent outlets. These outlets are quick and convenient places to make energy meter prepayments, bill payments, benefit payments, mobile phone top-ups, transport tickets, BBC TV licences, cash withdrawals and a range of other transactions. They are made available to customers by most leading utilities and a range of telecoms and consumer service companies.

Our Romanian network continues to grow profitably. We have more than 9,200 terminals in local shops across the country, helping people make cash bill payments, money transfers, road tax payments and mobile phone top-ups.

In the Republic of Ireland, people use our 500 terminal sites in shops and Credit Unions for mobile top-ups and bill payments.

In the UK, our Collect+ joint venture with Yodel offers parcel drop-off and pick-up services in 5,800 convenience stores. Customers use Collect+ to handle parcels from major retailers including Amazon, eBay, ASOS, New Look, Boden, John Lewis, House of Fraser, M&S, Asda Direct and Very.

The UK network also includes over 4,000 LINK branded ATMs, and 9,800 of our terminals enable retailers to accept debit and credit cards.

Mobile and Online

Our unique mix of digital payments solutions helps maximise success in a complex and rapidly changing world. Every year, PayPoint Mobile and Online handles over 145 million payments for parking, payments and consumer services. In the UK, Canada, USA, France, Switzerland and Australia, our parking solutions make it easy for people to pay for parking by mobile – increasingly through our own app. We also provide electronic parking permits, automatic number plate recognition systems for car parks, and penalty charge notices.

Our online payments platform is linked to 16 acquiring banks in the UK, Europe and North America. It delivers secure credit and debit card payments for over 4,600 online merchants, including Moonpig, WHSmith, London and Zurich Insurance, Moneysupermarket.com, Severn Trent and British Gas. Our comprehensive suite of products ranges from our transaction gateway to a bureau service, in which we take the merchants' credit risk and manage settlement for them. We also offer a variety of value-added services such as FraudGuard, an advanced service that mitigates the risk of fraud in card not present transactions, Cardlock, an innovative solution for PCI compliance, PayCash through the PayPoint network and Cashier, one of the most advanced hosted digital payment solutions.

As well as this extensive range of services and solutions, we provide the backing of our 24/7 operations centres, with dual site processing to ensure business continuity. Little wonder, then, that PayPoint is so widely renowned for leadership in payment systems, smart technology and service.

Our history is one of anticipating clients' needs and pioneering solutions to meet them ahead of demand. Our future will be no different. Every day, we reinforce our competitive edge by developing our range of payments, products and services across the growing multitude of channels delivering best of breed services through our own and our expert supplier capabilities.