

AQUA ONLINE (INT.) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2007



AQUA ONLINE (INT.) LIMITED

COMPANY INFORMATION

Directors

T Harpaz
S N Rose
T Colley

Secretary

St John's Square Secretaries Limited

Company number

3429442

Registered office

Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Auditors

PKF (UK) LLP
Pannell House
Park Street
Guildford
Surrey
GU1 4HN

AQUA ONLINE (INT.) LIMITED

CONTENTS

	Page
Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11

AQUA ONLINE (INT.) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2007

The directors present their annual report and the financial statements for the year ended 31 August 2007

Principal activities

The company's principal activity is the provision of credit card clearing facilities to e-commerce businesses

Business Review

During the year, the directors undertook a review of the companies operations. That review established that the company's core activities would be more appropriately serviced by Aqua Online (Alderney) Limited, a fellow group undertaking.

The transfer of the company's customer contracts to Aqua Online (Alderney) Limited started on 1 October 2006. To ensure an efficient and effective transfer, Aqua Online (Int) Limited continued to host administration services for Aqua Online (Alderney) Limited.

By the 1 April 2008, the transfer of all activities to Aqua Online (Alderney) Limited was complete. The directors plan to review a range of new opportunities which the company may be able to develop further.

Directors

The directors who served during the year were

T Harpaz
S N Rose
T Colley

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 12 August 2008 and signed on its behalf



T Colley
Director

AQUA ONLINE (INT.) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2007

The directors are responsible for preparing the annual 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). The financial statements are required by law to give a true and fair view of the state of the 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 judgments and estimates that are reasonable and prudent,
- 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 disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AQUA ONLINE (INT.) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AQUA ONLINE (INT.) LIMITED

We have audited the financial statements of Aqua Online (Int) Limited for the year ended 31 August 2007, set out on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007)

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

AQUA ONLINE (INT) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AQUA ONLINE (INT.) LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Company's affairs as at 31 August 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements

PKF (UK) LLP

Pannell House
Park Street
Guildford
Surrey
GU1 4HN

Date

PKF (UK) LLP

13th August 2008

AQUA ONLINE (INT.) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2007**

	Note	2007 £	2006 £
TURNOVER	1,2	392,687	5,252,036
Cost of sales		<u>(358,519)</u>	<u>(4,759,537)</u>
GROSS PROFIT		34,168	492,499
Administrative expenses		(1,496,674)	(558,384)
Other operating income	3	<u>1,485,000</u>	<u>14,817</u>
OPERATING PROFIT/(LOSS)	4	22,494	(51,068)
EXCEPTIONAL ITEMS			
Other exceptional items	5	<u>350,000</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		372,494	(51,068)
Interest receivable		25,077	205,648
Interest payable		<u>-</u>	<u>(964)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		397,571	153,616
Tax on profit on ordinary activities	6	<u>(114,883)</u>	<u>(47,323)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u>282,688</u>	<u>106,293</u>

The notes on pages 7 to 11 form part of these financial statements


AQUA ONLINE (INT.) LIMITED

BALANCE SHEET AS AT 31 AUGUST 2007

	Note	£	2007 £	£	2006 £
CURRENT ASSETS					
Debtors	7	181,175		2,444,649	
Cash at bank		-		6,325,053	
		<u>181,175</u>		<u>8,769,702</u>	
CREDITORS: amounts falling due within one year	8	<u>(181,175)</u>		<u>(8,276,962)</u>	
NET CURRENT ASSETS			-		492,740
TOTAL ASSETS LESS CURRENT LIABILITIES			-		492,740
CREDITORS: amounts falling due after more than one year	9		-		(520,851)
NET LIABILITIES			-		<u>(28,111)</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Capital contributions	11		156,744		411,321
Profit and loss reserve	11		<u>(156,844)</u>		<u>(439,532)</u>
SHAREHOLDERS' DEFICIT	12		<u>-</u>		<u>(28,111)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 August 2008


T Colley
Director

The notes on pages 7 to 11 form part of these financial statements

AQUA ONLINE (INT.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

At the balance sheet date the company has net assets of £nil, as a consequence, the directors have carefully considered the most appropriate basis for preparing the accounts

As disclosed in the directors report, on the 1 October 2006 the company started to transfer its trade to a fellow subsidiary company which completed on 1 April 2008. Although the directors are exploring new opportunities for the company, the company has, in effect ceased to trade

Consequently, the directors have not prepared these accounts on the basis that the company is a going concern. The directors are satisfied that assets and liabilities are recorded at appropriate values and no further write down of assets or provisions are required should the company be liquidated. The directors have also obtained the support of the company's principle creditor, a fellow group company while the directors explore new opportunities

1.2 Turnover

Turnover comprises revenue recognised by the Company in respect of commissions earned and services provided, exclusive of Value Added Tax and trade discounts

1.3 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

1.4 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

2. TURNOVER

All turnover is attributable to 15% (2006 15%) of markets inside the United Kingdom and 85% (2006 85%) of markets outside of the United Kingdom

3. OTHER OPERATING INCOME

	2007 £	2006 £
Management charge	1,485,000	-
Rents received	-	14,817
	<u>1,485,000</u>	<u>14,817</u>

AQUA ONLINE (INT.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2007

4. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	2007 £	2006 £
Auditors' remuneration	21,185	56,850
Directors' emoluments	9,950	-
Loss on foreign exchange	-	35,520
	<u> </u>	<u> </u>

5. EXCEPTIONAL ITEMS

	2007 £	2006 £
Profit on transfer of goodwill to fellow undertaking	350,000	-
	<u> </u>	<u> </u>

On the 1st October 2006, the trade and undertakings of Aqua Online (Int) Limited were transferred to Aqua Online (Alderney) Limited. Consideration of £350k was received relating to the goodwill element of this transaction and this amount has been represented as an exceptional item of income in the profit and loss account

6. TAXATION

	2007 £	2006 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	114,883	46,400
Adjustments in respect of prior periods	-	923
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	<u>114,883</u>	<u>47,323</u>

7. DEBTORS

	2007 £	2006 £
Due after more than one year		
Amounts owed by group undertakings	149,516	772,311
Due within one year		
Trade debtors	-	1,336,667
Prepayments	31,659	335,671
	<u> </u>	<u> </u>
	<u>181,175</u>	<u>2,444,649</u>

AQUA ONLINE (INT.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2007**

**8. CREDITORS:
Amounts falling due within one year**

	2007 £	2006 £
Trade creditors	3,760	6,992,382
Amounts owed to group undertakings	-	1,126,085
Corporation tax	125,500	10,615
Social security and other taxes	19,872	19,324
Other creditors	32,043	128,556
	<u>181,175</u>	<u>8,276,962</u>

**9. CREDITORS:
Amounts falling due after more than one year**

	2007 £	2006 £
Amounts owed to group undertakings	-	520,851
	<u>-</u>	<u>520,851</u>

10. SHARE CAPITAL

	2007 £	2006 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. RESERVES

	Capital contri- butions £	Profit and loss account £
At 1 September 2006	411,321	(439,532)
Profit for the year		282,688
Movement on other reserves	(254,577)	
	<u>156,744</u>	<u>(156,844)</u>
At 31 August 2007		

AQUA ONLINE (INT.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2007

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2007 £	2006 £
Opening shareholders' deficit	(28,111)	(134,404)
Profit for the year	282,688	106,293
Movement in capital contributions	(254,577)	-
	<hr/>	<hr/>
Closing shareholders' deficit	-	(28,111)
	<hr/>	<hr/>

13. OPERATING LEASE COMMITMENTS

At 31 August 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007 £	2006 £
Expiry date:		
Between 2 and 5 years	-	27,822
	<hr/>	<hr/>

14. RELATED PARTY TRANSACTIONS

WMC (UK) Limited is a UK company which is controlled by Mr SN Rose, a director of Aqua Online (Int) Limited. During the year the company incurred administration fees of £7,500 (2006 £7,500) on behalf of WMC UK Limited. The balance at the year end owed by Aqua Online (Int) Limited to WMC (UK) Limited totalled £Nil (2006 £Nil).

Aqua Gaming Solutions (Pty) Limited (previously Aqua Online (Pty) Limited) is a South African company, of which Mr SN Rose, Mr T Harpaz and Mr T Colley are all directors. During the year the company incurred administration fees of £88,455 (2006 £1,055,233) on behalf of Aqua Gaming Solutions (Pty) Limited. The balance at the year end owed by Aqua Online (Int) Limited to Aqua Gaming Solutions (Pty) Limited totalled £Nil (2006 £713,572) in respect of funds advanced and management fees payable.

At the year end the company owed Cyber Finance Investments Limited (BVI), the company's sole shareholder, £Nil (2006 £933,363 due from). The balance in 2006 was in respect of funds advanced less commission charged in the year together with a security deposit. Agent processing fees of £74,463 (2006 £394,083) were charged to the company by Cyber Finance Investments Limited.

At the year end an amount of £Nil (2006 £772,311) was due to Bridgeport Australian Finance Pty Limited, an Australian company of which M S N Rose and Mr T Harpaz are directors. The balance is £nil following a transfer of activities to Aqua Online (Alderney) Limited.

SETA Consulting Pty Limited is an Australian company, of which Mr SN Rose and Mr T Harpaz are directors. During the year the company incurred consultancy fees of £187,630. The balance outstanding at the year end is £nil following the transfer of activities to Aqua Online (Alderney) Limited.

Aqua Online (Alderney) Limited is a company incorporated in the Channel Islands, of which Mr S N Rose, Mr T Harpaz and Mr T Colley are all directors. During the year the company received administration fees of £1,485,000 (2006 £nil). The balance at the year end owed by Aqua Online (Alderney) Limited to Aqua Online (Int) Limited totalled £54,093 (2006 £nil) following the transfer of activities from Aqua Online (Int) Limited to Aqua Online (Alderney) Limited.

AQUA ONLINE (INT.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2007**

15. POST BALANCE SHEET EVENTS

Following the transfer of the company's core operation to Aqua (Alderney) Limited, the board made the decision to move the remainder of the company's activities to Aqua (Alderney) Limited, effective 1 April 2008. The company is in the process of winding down all its operations and commitments.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At the balance sheet date the ultimate controlling party was considered to be Cyber Finance Investments Limited, a company incorporated in the British Virgin Islands.

17. CAPITAL CONTRIBUTION

	2007	2006
	£	£
Capital contribution	<u>(156,744)</u>	<u>(411,321)</u>

On transferring its trade and undertakings to a fellow group undertaking, it was agreed that capital contributions be reduced by £254,577.

AQUA ONLINE (INT.) LIMITED

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2007**

	Page	2007 £	2006 £
TURNOVER	13	392,687	5,252,036
Cost of sales	13	(358,519)	(4,759,537)
		<hr/>	<hr/>
GROSS PROFIT		34,168	492,499
Other operating income	13	1,485,000	14,817
		<hr/>	<hr/>
		1,519,168	507,316
 LESS: OVERHEADS			
Administration expenses	13	(1,496,674)	(558,384)
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)		22,494	(51,068)
Interest receivable	14	25,077	205,648
Interest payable	14	-	(964)
Exceptional items	14	350,000	-
		<hr/>	<hr/>
PROFIT FOR THE YEAR		397,571	153,616
		<hr/> <hr/>	<hr/> <hr/>

AQUA ONLINE (INT.) LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2007**

	2007 £	2006 £
TURNOVER		
Sales	<u>392,687</u>	<u>5,252,036</u>
	2007 £	2006 £
COST OF SALES		
Opening stocks - raw materials	7,500	7,500
Agent processing fees	74,463	909,751
Aqua SA manangement charge	73,428	1,055,233
RBS/Trustmaque fees	203,128	2,787,053
	<u>358,519</u>	<u>4,759,537</u>
	2007 £	2006 £
OTHER OPERATING INCOME		
Management charge	1,485,000	-
Rents received	-	14,817
	<u>1,485,000</u>	<u>14,817</u>
	2007 £	2006 £
ADMINISTRATION EXPENSES		
Directors salaries	9,950	-
Staff salanes	897,339	119,697
Entertainment	400	-
Hotels, travel and subsistence	-	1,207
Consultancy	77,702	56,345
Printing and stationery	1,003	-
Computer costs	106,244	27,182
Advertising and promotion	55,717	-
Charity donations	-	15,000
Legal and professional	2,268	-
Auditors' remuneration	21,185	56,850
Auditors' remuneration - non-audit	5,405	4,337
Other professional fee	236,880	186,412
Bank charges	7,622	35,121
Loss on foreign exchange	-	35,520
Rent - operating leases	50,583	20,745
Rates	12,939	-
Light and heat	10,481	(32)
Insurances	956	-
	<u>1,496,674</u>	<u>558,384</u>

AQUA ONLINE (INT.) LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2007**

	2007 £	2006 £
INTEREST RECEIVABLE		
Bank interest receivable	-	128,496
Other interest receivable	25,077	77,152
	<u>25,077</u>	<u>205,648</u>
	2007 £	2006 £
INTEREST PAYABLE		
Other interest - on overdue tax	-	964
	<u>-</u>	<u>964</u>
	2007 £	2006 £
EXCEPTIONAL ITEMS		
Other exceptional items	350,000	-
	<u>350,000</u>	<u>-</u>