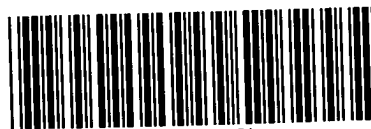


COMPANY REGISTRATION NUMBER 02359322

**FT8 PLC AND SUBSIDIARIES**  
**(FORMERLY Ezybonds (UK) PLC AND SUBSIDIARIES)**

**FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS ENDED**  
**31 DECEMBER 2014**

SATURDAY



A12      \*A49Y80A8\*      #279  
20/06/2015  
COMPANIES HOUSE

# **FT8 PLC (FORMERLY EZYBONDS (UK) PLC)**

## **FINANCIAL STATEMENTS**

**12 MONTHS ENDED 31 DECEMBER 2014**

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# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## CORPORATE DIRECTORY

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<b>THE BOARD OF DIRECTORS</b>	Phillip J Pryor Sean S McShane
<b>COMPANY SECRETARY</b>	Anthony Hedges
<b>REGISTERED OFFICE</b>	Heathrow Business Centre 65 High Street Egham Surrey TW20 9EY
<b>SHARE REGISTRARS</b>	Capita IRG Bourne House 34 Beckenham Road Beckenham Kent BR3 4TU
<b>AUDITOR</b>	Menzies LLP, Chartered Accountants Heathrow Business Centre 65 High Street Egham Surrey TW20 9EY
<b>BANKERS</b>	National Westminster Bank Plc Cavell House 2a Charing Cross Road London WC2H 0PD
<b>SOLICITORS</b>	Hamblins LLP Roxburghe House 273-287 Regent Street London W1B 2AD
<b>CORPORATE ADVISERS</b>	W.H. Ireland Limited 11 St James' Square Manchester M2 6WH

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTICE OF MEETING

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at 11.00am on Tuesday 30 June 2015 in the Delacombe Room, Pullman Melbourne on the Park, 192 Wellington Parade, East Melbourne, Victoria, Australia.

*An Explanatory Memorandum containing information in relation to each of the following resolutions accompanies this Notice of Annual General Meeting (refer page 4). The Explanatory Memorandum also explains why the directors of the Company recommend that shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting. This Notice of Annual General Meeting should be read in conjunction with the Explanatory Memorandum.*

### 1 Ordinary Business

As ordinary business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

#### *Ordinary Resolutions*

#### **1.1 Adoption of audited financial statements**

To receive and adopt the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 together with the Chairman's Statement, the Strategic Report, the Directors' Report and the Independent Auditors' Report.

#### **1.2 Re-election of Mr SS McShane**

That Mr SS McShane, a Director who retires in accordance with Article 83 of the Articles of Association of the Company, be re-elected as a Director of the Company.

#### **1.3 Re-appointment of Auditor**

To re-appoint Menzies LLP, Chartered Accountants as Auditor to hold office from the conclusion of this Annual General Meeting to the conclusion of the next meeting at which accounts are laid before the Company at a remuneration to be determined by the Directors.

### 2 Special Business

As special business to consider and, if thought fit, pass the following resolutions; in the case of resolution 2.1 as an Ordinary Resolution and in the case of resolution 2.2 as a Special Resolution:

#### *Ordinary Resolution*

#### **2.1 Authority to issue shares**

That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and they are generally and unconditionally authorised pursuant to Section 551, Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "relevant securities") up to an aggregate nominal amount of £80,000,000 provided that, unless previously revoked, varied or extended, this authority shall expire at the conclusion of the next Annual General Meeting of the Company, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTICE OF MEETING

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### *Special Resolution*

#### **2.2 Waiver of pre-emption rights**

That subject to the passing of Resolution 2.1 above the Directors be empowered pursuant to Section 570 of the Act until the conclusion of the next Annual General Meeting of the Company to allot or agree to allot equity securities wholly for cash pursuant to the authority conferred by the said resolution above and/or by way of a sale of treasury shares for cash (by virtue of Section 573 of the Act), in each case as if Section 561 of the Act did not apply to any such allotment provided that the Company may make any offer or agreement before the expiry of this authority which would or might require equity securities to be allotted (and treasury shares to be sold) after this authority had expired and the Directors may allot equity securities (and sell treasury shares) in pursuance of any such offer or agreement. For the purposes of this resolution the expression 'equity securities' and 'allot' shall bear the meanings respectively given to the same in Section 560 of the Companies Act 2006.

Dated: 29 May 2015

By order of the Board



Anthony Hedges

Company Secretary

#### **ANNUAL GENERAL MEETING and PROXY INSTRUCTIONS**

A member (entitled to attend and vote) is entitled to appoint up to two proxies to attend and vote at the meeting in his/her place. A proxy form is included within this Annual Report (refer to pages 29 to 30). A separate proxy form must be used for each proxy. You can obtain an additional proxy form from the Company (or by photocopying the proxy form).

1. Pursuant to Part 13 of the Companies Act 2006 and to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company at 6.00 p.m. on 26 June 2015 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

2. If you wish to attend the AGM in person, you should make sure that you arrive at the venue for the AGM in good time before the commencement of the meeting. You may be asked to prove your identity in order to gain admission.

3. A member who is entitled to attend, speak and vote at the AGM may appoint a proxy to attend, speak and vote instead of him. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A proxy need not be a member of the Company but must attend the AGM in order to represent you. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. Appointing a proxy will not prevent a member from attending in person and voting at the AGM (although voting in person at the AGM will terminate the proxy appointment). The proxy need not be a member, but must be a natural person. A proxy may be appointed by reference to an office held by the proxy (eg "the Company Secretary"). A proxy form is enclosed. The notes to the proxy form include instructions on how to appoint the Chairman of the AGM or another person as a proxy. You can only appoint a proxy using the procedures set out in these Notes and in the notes to the proxy form.

4. To be valid, a proxy form, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should reach the Company's registered office, Heathrow Business Centre, 65 High Street, Egham, Surrey, London, United Kingdom TW20 9EY or by facsimile to +44 (0)1784 497 101, by no later than 11.00 a.m. on 26 June 2015.

5. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.

# **FT8 PLC (FORMERLY EZYBONDS (UK) PLC)**

## **NOTICE OF MEETING**

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6. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: Either by the appointment of a proxy described in Notes 3 to 5 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.

### **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of shareholders of FT8 plc ("FT8" or the "Company") in connection with the business to be conducted at the Annual General Meeting of the Company to be held at 11.00 am on Tuesday 30 June 2015 in the Delacombe Room, Pullman, Melbourne on the Park, 192 Wellington Parade, East Melbourne Victoria, Australia. (Australian time).

This Explanatory Memorandum forms part of the Notice of Annual General Meeting of the Company and comments on the resolutions described below. This Explanatory Memorandum is intended to assist shareholders in understanding the background to and legal and other reasons for the resolutions proposed.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making a decision in relation to the resolutions.

### **Enquiries**

All enquiries in relation to the contents of the Notice of Annual General Meeting or the Explanatory Memorandum should be directed to the Directors, Mr Pryor (telephone: +61 (0) 419 342 457 and Mr McShane (telephone: +18 (0) 172 718 169).

### **Ordinary Business**

#### **1.1 Adoption of audited accounts**

The Companies Act 2006 requires that the audited consolidated accounts of the Group and report of the directors and auditors for the year ended 31 December 2014 be laid before the Annual General Meeting.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Group's 2014 audited consolidated accounts.

#### **1.2 Re-election of Mr SS McShane**

Mr SS McShane retires as a director by rotation and will stand for re-election in accordance with the Company's articles of association.

#### **1.3 Re-appointment of Auditor**

The Company is required to appoint auditors at each general meeting at which financial statements are presented. These resolutions propose the re-appointment of the Company's existing auditors, Menzies LLP, and follow standard practice in giving authority to the board to determine their remuneration.

### **Special Business**

#### **2.1 Authority to issue shares**

Under UK company law, specifically section 549, of the Companies Act 2006, Directors may not generally allot any shares, issue securities convertible into shares, or grant options to subscribe for shares without authority given either by a provision in the Company's articles of association or by ordinary resolution (meaning simple majority) of the shareholders of the Company. In addition, the authority granted to Directors of a public company may not continue for a period of more than five years.

Resolution 2.1 is required to be passed in order to comply with both section 549 of the Companies Act 2006 and the Company's Articles of Association and to allow the Directors general authority to allot shares for general purposes.

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTICE OF MEETING

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### 2.2 Waiver of pre-emption rights

Section 561 of the Companies Act 2006 requires that before equity shares are allotted in return for cash they must be first offered to existing shareholders on a right of first refusal basis and in proportion to the respective shareholders' existing holdings (the "Pre-emption Rights"). Section 569 of the Companies Act 2006 allows the shareholders of a company to disapply their Pre-emption Rights by passing a special resolution, subject to Resolution 2.1 also being passed.

Resolution 2.2 is the form of resolution which will allow the disapplication of Pre-emption Rights.

The Company is seeking the waiver of Section 561 Pre-emption Rights in order for the Directors to make allotments for general purposes without the need to first offer those shares to existing shareholders.

The waiver of pre-emption rights following the passing of Resolution 2.2 will expire at the Company's 2015 Annual General Meeting.

### Recommendation

The directors consider that each of the proposed resolutions set out in the notice of Annual General Meeting are in the best interests of the Company and its shareholders as a whole. Accordingly, the directors unanimously recommend that you vote in favour of the resolutions, as they and those connected with them intend to do in respect of their own beneficial shareholdings, which amount in aggregate to 18,606,000 ordinary shares, representing approximately 2.52% of the issued share capital of the Company.

Registered office:

Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

By order of the board



Anthony Hedges  
Company Secretary

Dated: 29 May 2015

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## CHAIRMAN'S STATEMENT

12 MONTHS ENDED 31 DECEMBER 2014

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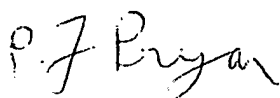
The past year has been one of disappointment with the inability of the Ezybonds system to be made fully functional and operational. In addition the Directors of the Company have reassessed the Company's future direction given the extended timeline for financial outcomes and the restrictive nature of the formal Marketing and Promotions Agreement (MPA).

The combination of no income from the payment platform, the lack of income prospects looking forward and the business restrictions placed on EzyPromotions Limited under the MPA in terms of business options, meant that the Directors believe that FT8 Plc (Formerly Ezybonds (UK) Plc) could be placed at risk in the near to medium term if a new direction was not sought. The Directors decided to formally give notice to terminate the restrictive MPA on 18 March 2015.

In line with the disappointing failure of the Ezybonds payment platform to deliver revenues after around 10 years of work and the apparent public market damage to the brand image due to the failure of the system in the market place, especially in the USA, it has been necessary to write down the goodwill component that has been on the Company balance sheet in anticipation of significant but unfilled revenues being generated by the Ezybonds payment platform. The failure of the platform to deliver revenues has made the goodwill component redundant in terms of accounting standards and future practical business outcomes.

With the termination of the MPA, the Company is deemed to be an investing Company for the purpose of the ISDX Rules for Issuers. The Directors have accordingly been required to reassess the Company's business strategy and formulate a new business strategy that it is intended will provide a new market identity, multiple business income sources, short-term cash flows, longer-term growth opportunities and the potential to grow on an international basis within the finance and technology industry sectors. The outline of this investment strategy was announced on 19 March 2015 and further updates will be provided in due course as the strategy evolves. The Company must make an acquisition or have a business activity within 6 months of 19 March 2015 or trading in the Company's shares will be suspended.

On behalf of your directors I look forward to a strong, sustainable business and financial future that is aimed at rewarding all shareholders over the coming years.



Phillip J Pryor  
Acting Chairman



# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## THE STRATEGIC REPORT

12 MONTHS ENDED 31 DECEMBER 2014

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The Directors present their strategic report for the group for the 12 months ended 31 December 2014.

### THE STRATEGIC REPORT

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group for the 12 months ended 31 December 2014 was the promotion of Ezybonds™ through its marketing entity, EzyPromotions Limited. EzyPromotions Limited has the worldwide marketing and distribution rights for the Ezybonds intellectual property as set out in the Marketing and Promotions Agreement (MPA) dated 2 September 2005 (between Ezybonds Inc and EzyPromotions Limited as amended by deeds dated 3 February 2009, 21 August 2009, 14 January 2010, 19 June 2012, and a side letter dated 4 June 2014). Attaching to these rights is the right in perpetuity to 60% of all the revenue received by Ezybonds Inc (excluding revenue derived from funds held in the Bonus Pool Account).

As discussed in note 10, Intangible Fixed Assets, the Directors have conducted an impairment review of the value of the carrying value of the investment in EzyPromotions Limited and royalty entitlements. The Directors have carefully considered the royalty agreement secured by EzyPromotions Limited with Ezybonds Inc. The directors have concluded that they do not have sufficient confidence that the income expected to be generated under this agreement supports any investment in goodwill and thus consider all goodwill and royalty entitlements to be impaired.

#### FUTURE DEVELOPMENTS

The company announced on the 19 March 2015 that notice had been given to Ezybonds Inc terminating the MPA. The Directors believe the termination of the MPA will enable the company to pursue other opportunities that would have been unavailable if the MPA was in place.

The key components of the new business strategy are:

- Re-build the market perception of the company in name and business activity.
- Develop multiple sources of revenue and income streams.
- Seek acquisitions and business partnerships in the global finance technology business sectors.
- Ensure the business has excellent growth prospects and international expansion opportunities.
- Develop Tier 1 business partners to work with the company in its business growth plans.
- Ensure the company has long-term sustainable revenue, profitability and cash flow.
- Recapitalise the company's balance sheet to ensure the company has adequate financial resources to follow the business opportunities, short term and long term, which arise from the business plan.
- With the business being an independent business in its own right appoint and develop a strong executive management team.
- The current directors believe that a strategy to build a stronger and more diverse board of directors that represents the international emphasis of the business and the various sectors of operation should be implemented.

The company is confident that the steady development of its core business and its search for appropriate and relevant acquisitions will lead to a strong and sustainable profitable business that should reward shareholders over time.

#### GOING CONCERN

The Directors believe it is appropriate for the group's financial statements to be prepared on this basis for the reasons explained under note 1.

#### KEY PERFORMANCE MEASURES

At the present time the Directors do not consider the use of Key Performance Indicators appropriate for evaluating the performance of the Group.

#### PRINCIPLE RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks principally being the successful implementation of the new business strategy.

Registered office:  
Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

Signed by order of the Directors

  
Anthony Hedges  
Company Secretary

Approved by the Directors on 29 May 2015

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# FT8 PLC (FORMERLY Ezybonds (UK) PLC)

## THE DIRECTORS' REPORT

12 MONTHS ENDED 31 DECEMBER 2014

### THE DIRECTORS' REPORT

The Directors present their report and the financial statements of the group for the 12 months ended 31 December 2014.

#### RESULTS AND DIVIDENDS

The loss for the year amounted to £53,837,393. The Directors have not recommended a dividend. A review of the Group's business and future prospects are given in the Chairman's Statement.

#### FINANCIAL INSTRUMENTS

Details of the Group's financial risk management objectives and policies are included in note 15 to the accounts.

#### THE DIRECTORS AND THEIR INTERESTS

The directors who served the Company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 31 Dec 2014	At 1 Jan 2014
Phillip J Pryor	Ordinary shares of 1p each	18,606,000	18,606,000
	Share warrants (3.5p)	9,960,000	9,960,000
Anthony G Liston (resigned 30 November 2015)	Ordinary shares of 1p each	5,048,380	5,048,380
	Share warrants (3.5p)	-	600,000
Sean S McShane	Ordinary shares of 1p each	-	500,000
	Share warrants (3.5p)	-	700,000

The director's warrants referred to above represent 9,960,000 warrants to subscribe for 1p ordinary shares at 3.5p per ordinary share at any time before 15 June 2016.

The ISDX quoted share price of the Company's ordinary shares as at 31 December 2014 was 0.6p (2013 - 2.50p) per ordinary 1p share and has varied between 2.5p and 0.60p (2013 3.50p and 2.50p) per ordinary 1p share during the year.

#### SUBSTANTIAL INTERESTS

At the date of signing this report the following interests in three per cent or more of the issued ordinary share capital were noted in the Company's share register:

	% of ordinary £0.01 shares
Roy Nominees Limited	5.9%
Pershing Nominees Limited	5.4%

#### POLICY ON THE PAYMENT OF CREDITORS

It is the general policy of the company to pay for the supply of goods and services within 30 days of the date of any invoice or, in the case of certain suppliers, in accordance with the terms and conditions of each transaction. The number of days outstanding between receipt of invoices and date of payment, calculated by reference to the amount owed to trade creditors at the year-end as a proportion of the amounts invoiced by suppliers during the period was 54 (2013 - 54) days.

#### CORPORATE GOVERNANCE

The Board supports the highest standards of corporate governance and requires its members and the staff of the Company to act with integrity and objectivity in relation to:

- \* compliance with the law;
- \* record keeping;
- \* conflicts of interest;
- \* confidentiality;
- \* professional conduct;
- \* dealing with suppliers, advisers and regulators; and
- \* dealing with the community and employees.

The Board's primary role is the protection and enhancement of long-term shareholder value. The Board is responsible for the overall corporate governance of the Group including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Given the current size and scope of the operations of the Company, the full Board has assumed those responsibilities that are ordinarily assigned to a Nomination Committee, a Remuneration Committee and an Audit Committee.

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## THE DIRECTORS' REPORT

12 MONTHS ENDED 31 DECEMBER 2014

---

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the consolidated entity's business objectives.

The composition of the Board will be reviewed during the forthcoming year to ensure that the Board has the appropriate mix of expertise and experience.

The Board reviews its processes to ensure that it is able to carry out its functions in the most effective manner.

### DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the group for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### STRATEGIC REPORT

The group has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the group's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

### AUDITOR

Menzies LLP, Chartered Accountants are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:  
Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

Signed by order of the Directors



Anthony Hedges  
Company Secretary

Approved by the Directors on 29 May 2015

---

# **FT8 PLC (FORMERLY EZYBONDS (UK) PLC)**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FT8 PLC and Subsidiaries**

**12 MONTHS ENDED 31 DECEMBER 2014**

---

We have audited the group and parent company financial statements ("the financial statements") of FT8 PLC and Subsidiaries for the year ended 31 December 2014 which comprises the Group Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2014 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **EMPHASIS OF MATTER – Going concern**

In forming our opinion on the financial statements which are not modified, we have considered the adequacy of the disclosures made in note 1 concerning the group ability to continue as a going concern.

Subsequent to the year end, having concluded that there was little confidence in the ability of the Marketing and Promotions Agreement with Ezybonds Inc to generate future revenues the directors have terminated the agreement. Consequently the directors have provided in full for the goodwill, royalty entitlements and in the parent company the investment and intercompany debt due from EzyPromotions Limited.

After allowing for this write off the Group has net assets of £339,701 and the Company has net assets of £336,344.

The termination of the contract has now given the directors the opportunity to pursue other avenues of revenue and as detailed in note 1 there are various projects and funding being considered. However, as at the point of signing the audit report nothing has been finalised and along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern should they be unsuccessful in generating future revenue streams. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

# **FT8 PLC (FORMERLY EZYBONDS (UK) PLC)**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FT8 PLC and Subsidiaries**

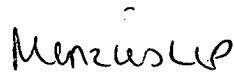
**12 MONTHS ENDED 31 DECEMBER 2014**

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### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



JANICE MATTHEWS FCA (Senior Statutory Auditor)  
For and on behalf of  
MENZIES LLP  
Chartered Accountants  
& Statutory Auditor

Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

29 May 2015

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## GROUP PROFIT AND LOSS ACCOUNT

12 MONTHS ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
<b>GROUP TURNOVER</b>			
Discontinued operations	3	330	4,095
		<u>330</u>	<u>4,095</u>
Gross Profit		330	4,095
Administrative expenses		(53,837,723)	(525,954)
		<u>(53,837,723)</u>	<u>(525,954)</u>
<b>OPERATING LOSS:</b>	4		
Continuing operations		(559,442)	(525,954)
Discontinued operations		(53,277,951)	4,095
		<u>(53,837,393)</u>	<u>(521,859)</u>
<b>GROUP OPERATING LOSS</b>		(53,837,393)	(521,859)
Attributable to:			
Operating loss before exceptional items		(559,112)	-
Exceptional items	4	(53,278,281)	-
		<u>(53,837,393)</u>	<u>(521,859)</u>
Interest receivable		-	16
		<u>-</u>	<u>16</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(53,837,393)	(521,843)
Tax on loss on ordinary activities	7	-	-
		<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	8	(53,837,393)	(521,843)
		<u>(53,837,393)</u>	<u>(521,843)</u>
<b>Earnings per share (pence)</b>			
Basic	9	(0.10)	(0.01)
		<u>(0.10)</u>	<u>(0.01)</u>
Diluted	9	(0.10)	(0.01)
		<u>(0.10)</u>	<u>(0.01)</u>

The group has no recognised gains or losses other than the results for the period as set out above.

The company has taken advantage of section 408 of the Companies Act 2006  
not to publish its own Profit and Loss Account.

The notes on pages 16 to 26 form part of these financial statements.

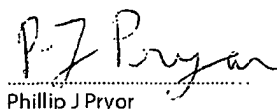
# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## GROUP BALANCE SHEET

31 DECEMBER 2014

		2014		2013	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Goodwill and Intangible assets	10		-		47,060,572
Tangible assets	11		-		-
					<u>47,060,572</u>
<b>CURRENT ASSETS</b>					
Debtors	13	20,700		7,483	
Cash at bank		347,446		90,245	
		<u>368,146</u>		<u>97,728</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>28,445</u>		<u>74,407</u>	
<b>NET CURRENT ASSETS</b>			339,701		23,321
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>339,701</u>		<u>47,083,893</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	17		39,351,061		37,115,687
Share premium account	18		2,762,214		2,160,467
Merger reserve	18		4,413,320		1,114,329
Other reserves	18		17,400		17,400
Share based payment reserve	18		957,089		-
Profit and loss account	18		(47,161,383)		6,676,010
<b>SHAREHOLDERS' FUNDS</b>	19		<u>339,701</u>		<u>47,083,893</u>

These financial statements were approved by the directors and authorised for issue on 29 May 2015, and are signed on their behalf by:



Phillip J Pryor

The notes on pages 16 to 26 form part of these financial statements.

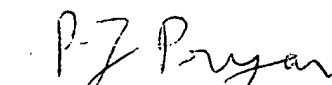
# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## BALANCE SHEET

31 DECEMBER 2014

		2014	2013
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible assets	11		-
Investments	12		23,446,244
			<u>23,446,244</u>
<b>CURRENT ASSETS</b>			
Debtors	13	20,700	22,504,261
Cash at bank		344,089	87,218
		<u>364,789</u>	<u>22,591,479</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	28,445	109,466
			<u>109,466</u>
<b>NET CURRENT ASSETS</b>		<u>336,344</u>	<u>22,482,013</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>336,344</u>	<u>45,928,257</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	17	39,351,061	37,115,687
Share premium account	18	2,762,214	2,160,467
Other reserves	18	17,400	17,400
Profit and loss account	18	(41,794,331)	6,634,702
<b>SHAREHOLDERS' FUNDS</b>		<u>336,344</u>	<u>45,928,257</u>

These financial statements were approved by the directors and authorised for issue on 29 May 2015, and are signed on their behalf by:

  
Phillip J Pryor

Company Registration Number: 02359322

The notes on pages 16 to 26 form part of these financial statements.



# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## GROUP CASHFLOW STATEMENT

12 MONTHS ENDED 31 DECEMBER 2014

<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	(618,290)	(422,397)	
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		15	
<b>CASH OUTFLOW BEFORE FINANCING</b>	(618,290)	(422,382)	
<b>FINANCING</b>			
Issue of equity share capital	875,491	5,486	
<b>NET CASH INFLOW FROM FINANCING</b>	875,491	5,486	
<b>INCREASE / (DECREASE) IN CASH</b>	257,201	(416,896)	
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>			
	<b>2014</b>	<b>2013</b>	
	<b>£</b>	<b>£</b>	
Operating profit/(loss)	(53,837,393)	(521,843)	
(Increase) / decrease in debtors	(13,216)	41,056	
(Decrease) / increase in creditors	(45,962)	58,390	
Impairment of goodwill	53,278,281	-	
Net cash outflow from operating activities	(618,290)	(422,397)	
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
	<b>2014</b>	<b>2013</b>	
	<b>£</b>	<b>£</b>	
Increase /(Decrease) in cash in the period	257,201	(416,896)	
Movement in net funds in the period	257,201	(416,896)	
Net funds at 1 January 2014	90,245	507,141	
Net funds at 31 December 2014	347,446	90,245	
<b>ANALYSIS OF CHANGES IN NET FUNDS</b>			
	<b>At</b>	<b>At</b>	
	<b>1 Jan 2014</b>	<b>Cash flows</b>	<b>31 Dec 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Net cash:			
Cash in hand and at bank	90,245	257,201	347,446
Net funds	90,245	257,201	347,446

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

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### 1. BASIS OF PREPARING THE FINANCIAL STATEMENTS

#### Going Concern

The Group generated a loss of £53,837,393 in the year ending 31 December 2014.

On 19 March 2015 EzyPromotions Limited gave notice to Ezybonds Inc of its termination of the agreement between EzyPromotions Limited and Ezybonds Inc as detailed in note 22.

FT8 Plc subsequent to the termination of the royalty agreement between EzyPromotions Limited and Ezybonds Inc have entered into discussions with parties with a view to generating significant alternative future income during the year ended 31 December 2015.

The Directors consider that the cash balances reported in these financial statements are adequate to fund the existing operating activities and meet creditors as they fall due for the 12 months following the signing of these accounts. Further committed funding facilities that are to be put in place in June and July 2015 will enable the group to fund additional future operating and investing activities over the forthcoming 12 months.

The Directors of the Group have concluded that the combination of these circumstances does mean the Group is able to continue trading within its current working capital position. Having considered any associated uncertainties, and given the potential to raise additional finance, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for a period of 12 months from the date the financial statements were signed and as such have prepared the accounts on the going concern basis.

### 2. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

#### Basis of consolidation

The Group financial statements comprise the financial statements for FT8 PLC and its subsidiary undertakings Ezymarketing Limited and EzyPromotions Limited. No profit and loss account is presented for FT8 PLC as permitted by Section 408 of the Companies Act 2006.

#### Turnover

The turnover shown within the profit and loss account represents the following components;

- Income received in accordance with the license agreement held between Ezybonds Inc and EzyPromotions Limited

All income is stated net of VAT.

#### Goodwill

Goodwill arising from the purchase of subsidiary undertakings represents the excess of the fair value of the purchase consideration over the fair value of the net assets acquired.

The goodwill is capitalised as an intangible asset and amortised on a straight line basis from the time of acquisition over its useful economic life unless a permanent diminution in value occurs, in which case the goodwill is written down to the appropriate carrying value.

#### Amortisation

Amortisation is calculated to write off the cost of goodwill and the royalty entitlement over the period of its useful economic life as follows:-

Goodwill on acquisition of subsidiary undertakings and royalty entitlements - 20 years straight line

An impairment charge has been made in the year because the business to which the goodwill and royalty entitlement relates has not been able to conduct trading activities to the level intended.

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

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### 2. ACCOUNTING POLICIES (*continued*)

#### Fixed asset investments

Fixed asset investments are included in the Company's balance sheet at cost after provision for any permanent diminution in value. The Company has taken advantage of Section 612 of the Companies Act 2006 and where consideration for purchase of a subsidiary undertaking includes the issue of shares, these have been included at nominal value.

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	-	33 1/3% per annum
Point of sale terminals	-	20% per annum

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Foreign currencies

##### *Company*

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

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### 2. ACCOUNTING POLICIES (*continued*)

#### *Group*

For the purposes of preparing consolidated financial statements, the assets and liabilities of foreign subsidiary undertakings are translated at the exchange rates ruling at the balance sheet date. Profit and loss items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly in the year, in which case the exchange rates ruling at the dates of the transactions are used. Exchange differences arising are taken to the Group's foreign currency translation reserve. Such exchange differences are recognised in the profit and loss account in the year in which a foreign subsidiary undertaking is disposed of.

Goodwill and fair adjustments arising on the acquisition of a foreign subsidiary undertaking are treated as assets and liabilities of the foreign subsidiary and translated at the closing rate.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Investments**

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss account when the investment is derecognised, or impaired, as well as through the amortisation process.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

#### **Trade and other debtors**

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

#### **Cash and cash equivalents**

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

#### **Interest-bearing loans and borrowings**

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

#### **Derivative financial instruments**

The group does not use derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and currency fluctuation risk.

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

### 3. TURNOVER

An analysis of turnover is given below:

	2014	2013
	£	£
Overseas	<u>330</u>	<u>4,095</u>

### 4. OPERATING LOSS

Operating loss is stated after charging:

	2014	2013
	£	£
Exceptional costs – Impairment of goodwill (note 10)	53,278,281	-
Net loss on foreign currency translation	37,816	24,863
Auditor's remuneration	<u>13,000</u>	<u>12,500</u>

### 5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the Group during the financial period amounted to:

	2014	2013
	No	No
Administrative staff (including directors)	<u>3</u>	<u>3</u>

### 6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2014	2013
	£	£
Remuneration receivable	<u>260,448</u>	<u>96,991</u>

Included in the above is £44,900 (2013 - £28,423) which has been invoiced by Priority Services Pty Ltd on behalf of P Pryor during the year.

Remuneration of the highest paid director during the current year amounted to £111,341.

### 7. TAXATION ON ORDINARY ACTIVITIES

#### Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 20% (2013 - 20%).

	2014	2013
	£	£
Loss on ordinary activities before taxation	<u>(53,837,393)</u>	<u>(521,843)</u>
Loss on ordinary activities by rate of tax	(10,767,478)	(104,369)
Capital allowances for period in excess of depreciation	-	(327)
Unrelieved tax losses	10,715,467	61,181
Expenses not deductible for tax purposes	<u>52,011</u>	<u>43,515</u>
Total current tax	<u>-</u>	<u>-</u>

#### Factors that may affect future tax charges

The Group has excess management costs of £2,557,760 (2013 - £2,297,705) that are available for carry forward against future taxable profits of the parent company only.

No deferred tax asset has been recognised in respect of the above losses because their utilisation is not considered sufficiently certain.

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

### 8. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £48,429,033 (2013 – loss £524,870).

### 9. EARNINGS PER SHARE

The basic earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year.

The diluted earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year (after adjusting both figures for the effect of dilutive potential ordinary shares).

The calculation of basic and diluted earnings per ordinary share is based upon the following data:

Earnings	2014	2013
	£	£
Earnings for the purposes of basic earnings per share	(53,837,393)	(521,843)
Earnings for the purposes of diluted earnings per share	(53,837,393)	(521,843)
Number of shares	2014	2013
	No	No
Basic weighted average number of shares	524,049,403	359,831,712
Weighted average number of shares for the purposes of diluted earnings per share	524,049,403	359,831,712

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

### 10. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Royalty Entitlements £	Total £
<b>COST</b>			
At 1 Jan 2014	24,560,572	22,500,000	47,060,572
Additions	6,217,709	-	6,217,709
<b>At 31 December 2014</b>	<b>30,778,281</b>	<b>22,500,000</b>	<b>53,278,281</b>
<b>AMORTISATION</b>			
At 1 Jan 2014	-	-	-
Impairment	30,778,281	22,500,000	53,278,281
<b>At 31 December 2014</b>	<b>30,778,281</b>	<b>22,500,000</b>	<b>53,278,281</b>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 1 January 2014	24,560,572	22,500,000	47,060,572

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

### 10. INTANGIBLE FIXED ASSETS (continued)

On consolidation the intangible fixed assets of the group are represented by two significant assets. These are goodwill on consolidation of £30,778,281 and Royalty Entitlements of £22,500,000 that are in addition to the original purchase of EzyPromotions Limited. Note 13 *Debtors* refers to the amount owing by EzyPromotions Limited to the parent company resulting from the purchase of the additional Royalty Entitlements. The Directors believe that this amount outstanding will not be serviced from future revenues and have written off the amount outstanding.

£30,778,281 of the goodwill above arises on the consolidation of EzyPromotions Limited into the group accounts. At the date of acquisition, EzyPromotions Limited has no identifiable assets or liabilities other than the worldwide marketing and distribution rights to the Intellectual Property of Ezybonds Inc. The entire fair value of the consideration of £53,278,281, which includes £6,217,709 of additions in the current year, has therefore been allocated to goodwill. The goodwill arising on the acquisition was attributable primarily to the fact that EzyPromotions Limited was originally granted a royalty entitling it to 15% of the fees generated by the Ezybonds online payment gateway.

Subsequent to the purchase of EzyPromotions Limited in 2005, there have been a number of additional royalty increments purchased from Ezybonds Inc for a total cost of £22,500,000. In June 2012 an additional 10% Royalty was purchased for the consideration of 50,000,000 Ezybonds UK Plc 10p fully paid shares. These increments amount to 45% of the fees generated by the Ezybonds online payment gateway. On consolidation the total entitlement to revenue is now 60% of the fees generated by Ezybonds. (Excluding revenue derived from funds held in the Bonus Pool Account).

The Directors have conducted an impairment review of the value of the carrying value of the investment in EzyPromotions Limited and royalty entitlements. As at 31 December 2014, the combined cost across the group of the investment in shares and royalty entitlements is £53,278,281. The Directors have carefully considered the royalty agreement secured by EzyPromotions Limited with Ezybonds Inc. The directors have concluded that they do not have sufficient confidence that the income expected to be generated under this agreement supports any investment in goodwill and thus consider all goodwill and royalty entitlements to be impaired.

### 11. TANGIBLE FIXED ASSETS

Group	Computer equipment £
<b>COST</b>	
At 1 January 2014 and 31 December 2014	11,663
<b>DEPRECIATION</b>	
At 1 January 2014 and 31 December 2014	11,663
<b>NET BOOK VALUE</b>	
At 31 December 2014	-
At 1 January 2014	-
<b>Company</b>	<b>Computer equipment £</b>
<b>COST</b>	
At 1 January 2013 and 31 December 2014	11,663
<b>DEPRECIATION</b>	
At 1 January 2014 and 31 December 2014	11,663
<b>NET BOOK VALUE</b>	
At 31 December 2014	-
At 1 January 2014	-

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

### 12. INVESTMENTS

Company	Investment in subsidiary undertakings £
<b>COST</b>	
At 1 January 2014	23,894,744
Additions	1,961,629
At 31 December 2014	25,856,373
<b>AMOUNTS WRITTEN OFF</b>	
At 1 January 2014	448,500
Written off in year	25,407,873
At 31 December 2014	25,856,373
<b>NET BOOK VALUE</b>	
<b>At 31 December 2014</b>	
At 1 January 2014	23,446,244

During the year ended 30 June 2006 the Group acquired 100% of the share capital of EzyPromotions Limited, a company registered in the Cook Islands. During the year ended 31 December 2014, shares were issued as further purchase consideration in respect of the settlement agreement, making the total cost £25,856,373.

As detailed in note 10 the Directors have conducted an impairment review of the value of the carrying value of the investment in EzyPromotions Limited and royalty entitlements. The Directors have carefully considered the royalty agreement secured by EzyPromotions Limited with Ezybonds Inc. The directors have concluded that they do not have sufficient confidence that the income expected to be generated under this agreement supports any value in the investment and thus consider the full investment value to be impaired.

Included within the investment cost brought forward, £448,500 relates to Ezymarketing Limited, a wholly owned subsidiary, which was acquired in December 2000 and is incorporated in Great Britain. In light of the fact that Ezymarketing Limited is no longer trading and has no immediate intentions to return to a trading position, full provision has been made against the asset.

		Location of Incorporation	Share Ownership	Profit / (Loss) £	Shareholder Reserves £
Ezymarketing Ltd	- 2014	England & Wales	100%	(14,957)	-
	- 2013		100%	-	14,957
EzyPromotions Ltd	- 2014	Cook Islands	100%	(22,994)	3,357
	- 2013		100%	3,028	26,362



# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

### 13. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	-	7,483	-	7,483
Other debtors	20,700	-	20,700	-
Amounts due from group undertakings	-	-	-	22,496,778
	<u>20,700</u>	<u>7,483</u>	<u>20,700</u>	<u>22,504,261</u>

The amount owing from group undertakings includes an amount of £22,500,000 that relates to the purchase of the royalty increments that amount to 45% of the fees generated by the Ezybonds online payment gateway.

The Directors have carefully considered the royalty agreement secured by EzyPromotions Limited with Ezybonds Inc and have concluded that there is no expectation of generating revenue and as such EzyPromotions Limited will not be in a position to repay the debt and it has been fully provided against.

### 14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	-	74,407	-	74,407
Amounts owed to group undertakings	-	-	-	35,059
Accruals and deferred income	28,445	-	28,445	-
	<u>28,445</u>	<u>74,407</u>	<u>28,445</u>	<u>109,466</u>

### 15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise cash, liquid resources and various items, such as debtors and creditors that arise directly from its operations. It is, and has been throughout the year of review, the Group's policy that financial derivatives shall not be used. As a result, the Group has not used interest rate hedges and currency swaps during the year.

The main risk arising from the Group's financial instruments is interest rate risk. The Group monitors its interest rate risk primarily through monthly cash flow forecasting.

#### Short term and debtors and creditors

Short term debtors and creditors have been excluded from the following disclosures.

#### Interest rate risk

The Group finances its operations through shareholder equity and working capital. Throughout the period the Group's exposure to interest rate fluctuations was on its cash deposits which are held at variable rates of interest.

#### Foreign currency risk

The Group enters into certain transactions in US dollars and Australian Dollars. The risk of currency fluctuations was not considered sufficiently significant to take specific steps to mitigate the risk.

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

### 15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Interest rate risk profile of financial assets and liabilities

The interest rate profile of the Group's financial assets and liabilities were:

	Financial Assets / (Liabilities)	
	2014	2013
	£	£
<b>Financial assets</b>		
USD and Australian \$ cash balances	347,446	90,245

#### Fair value of financial instruments

The Group's financial instruments, which comprise cash and short-term deposits, are carried at cost, which is also considered to be equivalent to their fair value.

### 16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions from disclosure of related party transactions with all other group members available under Financial Reporting Standard No 8 on the basis that they are all 100% owned.

### 17. SHARE CAPITAL

#### Allotted and fully paid up

	2014		2013	
	No	£	No	£
Ordinary shares of £0.01 each	737,338,591	7,373,387	360,264,160	3,602,642
Deferred shares of £0.01 each	3,197,767,437	31,977,674	3,197,767,437	31,977,674
	<u>3,935,106,028</u>	<u>39,351,061</u>	<u>3,558,031,597</u>	<u>35,580,316</u>

#### Share issues

During the year the company has issued 377,074,431 Ordinary shares of 1p each.

These issues were made up as follows:

- (a) 349,700,000 Ordinary shares of 1p each in accordance with the terms of the Settlement Agreement reached with Ezybonds Inc during the year.
- (b) 27,374,431 Ordinary shares of 1p each as a result of new placements being made to market.

All share issues have been undertaken in the normal course of business.

#### Accrued shares to be allotted

	2014		2013	
	No	£	No	£
Shares still to be issued in respect of purchase consideration for subsidiary undertakings of £0.01 each	-	-	153,537,060	1,535,371
	<u>-</u>	<u>-</u>	<u>153,537,060</u>	<u>1,535,371</u>

During the year a Settlement Agreement was reached with Ezybonds Inc in relation to the completion of these obligations relating to the acquisition of EzyPromotions Limited in 2005. As a result of this 349,700,000 ordinary shares and 250,000,000 warrants have been issued to Ezybonds Inc in full and final settlement of this transaction.

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

### 17. SHARE CAPITAL (continued)

#### Share options and warrants

At 31 December 2014 there are 250,000,000 (2013 – 125,311,841) outstanding share warrants exercisable at 3.5p at any time before 15 June 2016. Each warrant permits the holder to subscribe for one Ordinary 1p share at the specified exercise price and before the stated expiration date.

Warrants outstanding at 31 December 2013 all lapsed during the year.

The 250,000,000 warrants in issue at the year end were issued on 5 June 2014 as part of the settlement agreement with Ezybonds Inc and accordingly have been valued using the Black Scholes pricing model and included as an addition to group goodwill in the year.

The inputs into the model were as follows:

Share warrants granted during year ended 31 December 2014

Weighted average exercise price	£0.035
Expected volatility	73.5%
Expected life	1.5 years
Risk free rate	2.08%

### 18. RESERVES

Group	Share premium account £	Other reserves £	Merger reserve £	Share based payment reserve £	Profit and loss account £
Balance brought forward	2,160,467	17,400	1,114,329	-	6,676,010
Movement for the period	601,747	-	-	-	(53,837,393)
Shares allotted	-	-	3,298,991	-	-
Warrants granted	-	-	-	957,089	-
Balance carried forward	<u>2,762,214</u>	<u>17,400</u>	<u>4,413,320</u>	<u>957,089</u>	<u>(47,161,383)</u>

Company	Share premium account £	Other reserves £	Profit and loss account £
Balance brought forward	2,160,467	17,400	6,634,702
Movement for the period	601,747	-	(48,429,033)
Balance carried forward	<u>2,762,214</u>	<u>17,400</u>	<u>(41,794,331)</u>

### 19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Loss for the financial year	(53,837,393)	(521,843)
New ordinary share capital subscribed and accrued	2,235,374	298,581
New warrants granted	957,089	-
New Share Premium	601,747	3,917
Fair value transfer of shares on acquisition	3,298,991	-
Net addition to shareholders' funds	(46,744,192)	(219,345)
Opening shareholders' funds	47,083,893	47,303,238
Closing shareholders' funds	<u>339,701</u>	<u>47,083,893</u>

# FT8 PLC (FORMERLY EZYBONDS (UK) PLC)

## NOTES TO THE FINANCIAL STATEMENTS

12 MONTHS ENDED 31 DECEMBER 2014

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### 20. CAPITAL COMMITMENTS

As at 31 December 2014 the Group had no capital commitments (2013 - £nil).

### 21. CONTINGENT LIABILITIES

As at 31 December 2014 the Group had no contingent liabilities (2013 - £nil).

### 22. EVENTS AFTER THE BALANCE SHEET DATE

The company announced on the 19 March 2015 that notice had been given to Ezybonds Inc terminating the Marketing and Promotions Agreement (MPA) dated 2 September 2005 (between Ezybonds Inc and EzyPromotions Limited as amended by deeds dated 3 February 2009, 21 August 2009, 14 January 2010, 19 June 2012, and a side letter dated 4 June 2014) no later than 28 April 2015.

The Directors believe the termination of the MPA will enable the company to pursue other opportunities that would have been unavailable if the MPA was in place.

### 23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party cannot be determined as no one party has sufficient interest in the group's share capital to be able to control the actions of the group.