Netinvest Limited

Directors' report and financial statements

For the year ended 31 December 2015

Registered Number: 3202517

Netinvest Limited

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Netinvest Limited

Officers and professional advisers

Directors

Elliott Wiseman
Camelia Ion-Byrne (resigned 13 October 2016)
James Parsons (appointed 18 December 2015)

Secretary

Elaine Swain (resigned 31 January 2015)
Matthew Jones (appointed 31 January 2015, resigned 24 April 2015)

Registered office

Compass House
Vision Park
Chivers Way
Cambridge
CB24 9BZ

Principal bank

Barclays Bank Plc
50 Pall Mall
PO Box No 15161
London
SW1A 1QA

Registered auditors

KPMG Audit LLC
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99

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 2015.

Principal activity and business review

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

Results and transfer to reserves

The Company made a loss of €3,338,327 *(2014: loss €38)*.

Directors

The Directors who served during the year and to date were:

Elliott Wiseman
Camelia Ion-Byrne (resigned 13 October 2016)
James Parsons (appointed 18 December 2015)

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 they ought to have taken as a director to make themselves 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

James Parsons
Director

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 as adopted by the EU.

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 as adopted by the EU 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.

Report of the Independent Auditors, KPMG Audit LLC, to the member of Netinvest Limited

We have audited the financial statements of Netinvest Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and Statement of Cash Flow and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the Company's member, 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 member 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 member 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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU; 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 member 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.

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

Date: 9 December 2016

Netinvest Limited

Statement of Comprehensive Income
for the year ended 31 December 2015

	Note	2015 €	2014 Restated €
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		295,522	38
Operating loss	*5*	(295,522)	(38)
Finance costs		3,042,805	-
Loss on ordinary activities before taxation		(3,338,327)	(38)
Tax on loss on ordinary activities	*6*	-	-
Loss for the financial year after taxation		(3,338,327)	(38)
Other comprehensive income		-	-
Total comprehensive loss		(3,338,327)	(38)

The Directors consider the Company's activities to be continuing.

The notes on pages 10 and 24 form part of these financial statements.

Netinvest Limited

Statement of Financial Position
as at 31 December 2015

	Note	2015	2014
	16	€	Restated €
Non-current assets			
Investments in subsidiary	*13*	730,199,802	96,684,958
Capitalised borrowing costs		19,832,897	-
Current assets			
Trade and other receivables		960,377	-
Amounts receivable from group companies	7	574,670,731	-
Amounts receivable from parent company	7	51,727,990	62,491,499
Cash & Cash Equivalents		232,163	272
Total assets		1,377,623,960	159,176,729
Capital and reserves			
Share capital	8	583,101,893	67,812,805
Share premium	8	45,691,605	26,956,431
Retained deficit		(3,362,837)	(24,510)
Total equity		625,430,661	94,744,726
Non-current Liabilities			
Long term loan		371,678,509	-
Current Liabilities			
Trade and other payables		1,149,937	-
Amounts owed to group companies	7	379,364,853	64,432,003
Total liabilities		752,193,299	64,432,003
Total equity and liabilities		1,377,623,960	159,176,729

The notes on pages 10 and 24 form part of these financial statements.

These financial statements were approved by the Board of Directors on 9/12/16 and were signed on their behalf by:

J Parsons

James Parsons
Director

Netinvest Limited

Statement of Changes in Equity
for the year ended 31 December 2015

		Share Capital Restated €	Share Premium Restated €	Retained Deficit Restated €	Total Restated €
At 1 January 2014		1,198	-	(24,472)	(23,274)
Share issued		67,811,607	-	-	67,811,607
Share premium		-	26,956,431	-	26,956,431
Result retained for the year		-	-	(38)	(38)
As at 31 December 2014		67,812,805	26,956,431	(24,510)	94,744,726
		€	€	€	€
At 1 January 2015	8	67,812,805	26,956,431	(24,510)	94,744,726
New share capital issue	8	515,289,088	-	-	515,289,088
Share premium	8	-	18,735,174	-	18,735,174
Result retained for the year		-	-	(3,338,327)	(3,338,327)
At 31 December 2015		**583,101,893**	**45,691,605**	**(3,362,837)**	**625,430,661**

The notes on pages 10 and 24 form part of these financial statements.

Netinvest Limited

Statement of Cash Flows
for the year ended 31 December 2015

	Note	2015 €	2014 Restated €
Cash flows from operating activities			
Loss on ordinary activities before taxation		**(3,338,327)**	(38)
Adjustment for:			
Amortisation		**2,000,000**	-
Change in working capital:			
(Increase) in trade and other receivables		**(960,377)**	-
Decrease/(Increase) in amounts due from parent company	*7*	**10,763,509**	(62,491,499)
Increase in trade and other payable		**1,149,937**	-
(Decrease)/Increase in the amounts due to group	*7*	**(259,737,881)**	62,491,499
Net cash from operating activities		**(250,123,139)**	(38)
Cash flows from investing activities			
Proceeds from issue of share capital	*8*	**534,024,262**	32,276,459
Cash paid for investment	*13*	**(633,514,844)**	(32,276,459)
Net cash from investing activities		**(99,490,582)**	-
Cash flows from financing activities			
Cash paid for loan costs		**(21,832,897)**	-
Cash received from long term loan		**371,678,509**	-
Net cash from financing activities		**349,845,612**	-
Net increase/(decrease) in cash and cash equivalents		**231,891**	(38)
Cash and cash equivalents at 1 January		**272**	310
Cash and cash equivalents at 31 December		**232,163**	272

The notes on pages 10 and 24 form part of these financial statements.

Netinvest Limited

Notes

(forming part of the financial statements for the year ended 31 December 2015)

1 General information

Netinvest Limited (the "Company") is a limited company, incorporated under the laws of England and Wales on 22 of May 1996. The principal activities of the company are described in Note 2. As at 31 December 2015 the Company had no employees.

2 Nature of operations

The Company was an investment holding company throughout the year.

3 Basis of preparation

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Basis of measurement

These financial statements are separate financial statements as the Company has taken an exemption in accordance with IAS27 not to prepare consolidated financial statements.

Consolidated financial statements are prepared by the parent company.

Statement of going concern

The financial statements are prepared on a going concern basis, as the Board of Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Board have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Use of estimates and judgements

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingencies at the date of the Company's financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimated. Significant estimates in the Company's financial statements include depreciation and amortisation, impairment testing of long-lived assets and income taxes. By their nature, these estimates and assumptions are subject to measurement uncertainty and the effect on the Company's financial statements of changes in estimates in future periods could be significant.

Functional and presentation currency

The company has changed functional currency in Euros ("€") in the current year 2015. The company's functional currency was in British Pounds ("£") in the previous years. Therefore the financial statements are presented in Euros ("€") for the current year and has restated previous year's currency in Euros ("€"). The financial statement of previous year 2014 in British Pounds ("£") is presented in note 16.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash and cash equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Intangible assets

The intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation of loan costs is charged to the income statement over the assets estimated useful life on the following basis:

Loan costs: 20% Straight Line

All intangible assets are purchased. The company does not hold internally generated intangible assets.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised within profit or loss.

Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The difference between the carrying amount and recoverable amount is charged to profit or loss.

The recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Trade and other receivables

Trade and other receivables are initially recognised at their fair value. Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest rate method.

4 Significant accounting policies (continued)

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Comprehensive Income to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment of tax payable in respect of previous years.

The Company uses the balance sheet liability method of accounting for income taxes. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the Statement of Financial Position are used to calculate deferred tax assets or liabilities. Deferred tax assets or liabilities are calculated using tax rates anticipated to exist in the periods that the temporary differences are expected to reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Revenue recognition

The Company is involved in e-money transaction processing services. Revenues from transaction processing services are recognised in profit or loss at the time services are rendered. Member revenue is recognised either as a fee calculated as a percentage of funds processed or as a charge per transaction, pursuant to the respective Member agreements.

Interest and investment income is accrued on a monthly basis, by reference to the principal outstanding and at the effective interest rate applicable.

Trade and other payables

Trade and other payables are initially recognised at their fair value. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

4 Significant accounting policies (continued)

Foreign Exchange

The individual financial statements of the company are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position 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 in terms of 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 included in profit or loss for the period.

Related party transactions

Monetary related party transactions in the normal course of operations are recorded at fair value, and transactions between related parties not in the normal course of operations are recorded at the carrying value as recorded by the transferor.

Foreign exchange contracts

The Company uses foreign exchange contracts to reduce its exposure to adverse fluctuations in foreign exchange rates. These financial instruments are presented in the accompanying financial statements at fair value. Fair values are based on market quotes, current foreign exchange rates or management estimates, as appropriate, and gains and losses on the foreign exchange contracts are reflected in the profit or loss.

Share based payments

The Group issues share options to certain employees, including directors. Equity-settled share options are measured at fair value at the date of grant. In valuing equity-settled share options, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Group (market conditions).

The fair value determined at the grant date of the share option is expensed over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled share options at each reporting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest (or in the case of a market condition, be treated as vesting). The movement in cumulative expense since the previous reporting date is recognised in the income statement, with a corresponding entry in equity.

4 Significant accounting policies (continued)

Share based payments (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market vesting condition or a non-vesting condition, which are treated as vesting irrespective of whether or not the condition is satisfied, provided that all other non-market vesting conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised over the remainder of the new vesting period for the incremental fair value of the modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk and processes receivables and payables in a single settlement cycle.

The balances owing to the Members and the related cash balances segregated in the member's accounts are presented net in the statement of financial position as the Company considered this gross settlement as equivalent to net settlement in accordance with IAS 32.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

Application of new and revised accounting policies

In the current year, the Company has consistently applied a number of amendments to IFRS's and a new Interpretation issued by the International Accounting Standards board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

4 Significant accounting policies (continued)

Application of new and revised accounting policies (continued)

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities
The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1 January 2015), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Company's consolidated financial statements.

Future changes to accounting standards

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 Financial Instruments
The IASB issued IFRS 9 in November 2009, introducing new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

IFRS 15 Revenue from Contracts with Customers
In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective for annual periods beginning on or after 1 January 2017. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Extensive disclosures are required by IFRS 15. The directors of the Company do not anticipate that the application of IFRS 15 in the future will have a material impact on the amounts reported and disclosures made in the Company's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Company performs a detailed review.

4 Significant accounting policies (continued)

Future changes to accounting standards (continued)

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Company's financial statements.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the declining balance method for depreciation for its property, plant and equipment, and declining balance and straight line methods for amortisation for its intangible assets. The directors of the Company believe that these methods are the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Company's financial statements.

IFRS 16 Leases
IFRS 16 changes fundamentally the accounting for leases by lessees. It eliminates the current IAS 17 dual accounting model, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases and, instead, introduces a single, on-balance sheet accounting model that is similar to current finance lease accounting.
Lessor accounting remains similar to current practice – i.e. lessors continue to classify leases as finance and operating leases.
Sale-and-leaseback is effectively eliminated as an off-balance sheet financing structure.

5 Operating Loss

Operating result is stated after charging:

	2015	2014
	€	Restated €
Auditors' remuneration	-	-

Auditors' remuneration is borne by the parent company, and will not seek to reimburse the remuneration in the future.

The company had no employees in 2015 *(2014: none)*.

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2015)

6 Taxation

(a) The tax on the profit on ordinary activities for the year was as follows:

	2015 €	2014 Restated €
Current tax		
UK corporation tax	-	-
Adjustment from previous year	-	-
Total current tax	-	-
Deferred tax:		
Current year	-	-
Effect of changes in tax rates	-	-
Total deferred tax	-	-
Tax per income statement	-	-

(b) Reconciliation of effective tax rate

UK corporation tax has been charged at 20.25% (2014: 21.50%). Deferred tax is calculated on the basis of the 20% tax rate effective from 1 April 2015. The rate is further set to 19% from 1 April 2017 and 18% from 1 April 2020. These rate reductions have been enacted on 18 November 2015.

Reconciliation between tax expense and the product of accounting profit multiplied by the domestic tax rate for the years ended 31 December 2015 and 2014 is as follows:

	2015 €	2014 Restated €
Loss on ordinary activities before tax	(3,338,327)	(38)
Profit/(Loss) on ordinary activities multiplied by the effective rate of corporation tax in the UK of 20.25% *(2014: 21.5%)*	676,011	8
Effects of:		
Expenses not deductible for tax purposes	-	-
Group relief surrendered and not paid for	-	(8)
Effects of other tax rates/credits	-	-
Impact of share options	-	-
Movement on deferred tax not recognised	(676,011)	-
	-	-

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2015)

7 Related party transactions

Related parties	Nature of transaction	Transaction amount 2015 €	Balance outstanding 2015 €	Transaction amount 2014 Restated €	Balance outstanding 2014 Restated €
Paysafe Group Plc	Re-charges	(10,763,509)	51,727,990	62,491,499	62,491,499
Paysafe Processing Ltd	Re-charges	115,273,861	50,356,747	(62,491,499)	(64,432,003)
Paysafe Finance Ltd	Loan	(246,754,435)	(246,754,435)	-	-
PAYS Services UK Ltd	Re-charges	(3,223,649)	(3,223,649)	-	-
Sentinel BIDCO Ltd	Loan	273,000,000	273,000,000	-	-
Sentinel HOLDCO 2 Ltd	Loan	251,313,984	251,313,984	-	-
Skrill Ltd	Loan	(1,065,278)	(1,065,278)	-	-
Sabemul GmbH	Loan	(128,321,491)	(128,321,491)	-	-

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

8 Share capital

	2015 No.	2014 No.
Authorised share capital (of £1 each)	53,061,663	53,061,663
Authorised share capital (of €1 each)	515,289,088	-
	€	Restated €
Issued and fully paid ordinary shares at £1 each	67,812,805	67,812,805
Issued and fully paid ordinary shares at €1 each	515,289,088	-
	583,101,893	67,812,805
Share premium	45,691,605	26,956,431

During the year, company has issued additional 515,289,088 ordinary shares to the parent company and this has given a rise of share premium of €0.138949 per share.

9 Parent Company and Ultimate controlling party

The Company's immediate and ultimate parent company and controlling party is Paysafe Group Plc (formerly Optimal Payments Plc), a company incorporated in the Isle of Man. The parent undertaking of the smallest and largest group, which includes the Company and for which Group financial statements are prepared, is Paysafe Group Plc (formerly Optimal Payments Plc). Copies of the latest Paysafe Group Plc (formerly Optimal Payments Plc) Group financial statements are available from Audax House, Finch Road, Douglas, Isle of Man, IM1 2PT and the Paysafe Group Plc (formerly Optimal Payments Plc) website.

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2015)

10 Financial support

The parent Company, Paysafe Group Plc (formerly 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.

11 Financial instruments

Financial instruments consist of cash and cash equivalents, trade and other receivables, amounts due from parent company and trade and other payables.

i) Fair values

The fair values of cash and cash equivalents, trade and other receivables, due from parent company and trade and other payables approximate the carrying values due to the short-term nature of these instruments.

ii) Credit risk and concentrations

The Company's exposure to credit risk is limited as its revenues are as a result of trading only with group companies.

iii) Interest rate risk

The Company's exposure to interest rate risk is limited as the interests expense incurred on long term debt are subject to fixed interest rate. In addition, an interest rate swap has been entered into in order to mitigate the risk of interest rates rising on the Term A facility for which a loss of €225,454 was recorded during the year.

iv) Currency risk

The majority of the Company's transactions are denominated in Euros. The company balances and assets are mainly only in one currency. The Company manages the exposure to currency risk by commercially transacting in Euros and by limiting the use of other currencies for operating expenses where possible, thereby minimising the realised and unrealised foreign exchange gain/(loss).

v) Market segment risk

Market segment risk may arise due to adverse changes in legislation relating to internet, payment processing or on-line gambling which will directly impact other companies of the group and therefore have an indirect impact on the Company. The Company is exposed to market segment risk to the extent that legislation impacts operational presence of group companies and related revenue streams, which may be significant.

11 Financial instruments (continued)

vi) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's major exposure relates to trade payables to other group companies. Management controls and monitors the Company's cash flow on a regular basis, including forecasting future cash flows.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 31 December 2015	On demand	Less than 3 months	3 to 12 months	1 to 5 years
	€	€	€	€
Long term loan	**371,678,509**	-	-	-
Amount due to other group companies	**379,849,964**	-	-	-
Trade and other payables	**1,149,937**	-	-	-
Total	**752,678,410**	-	-	-

Amounts payable to members are fully supported by qualifying liquid assets held for members.

As at 31 December 2014	On demand	Less than 3 months	3 to 12 months	1 to 5 years
	€	€	€	€
Amount due to other group companies	64,432,003	-	-	-
Trade and other payables	-	-	-	-
Total	64,432,003	-	-	-

vi) Risk management – assets and liabilities

Risks are identified, evaluated and mitigated through a combination of a "top down" approach driven by both the Group Audit Committee of the group and the Board of Directors. These are aggregated into a Risk Management framework where the risks are prioritised and assigned to the executive for monitoring and risk mitigation.

vii) Capital disclosure

The Company capital structure is comprised of shareholders' equity. The Company's objective when managing it capital structure is to finance internally generated growth and maintain financial flexibility. To manage its capital structure the Company may adjust capital spending, issue new shares, or acquire short term financing.

12 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 2015	Options Lapsed in Year	Options Surrendered	Options Exercised	Options Granted in year	At 31 December 2015	Exercise price
C Ion-Byrne	9,000	-	-	9,000	-	-	0.56
	20,000	-	-	-	23,789	43,789	0.0001
E Wiseman	80,000	-	-	86,141	308,640	302,499	0.0001
J Parsons	4,688	-	-	-	11,514	16,202	0.0001

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 options granted under the ESOS were valued using a Black-Scholes pricing model. The following inputs were assumed for options outstanding at 31 December 2015:

	Year ended 31 December 2015 US$	Year ended 31 December 2014 US$
Weighted average exercise price	£2.59	£3.35
Expected volatility	45.0%	40.0%
Expected life	3.25 years	3.25 years
Risk free interest rate	0.97%	0.92%
Expected dividends	0%	0%
Weighted average fair value per option granted	£1.02	£1.00

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.

13 Investment in subsidiary

Details of the Company's principal subsidiaries held at cost as at 31st December 2015 are as follows:

Name of subsidiary	Place of incorporation and Operation	Proportion of ownership interest	Type of shares	Principal activity
Paysafe Processing Ltd (formerly Netbanx Limited)	United Kingdom	100%	Ordinary shares	UK - based company involved in internet credit card processing
Sentinel TopCo	Jersey	100%	Ordinary shares & Preference shares	Jersey – based company involved in online payment

Netinvest Limited purchased share capital (1,500,000 shares) of Paysafe Processing Ltd (formerly Netbanx Ltd) for £1,500,000 in 2013. The company purchased additional share capital (53,060,663 shares) of Paysafe Processing Ltd (formerly Netbanx Ltd) for £74,153,332 by 31 December 2014, and resulting share premium of £21,092,669.

Netinvest Limited purchased ordinary shares for €533,514,843.26 and preference shares for €100,000,000 in Sentinel TopCo on 10 August 2015. At acquisition date, Netinvest Limited made a loan of €240,055,202 to Sentinel HoldCo 2 Limited. The loan is interest free and is repayable up to and including the date that is seven years after the date of the loan agreement.

These financial statements are separate financial statements as the Company has taken an exemption in accordance with IAS27 not to prepare consolidated financial statements.

14 Post Balance Sheet events

There are no post balance sheet events during the year.

15 Guarantee

During the year, Netinvest entered into a guarantor agreement in respect of debt provided by BMO Capital Markets,

Barclays Bank PLC and Deutsche Bank Luxembourg S.A. consists of a €280,000,000 Term A and €220,000,000 Term B facility, as well as an $85,000,000 revolving facility. The Term A facility bears interest at a EURIBOR rate plus a margin varying from 2.75% to 3%, and is repayable in bi-annual instalments starting in February 2016 up to the maturity date of 10 August 2020. The Term B facility bears interest at a EURIBOR rate plus a margin varying from 3.75% to 4%, and is repayable at the discretion of the Group before the maturity date of 10 August 2022. The Group has classified the entire Term B balance as long-term as it is not anticipating making any repayments in the following twelve months. The revolving facility is interest bearing at a LIBOR rate plus a margin varying from 1.75% to 2.75% and has no specified terms of repayment. An arrangement fee of $1,488,000 was paid for the revolving facility and a ticking fee of 35% of the applicable margin is applied to the unutilised revolver amount on an ongoing basis. The Group has not drawn down on the revolving facility since it was made available but has utilised part of the facility to issue letters of credit in the ordinary course of business. Amounts of €280,000,000 and €220,000,000 were drawn down from the Term A and Term B facilities respectively on 10 August 2015, less financing fees of €11,931,000 ($13,012,000) and €9,492,000 ($10,352,000) respectively, to fund the Skrill acquisition.

The credit facility is secured by virtually all of the assets of the Group, with the exception of restricted cash. The security includes share pledges and guarantees from certain subsidiaries within the Group.

As a guarantor, Netinvest is jointly and severally liable for the guarantee described above.

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2015)

16 Restatement of Financial Position as at 31 December 2014

	2014 Restated €	2014 £
Non-current assets		
Investments in subsidiary	96,684,958	75,653,332
Capitalised borrowing costs	-	-
Current assets		
Trade and other receivables	-	-
Amounts receivable from group companies	-	-
Amounts receivable from parent company	62,491,499	48,897,886
Cash & Cash Equivalents	272	213
Total assets	159,176,729	124,551,431
Capital and reserves		
Share capital	67,812,805	53,061,663
Share premium	26,956,431	21,092,669
Retained deficit	(24,510)	(19,179)
Total equity	94,744,726	74,135,153
Non-current Liabilities		
Long term loan	-	-
Current Liabilities		
Trade and other payables	-	-
Amounts owed to group companies	64,432,003	50,416,278
Total liabilities	64,432,003	50,416,278
Total equity and liabilities	159,176,729	124,551,431

The company has changed functional currency from British Pounds ("£") to Euros ("€") in year 2015. Therefore the previous year 2014 has been translated from British Pounds ("£") to Euros ("€") at exchange rate of £1= €1.278 at 31 December 2014.