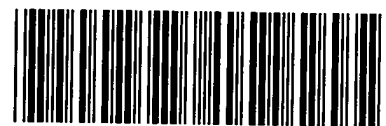


KALIXA ACCEPT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Registration number: 05433326

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KALIXA ACCEPT LIMITED
COMPANY INFORMATION

Directors	J Bennett E Chandler J Leigh R Steytler
Company Secretary	R G Hoskin
Registered Office	The Corn Mill 1 Roydon Road Stanstead Abbots Hertfordshire SG12 8XL
Auditors	BDO LLP 55 Baker Street London W1U 7EU

Organisational Overview

Kalixa Accept Limited is part of the Kalixa Group, which includes Kalixa Payments Group Limited, Kalixa Pay Limited, Kalixa Operations GmbH and PXP Solutions Limited. The principal activity of the Company is to provide payment services to businesses accepting electronic payments. In order to carry out that activity, the Company is regulated and licensed as a payment institution by the Financial Conduct Authority (FCA). It is a principal Member of Visa and MasterCard and is PCI DSS compliant. The Company has strategic partners in place to help to deliver this service.

Business model

Kalixa Accept is a complete, end-to-end payment service that helps businesses make and receive payments online globally. Kalixa Accept gives access to a wide variety of payment options including card payments and alternative payments and manages the entire payment flow in a secure environment for both their customers and their customer's customers.

The Company regards its operations as being split into three main business areas:

- Global Gateway - providing a technical e-commerce payment gateway to merchants to connect them with payment providers in a safe and secure manner as well as providing consolidated risk, reconciliation and reporting services.
- Card Acquiring - Processing Visa, MasterCard and Maestro branded credit and debit card transactions in Europe in six settlement currencies (EUR, USD, GBP, CHF, AUD, CAD).
- Settlement Services - processing transactions via direct connections to over 50 alternative payment methods, providing a single combined settlement to merchants to enable them to offer a wide variety of alternative payment methods to customers without the need to contract and reconcile with those providers individually themselves.

It services merchants in 28 countries in Europe offering a robust technical solution that allows it to operate 24 hours a day, 365 days a year, safely, securely and continuously.

Strategy

Our aim is to be one of the largest providers of electronic payment services worldwide. We currently operate with a pan European license in 28 countries and our strategy is to not only grow our customer base in these markets by leveraging the customers of the wider Kalixa partners, but to penetrate into more geographical markets as well.

To assist in achieving this the directors intend to expand the breadth of services and settlement currencies available to customers and to continue to follow an omni-channel strategy to help to meet the future payment needs of merchants as the boundaries between in-store and e-commerce transaction processing start to blur.

During the year the Kalixa Group acquired PXP Solutions Limited which provides a card focused technical payment gateway solution to merchants. The PXP payment gateway has historically been primarily focused on processing in-store transactions and as such the directors believe that there will be good opportunities to cross sell its e-commerce gateway capabilities, card acquiring and settlement services to the PXP customer base going forwards.

Performance assessment, financial review and key performance indicators

Key revenue drivers for the company are payment volumes, which decreased by 0.3% (2013: increased 9%) and the number of merchants which grew 35% in 2014 compared to the prior period (2013: 97%).

Risk and uncertainties

Risk management is an integral part of managing our business and the Kalixa Group formally maintains and reviews its risk register on a regular basis. Due to the nature of the financial products offered, a key risk to the company is the possibility of money laundering and fraud by external parties. In order to mitigate these risks, the Company has robust policies and procedures in place.

Risk and uncertainties (continued)

IT Risk

The Company is exposed to significant IT risks through the operation of its trading activities on a proprietary e-payment platform which it licences from Kalixa Group Limited.

Credit Risk

Credit risk is the risk of financial loss to the Company that a customer will fail to meet their contractual obligations. The Company mainly has agreements with merchants to provide net settlement whereby charges are deducted before funds are settled. This helps to reduce the risk to the Company, however there may be arrangements in place where the Company settles funds prior to receiving them. In specific instances where credit is provided through pre-funding, flexible payment terms are agreed and these are monitored by the Company in order to reduce the risk.

Foreign Exchange Risk

Kalixa Accept aggregates and acquires transactions in multiple currencies for merchants in 28 European countries. Wherever possible the company will receive settlements from payment providers and card schemes in the same currency as the underlying transaction and will settle in this currency to its merchants. Some merchants may request settlement a currency different from the underlying transaction and the company is able to generate foreign exchange income from these transactions.

Foreign exchange risk also occurs when transactions are entered into which are outside of the functional currency of the Company. Kalixa Accept aims to mitigate against this risk by naturally hedging its assets and liabilities.

Corporate governance

As an FCA licenced payment institution, we are obliged to abide by their regulations. The Kalixa Group has established compliance and risk management processes through the use of workshops, committees and regular timely reporting to ensure that risks are identified, monitored and controlled on an on-going basis and that significant risks are escalated to the Board of directors when necessary. The Board considers that the company has complied with these regulations throughout the year.

The directors present their report and the financial statements for the year ended 31 December 2014.

Directors of the company

The directors who held office during the year were as follows:

K Hedjri (Resigned 23 May 2014)

K Richter-Weiss (Resigned 23 January 2014)

J Leigh

J Bennett (Appointed 23 January 2014)

E Chandler (Appointed 23 May 2014)

R Steytler (Appointed 23 May 2014)

Principal activity

The principal activity of the Company is to provide online payment services to merchants. In order to provide some of these payment services, the company is authorised and regulated by the Financial Conduct Authority under the Payment Services Regulations 2009. The Company is also a principal member of Visa and MasterCard for card acquiring.

The Company holds commercial agreements with merchants to supply payment services including payment gateway, aggregation or settlement services and card acquiring. The payment gateway service offers the merchant a technical connection to many payment providers via a technical payment platform. The aggregation service offers the merchant a turnkey payment processing solution where technical and commercial relationships are handled by the Company including a full cash management service. As a card acquirer for Visa and MasterCard, the Company can directly enter into contracts with merchants to offer merchant acquiring services.

In order to offer payment services, the Company has entered into agreements with various payment service providers to make their local multi-currency payment services available on the payment platform.

Results

The company made a profit for the year ended 31 December 2014 of £2,296,362 (31 December 2013: £1,720,754).

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Political and charitable donations

There were no political or charitable donations during the year (2013: nil).

Supplier payment policy

The company subscribes to the Better Payment Practice Code, the four principles of which are: to agree payment terms at the outset to them; to explain payment procedures to suppliers; to pay bills in accordance with any contract agreed with the supplier or as required by law; and to tell suppliers without delay when an invoice is contested and settles disputes quickly. Copies of, and information about, the Code is available from The Department of Trade and Industry, No. 1 Victoria Street, London SW1H 0ET. The Company's suppliers are paid to agreed contractual terms and no later than 45 days after transaction or invoice date.

Re-appointment of auditors

The auditors, BDO LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Directors' indemnities

The Company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year ended 31 December 2014 in relation to certain losses and liabilities which the directors may incur to third parties.

Statement of 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 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 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 company will continue in business.

The directors are responsible for keeping adequate 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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 18/06/15 and signed on its behalf by:


J Leigh
Director

We have audited the financial statements of Kalixa Accept Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet 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 member 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, 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, 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 Financial Reporting Council's (FRC'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 FRC'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 2014 and of its profit for the year 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Leigh Wormald (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

55 Baker Street, London, W1U 7EU, United Kingdom

Date: 18/06/2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

KALIXA ACCEPT LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	£ 2014	£ 2013
Turnover	2	12,949,227	11,517,028
Cost of sales		(7,543,445)	(7,380,654)
Gross profit		5,405,782	4,136,374
Administrative expenses		(2,537,918)	(1,900,572)
Operating profit	3	2,867,864	2,235,802
Impairment of investments	10	(123,930)	-
Other interest receivable and similar income	6	1,439	2,147
Interest payable and similar charges	7	(1,616)	(3,204)
Profit on ordinary activities before taxation		2,743,757	2,234,745
Tax on profit on ordinary activities	8	(447,395)	(513,991)
Profit for the financial year		2,296,362	1,720,754

Turnover and operating profit derive wholly from continuing operations.

The Company has no recognised gains or losses for the year other than the profits above and therefore no separate Statement of Total Recognised Gains and Losses has been prepared.

The notes on pages 9 to 15 form an integral part of these financial statements.

KALIXA ACCEPT LIMITED (REGISTRATION NUMBER: 05433326)
BALANCE SHEET AT 31 DECEMBER 2014

	Note	2014 £	2013 £
Fixed assets			
Intangible fixed assets	9	74,983	126,061
Investments	10	10	9
		<u>74,993</u>	<u>126,070</u>
Current assets			
Stocks	11	88,394	-
Debtors	12	16,504,271	123,902,927
Cash at bank and in hand	13	8,362,788	11,467,033
		<u>24,955,453</u>	<u>135,369,960</u>
Creditors: Amounts falling due within one year	14	<u>(19,395,134)</u>	<u>(132,172,463)</u>
Net current assets		<u>5,560,320</u>	<u>3,197,497</u>
Net assets		<u><u>5,635,313</u></u>	<u><u>3,323,567</u></u>
Capital and reserves			
Called up share capital	15	810,467	810,467
Stock Option Reserve	18	15,384	-
Profit and loss account	16	4,809,462	2,513,100
Shareholders' funds		<u><u>5,635,313</u></u>	<u><u>3,323,567</u></u>

The financial statements were approved by the Board of directors on 18/06/15 and signed on its behalf by:


J Leigh
Director

The notes on pages 9 to 15 form an integral part of these financial statements.

1. Accounting policies**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and United Kingdom Accounting Standards.

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement as a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of bwin.party Digital Entertainment PLC, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary of bwin.party Digital Entertainment PLC, a company incorporated in Gibraltar, and is included in the consolidated accounts of that company.

Going Concern

The Company is profit making and has no requirements to be funded by its parent company, TC Invest AG. The directors are therefore satisfied that the Company's financial statements can be prepared on a going concern basis.

Stock Option Reserve

The company has adopted and granted awards as a reward and retention incentive for employees. When share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. All options granted are time vesting nil cost share options. The Company has used the Black-Scholes option pricing model to value these options unless the Monte Carlo option pricing is deemed more appropriate. An appropriate discount has been applied to reflect the fact that dividends are not paid on options that have not vested or have vested and have not been exercised.

Turnover

Turnover represents amounts chargeable in respect of services to customers and is recognised when the service is provided. The Company has three revenue models - payment gateway, aggregation services and card acquiring.

The payment gateway service offers the merchant a technical connection to many payment providers via the technical payment platform. This service may be charged on a fixed fee or per transaction with the turnover recognised as the service is provided and invoiced accordingly.

The aggregation service offers the merchant a turnkey payment processing solution where technical and commercial relationships are handled by the Company including a full cash management service. This service may be offered on a gross or net settlement basis and the turnover is recognised once the transaction has settled.

As a card acquirer for Visa and MasterCard, the Company can directly enter into contracts with merchants to offer merchant acquiring services. Customers are charged a fee on a transactional basis and revenue is recognised once the transaction has settled.

Intangible Assets

Intangible assets are recognised at cost less accumulated amortisation and any provision for impairment. Amortisation is charged on all intangible fixed assets at rates calculated to write-off the cost of each asset on a straight line basis over its estimated useful life from the date it was brought into use.

Asset class	Amortisation method and rate
Licence costs	20% straight line basis

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

1. Accounting policies (continued)**Taxation**

Income tax expense represents the sum of the directors best estimate of taxation exposures and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Profit and Loss Account because it excludes items of revenue or cost that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised in respect of all timing differences where transactions or events that have originated but not reversed at the balance sheet date result in an obligation to pay more tax in the future, or a right to pay less tax in the future.

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 a non-discounted basis at the tax rates that are expected to apply in the periods which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Debtors

Debtors are attributable to activities relating to the acquiring and aggregation of transactions. Debtors are recognised when an invoice is raised and credit control processes are in place to collect any debts which have not been paid within the designated payment terms. Payment services and chargeback provisions are funds waiting to settle in regards to the acquiring and aggregation of transactions and represent the balances awaiting to be received by Kalixa Accept on behalf of merchants. Other debtors consist of security deposits and receivables from merchants in respect of gross settlement arrangements.

Creditors

Creditors are generated through the normal means of trading and are recognised on the accruals basis. All suppliers terms and credit periods are adhered to by the Company. Merchant payables consist of funds which are due to be paid to merchants once the settlement process has been completed. Other payables shows balances which are due to be paid on behalf of employee related creditors.

Cash

Cash held at bank consists of the companies funds generated through trading activities and funds held on behalf of merchants that have been settled by the card schemes or other payment providers to the company, but have yet to be settled to the merchant. There is a corresponding merchant payable or intercompany payable balance for all cash balances held on behalf of merchants.

2. Turnover

An analysis of turnover by geographical location is given below:

	2014 £	2013 £
Sales - UK	833,996	389,007
Sales - Europe	11,737,873	11,128,021
Sales - Rest of world	377,358	-
	12,949,227	11,517,028

3. Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Auditor's remuneration - The audit of the company's annual accounts	50,000	26,820
Foreign currency (gains)	(836,060)	(136,313)
Amortisation	51,078	51,079
Salaries and wages	1,570,100	1,239,615
Other personnel costs	18,255	118,407

4. Particulars of employees

The average number of persons employed by the company (including directors during the year, analysed by category) was as follows;

	2014 No.	2013 No.
Finance	2	2
Product	2	1
Marketing	1	1
Sales	5	2
	<u>10</u>	<u>6</u>

The aggregated payroll costs were as follows:

	2014 £	2013 £
Wages and salaries	1,470,475	1,177,251
Social security costs	99,625	62,364
	<u>1,570,100</u>	<u>1,239,615</u>

5. Director's remuneration

	2014 £	2013 £
Remuneration (including benefits in kind)	<u>175,007</u>	<u>-</u>

There were no company pension contributions made during the year.

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2014 No.	2013 No.
Accruing benefits under money purchase pension scheme (including highest paid director)	<u>1</u>	<u>1</u>

6. Other interest receivable and similar income

	2014 £	2013 £
Bank interest received	<u>1,439</u>	<u>2,147</u>

7. Interest payable and similar charges

	2014 £	2013 £
Bank interest and similar charges	1,616	3,204

8. Taxation**Tax on Profit on ordinary activities**

	2014 £	2013 £
Current tax		
Corporation tax charge	447,395	513,991

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK at 21.49% (2013: 23%).

The differences are reconciled below:

	2014 £	2013 £
Profit on ordinary activities before tax	2,743,757	2,234,745
Corporation tax at standard rate	589,633	513,991
Expenses not deductible for tax purposes	91,912	-
Income not taxable for tax purposes	(33,655)	-
Other permanent differences	(708)	-
Group relief claimed	(296,328)	(300,440)
Adjustments to tax charge in respect of previous periods	96,176	-
Other short term timing differences	365	-
Payment for group relief claimed	-	300,440
Total current tax	447,395	513,991

The company has an unrecognised deferred tax asset of £339 (2013: £nil) in respect of short term timing differences.

No deferred tax assets have been recognised by the Company.

9. Intangible fixed assets

	Licence costs £	Total £
Cost		
At 1 January 2014	255,391	255,391
At 31 December 2014	255,391	255,391
Amortisation		
At 1 January 2014	129,330	129,330
Charge for the year	51,078	51,078
At 31 December 2014	180,408	180,408
Net book value		
At 31 December 2014	74,983	74,983
At 31 December 2013	126,061	126,061

10. Investments

	2014	2013
	£	£
Cost		
At 1 January 2014	9	9
Additions	123,931	-
Write down of investment	(123,930)	-
	<u>10</u>	<u>9</u>

Kalixa Accept Limited made an investment into Kalixa Do Brasil- Instituicao de Pagamento Ltda in 2014 of £123,931 worth 990 shares at R\$1.00 par value.

As per the joint venture agreement between Kalixa Payments Group Limited (immediate holding company) and Millicom Telecommunications S.A., Kalixa Do Brasil is due to be sold to Circulo Payments Limited. The investment in Kalixa Do Brasil was written down at the year end to reflect the agreed sale value of £1.

Company name	Kalixa USA, Inc.
Country of incorporation	United States of America
Date incorporated	25.April.2013
Percentage of Ownership	100%
Principal Activity	Provision of gateway services
Company name	Kalixa Do Brasil- Instituicao de Pagamento Ltda
Country of incorporation	Brasil
Date incorporated	11.November.2013
Percentage of Ownership	99%
Principal Activity	Provision of gateway services

11. Stock

	2014	2013
	£	£
Finished Goods	<u>88,394</u>	<u>-</u>

12. Debtors

	2014	2013
	£	£
Payment service providers	12,757,472	15,194,269
Amounts owed by group undertakings and undertakings in which the company has a participating interests	2,761,780	107,989,093
Other debtors	985,020	719,565
	<u>16,504,271</u>	<u>123,902,927</u>

13. Cash at bank and in hand

	2014	2013
	£	£
Cash held for settlement to merchants	8,263,435	4,874,547
Cash generated through trading activities	99,353	6,592,486
	<u>8,362,788</u>	<u>11,467,033</u>

14. Creditors: Amounts falling due within one year

	2014 £	2013 £
Merchant payables	3,625,539	5,430,720
Amounts owed to group undertakings	15,347,720	126,290,888
Other taxes and social security	189,865	211,667
Accruals and deferred income	232,010	239,188
	<u>19,395,134</u>	<u>132,172,463</u>

15. Share capital**Allotted, called up and fully paid shares**

	2014	
	No.	£
Ordinary shares of £1 each	810,467	810,467

16. Reserves

	2014 £	2013 £
At 1st January	2,513,100	246,174
Prior year adjustment	-	546,172
As restated	2,513,100	792,346
Profit for the year	2,296,362	1,720,754
At 31 December	<u>4,809,462</u>	<u>2,513,100</u>

17. Reconciliation of movement in shareholders' funds

	2014 £	Total £
Shareholders funds at 1 January 2014	3,323,567	3,323,567
Profit attributable to the members of the company	2,296,362	2,296,362
Shareholders' funds at 31 December 2014	<u>5,619,929</u>	<u>5,619,929</u>

18. Stock option reserve

	2014 £	2013 £
Share-based payments	15,384	-
	<u>15,384</u>	<u>-</u>

The BSP (Bonus Share Plan) plan covers a three year period with annual performance targets set at the beginning of each year. If the targets are met the participant will receive nil-cost share-options which vest in equal instalments over the next three years. A further grant of shares will be made in 2015 in relation to performance conditions achieved in 2014. This balance is immaterial and therefore not accrued for.

18. Stock option reserve (continued)**Bonus and Share Plan ("BSP")**

	2014 No.	2013 No.
Outstanding at beginning of year	-	-
Granted during the year	7,827	-
Exercised during the year	(5,166)	-
	<u>2,661</u>	<u>-</u>
Outstanding at end of year	<u>2,661</u>	<u>-</u>

There were no share options that lapsed during the year.

The GSP plan is an award of free shares worth up to a maximum of £25,000 (or equivalent) which may be made to each eligible employee each year. The award may be subject to performance conditions. There is flexibility to grant different types of free share award including nil-cost options, conditional awards of shares and restricted shares where the employee is the owner of the shares from the date of award.

Group Share Plan ("GSP")

	2014 No.	2013 No.
Outstanding at beginning of year	-	-
Granted during the year	3,978	-
	<u>3,978</u>	<u>-</u>
Outstanding at end of year	<u>3,978</u>	<u>-</u>

There were no share options that lapsed or were exercised during the year.

19. Commitments

The company had no annual commitments in 2014 (2013: nil).

20. Related party transactions

The Company has taken advantage of the exemption available under Financial Reporting Standard 8, Related Party Transactions, not to disclose any transactions with wholly owned subsidiaries included in the consolidated financial statements of its parent company.

21. Post balance sheet events

Kalixa Payments Group Limited acquired the entire issued share capital of Kalixa Accept Limited for £28,500,000 from Kalixa Operations GmbH on 31st January 2015.

22. Control

The Company is a subsidiary undertaking of Bwin.party Digital Entertainment Plc. listed on the London Stock Exchange, which is the Company's ultimate holding company. The Company's immediate holding company during the year was Kalixa Operations GmbH incorporated in Austria. On 31st January 2015 Kalixa Payments Group Limited (previously Servebase Group Limited) acquired the entire issued share capital of Kalixa Accept Limited for £28,500,000 from Kalixa Operations GmbH and became the company's immediate holding company.

The consolidated accounts of Bwin.party Digital Entertainment Plc are available to the public and may be obtained at 711 Europort, Gibraltar.