

# **Netinvest Limited**

## **Directors' report and financial statements**

**For the year ended 31 December 2012**

**Registered Number: 3202517**

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# Netinvest Limited

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# Netinvest Limited

## Directors' report

The Directors present their annual report and the audited financial statements of Netinvest Limited ("the Company") for the year ended 31 December 2012

### **Principal activity and business review**

The principal activity of the Company in the period under review was that of a holding company

### **Directors**

The Directors who served during the year and to date were

A J Gilchrist (resigned 21 May 2013)

D H Starr

Elliott Wiseman (appointed 21 May 2013)

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### **Auditors**

Our Auditors, KPMG Audit LLC, being eligible, have expressed their willingness to continue in office in accordance with Section 485 of the Companies Act 2006

On behalf of the Board



**Dan Starr**  
*Director*

# Netinvest Limited

## **Statement of Directors' responsibilities in respect of the Directors' report and the financial statements**

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 International Financial Reporting Standards

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

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

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

# Netinvest Limited

## **Report of the Independent Auditors, KPMG Audit LLC, to the members of Netinvest Limited**

We have audited the financial statements of Netinvest Limited for the year ended 31 December 2012 on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

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

### *Respective responsibilities of Directors and Auditors*

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP) (as issued on 1 December 2010).

### *Opinion*

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its result for the year then ended,
- have been properly prepared in accordance with International Financial Reporting Standards, and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

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

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

# Netinvest Limited

## **Report of the Independent Auditors, KPMG Audit LLC, to the members of Netinvest Limited (continued)**

### *Matters on which we are required to report by exception*

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

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



27 September 2015

Mr M. R. Kelly  
Senior Statutory Auditor  
**for and on behalf of KPMG Audit LLC, Statutory Auditor**  
*Chartered Accountants*  
Heritage Court  
41 Athol Street  
Douglas  
IM99 1HN  
Isle of Man

# Netinvest Limited

## Statement of Comprehensive Income for the year ended 31 December 2012

	<i>Note</i>	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
<b>Turnover</b>		-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
<b>Operating loss</b>	<b>2</b>	-	-
Tax on loss on ordinary activities	<b>3</b>	-	-
		<hr/>	<hr/>
<b>Loss for the financial year after taxation</b>		-	-
Other comprehensive income		-	-
		<hr/>	<hr/>
<b>Total comprehensive loss</b>		-	-
		<hr/>	<hr/>

The Directors consider the Company's activities to be continuing

The notes on pages 9 to 12 form part of these financial statements

# Netinvest Limited

## Statement of Financial Position as at 31 December 2012

	<i>Note</i>	<b>2012</b> £	<b>2011</b> £
<b>Non-current assets</b>			
Investments	4	1,500,000	1,500,000
<b>Current assets</b>			
Cash & Cash Equivalents		273	273
<b>Total assets</b>		<u>1,500,273</u>	<u>1,500,273</u>
<b>Capital and reserves</b>			
Share capital	6	1,000	1,000
Accumulated loss		(19,119)	(19,119)
<b>Total equity</b>		<u>(18,119)</u>	<u>(18,119)</u>
<b>Liabilities</b>			
Amounts owed to group companies	5	1,518,392	1,518,392
<b>Total liabilities</b>		<u>1,518,392</u>	<u>1,518,392</u>
<b>Total equity and liabilities</b>		<u>1,500,273</u>	<u>1,500,273</u>

The notes on pages 9 to 12 form part of these financial statements

These financial statements were approved by the board of directors on 27<sup>th</sup> September 2013 and were signed on their behalf by



**Dan Starr**  
*Director*



# Netinvest Limited

## Statement of Changes in Equity *for the year ended 31 December 2012*

	<b>Share Capital £</b>	<b>Accumulated Loss £</b>	<b>Total £</b>
At 1 January 2011	1,000	(19,119)	(18,119)
Result retained for the year	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 December 2011	1,000	(19,119)	(18,119)
At 1 January 2012	1,000	(19,119)	(18,119)
Result retained for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2012</b>	<b>1,000</b>	<b>(19,119)</b>	<b>(18,119)</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 12 form part of these financial statements

# Netinvest Limited

## Statement of Cash Flows *for the year ended 31 December 2012*

	2012	2011
	£	£
<b>Cash flows from operating activities</b>		
Cash receipts from subsidiary	-	-
Cash paid to subsidiary	-	-
Cash paid to suppliers and employees	-	-
Interest paid	-	-
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	-	-
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	-	-
	<hr/>	<hr/>
Cash and cash equivalents at 1 January	273	273
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	273	273
	<hr/>	<hr/>

The notes on pages 9 to 12 form part of these financial statements

# Netinvest Limited

## Notes

*(forming part of the financial statements for the year ended 31 December 2012)*

### 1 Accounting policies

#### a) *Statement of compliance*

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs)

#### b) *Basis of accounting*

The financial statements are prepared under the historical cost convention

Consolidated financial statements have not been prepared as they are prepared by the parent company

The Company meets its day to day working capital requirements through the support of group companies. The Board has received confirmation that the ultimate parent company and all its subsidiaries will give continued support to the activities of the company. Thus the Directors consider it appropriate to prepare the financial statements on the going concern basis

#### c) *Investments*

Fixed asset investments are included at cost less any provision for permanent diminution in value

#### d) *Functional currency*

The financial statements are presented in British Pounds ("£"), which is the Company's function currency

### 2 Operating loss

Operating loss is stated after charging

	2012 £	2011 £
Auditors' remuneration	-	-

Auditors' remuneration is borne by a fellow group company

The company had no employees in 2012 (2011 none)

### 3 Taxation

There is no charge to tax in 2012 due to the losses incurred (2011 none)

# Netinvest Limited

## Notes (continued)

(forming part of the financial statements for the year ended 31 December 2012)

### 4 Investments

	2012 £	2011 £
Investment in group companies	<u>1,500,000</u>	<u>1,500,000</u>

The Company owns 100% of the issued share capital of NetBanx Limited, a company incorporated in England, involved in internet credit card processing

### 5 Amounts owed from/to related parties

	Nature of transaction	Transaction amount 2012 £	Balance outstanding 2012 £	Transaction amount 2011 £	Balance outstanding 2011 £
Related party					
NetBanx Limited	Re-charges	-	1,518,392	-	1,518,392

All amounts between related parties are unsecured, interest free and repayable on demand

### 6 Called up share capital

	2012 £	2011 £
Authorised, allotted, issued and fully paid 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 7 Share based payments

The Directors who held office at the year-end had the following interests in share options in the parent company

	At 1 January 2012	Options Lapsed in Year	Options Surrendered	Options Exercised	Options Granted in year	At 31 December 2012	Exercise price
AJ Gilchrist (LTIPS)	72,300	-	-	-	40,000	112,300	0.01
AJ Gilchrist	112,500	-	-	112,500	-	-	0.53
D H Starr (LTIPS)	217,572	-	-	-	113,982	331,554	0.0001
D H Starr	180,000	-	-	180,000	-	-	0.53
Share options							
E Wiseman (LTIPS)	112,944	-	-	-	75,988	188,932	0.0001

# Netinvest Limited

## Notes (continued)

*(forming part of the financial statements for the year ended 31 December 2012)*

### 5 Share based payments (continued)

The Parent Company's share option plan has been in existence since 2004 and was amended in 2008 to include the addition of a new "approved" plan for UK based employees. Under the 'approved' and 'unapproved' plans (ESOS), the Board of Directors of the Company may grant share options to eligible employees including directors of Group companies to subscribe for ordinary shares of the Company.

No consideration is payable on the grant of an option. Options may generally be exercised to the extent that they have vested. Options vest according to the relevant schedule over the grant period following the date of grant. The exercise price is determined by the Board of Directors of the Company, and shall not be less than the average quoted market price of the Company shares on the three days prior to the date of grant. Subject to the discretion of the Board, share options are forfeited if the employee leaves the Group before the options vest. The ESOS options granted in December 2011 vest on the third anniversary of the date of grant and lapse a further six months after vesting.

The group recognised \$3,931,276 (2011: \$1,007,359) in the year.

The options granted under the 2011 ESOS were valued using a Black Scholes model. The following inputs were assumed for options outstanding at 31 December 2012:

	Year ended 31 December 2012 US\$	Year ended 31 December 2011 US\$
Weighted average exercise price	£0.57	£0.50
Expected volatility	42.90%	56%
Expected life	3.25 years	3.5 years
Risk free interest rate	0.55%	0.50%
Expected dividends	-	-
Employee exit rate	7%	7%

Expected volatility was determined by calculating the historical volatility of the Company's share price over a period commensurate with the expected term of the options ending on the date of grant. The weighted average fair value of options granted in 2012 was £0.19 per share.

### 6 Parent Company and ultimate controlling party

Optimal Payments plc (name changed from NEOVIA Financial plc on 1 March 2011) is the parent company and ultimate controlling party. Optimal Payments plc is incorporated in the Isle of Man. Copies of the latest Optimal Payments plc Group financial statements are available from Audax House, Finch Road, Douglas, Isle of Man, IM1 2PT.

# Netinvest Limited

## Notes (continued)

*(forming part of the financial statements for the year ended 31 December 2012)*

### **8 Financial support**

The parent Company, Optimal payments plc, has provided confirmation that it will continue to support the activities of the Company for a period of at least 12 months from the date of signing these financial statements