

ClickandBuy (Europe) Ltd.

**Registered in England and Wales
No. 5661160**

REPORT AND ACCOUNTS

**FOR THE PERIOD ENDING
31 December 2007**

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ClickandBuy (Europe) Ltd.

Report of the directors

The Directors submit their report together with the financial statements for the 7-month-period from 1 June to 31 December 2007. The comparatives are for the 17-month-period from 22 December 2005 to 31 May 2007.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4)(a) of the Companies Act 1985.

Principal activity

ClickandBuy (Europe) Limited, incorporated 22 December 2005, is a FSA licensed e-money issuer. The company was granted a licence to issue e-money by the Financial Services Authority in the United Kingdom on 29 November 2006 and was subsequently granted permission to issue e-money in 28 other EEA states under the rules governing Cross Border Services. e-money is issued into a digital wallet which is subsequently used by individuals for internet-based purchases of digital content or services.

ClickandBuy is a full-service e-payment and billing system, with more than 7,000 well known merchants using the solution.

By accepting payments through ClickandBuy, merchants can offer more than 40 different payment types to customers across Europe on a single contract and system. Added to these 40 payment methods are multiple currency capabilities, language support and local payments knowledge, which means that ClickandBuy represents a strong combination of global reach and local capability in the world of web payments.

Results and dividends

The loss for the period on ordinary activities after taxation amounted to EUR 3,239,638 (EUR 2,630,142 for period to 31 May 2007).

The Directors do not recommend the payment of a final dividend (EUR Nil for period to 31 May 2007).

Directors and their interests

The Directors who served throughout the year, except as noted, were

Mr David Hunter (appointed 1 November 2006, resigned 31 January 2008)

Mr Frank Brinker

Mr Timo Seidel

Mr Nicholas Drew (appointed 1 February 2008)

ClickandBuy (Europe) Ltd.

Report of the directors (continued)

Directors' responsibility statement

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern.

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.

Auditors

In the case of each of the persons who are directors of the company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in s234ZA of the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all steps that he ought to have taken as director to make himself aware of any relevant audit information (as defined in s234ZA of the Companies Act 1985) and to establish that the company's auditors are aware of that information.

In accordance with Sections 485 and 487 of the Companies Act 2006, Deloitte & Touche LLP are deemed to have been re-appointed as auditors of the Company.

By Order of the Board



Nicholas Drew

27 March 2008

ClickandBuy (Europe) Limited

Registered Office Address
Lincoln House,
137-143 Hammersmith Road,
London W14 0QL

ClickandBuy (Europe) Ltd.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLICKANDBUY (EUROPE) LTD

We have audited the financial statements of ClickandBuy (Europe) Ltd for the 7-month-period from 1 June to 31 December 2007 which comprises the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2007 and of its loss for the period 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.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, UK
27 March 2008

ClickandBuy (Europe) Ltd.

Income Statement

For the period ending 31 December 2007

	Notes	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Revenue	2	9,252,164	8,820,629
Cost of sales		(9,479,256)	(9,250,363)
Gross loss		(227,092)	(429,734)
Operating expenses		(462,240)	(395,551)
Administrative expenses		(1,479,178)	(1,098,749)
Impairment loss	5	(1,193,573)	(886,908)
Other operating loss		(189,426)	40,602
Operating loss		(3,551,509)	(2,770,340)
Financial income	6	311,871	140,198
Loss before tax		(3,239,638)	(2,630,142)
Tax	7	-	-
Loss attributable to equity shareholders		(3,239,638)	(2,630,142)

Statement of Changes in Equity

For the period ending 31 December 2007

	Share capital and Capital reserves EUR	Retained earnings EUR	Total EUR
At 1 June 2007	2,975,087	(2,630,142)	344,945
Increase in Share capital in July 2007	595,240	-	595,240
Increase in Share premium reserves in July 2007	2,380,960	-	2,380,960
Loss for the period till December 2007	-	(3,239,638)	(3,236,885)
At 31 December 2007	(5,951,287)	(5,869,780)	81,506

ClickandBuy (Europe) Ltd.

Balance Sheet

For the period ending 31 December 2007

	Notes	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Non-current assets			
Intangible assets	8	723,614	831,383
Tangible assets	9	99,586	108,200
Other financial assets		3,959	
Total non-current assets		827,159	939,583
Current assets			
Receivables and other assets	10	9,832,779	8,057,993
Cash		22,142,366	16,595,137
Total current assets		31,975,145	24,653,130
Current liabilities			
Trade and other payables	11	(31,568,055)	(22,449,462)
Other accruals	12	(534,804)	(620,466)
Total current liabilities		(32,102,859)	(23,069,928)
Net current assets		(127,714)	1,583,202
Non-current liabilities			
Loan	13	(617,939)	(2,177,840)
Total non-current liabilities		(617,939)	(2,177,840)
Net assets		81,506	344,945
Equity			
Share capital	14	1,191,447	596,207
Share premium reserves		4,759,840	2,378,880
Loss for the period to 31 May 2007		(2,630,142)	
Retained earnings	15	(3,239,638)	(2,630,142)
Total equity attributable to equity holders of the company		81,506	344,945

The financial statements were approved by the board of directors and authorised for issue on 27 March 2008. They were signed on its behalf by

Director



Nicholas Drew

ClickandBuy (Europe) Ltd.

Cash Flow Statement

For the period ending 31 December 2007

	Notes	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Net cash from operating activities	16	4,159,724	12,490,132
Investing activities			
Purchase of intangible assets		-	(922,934)
Purchase of tangible assets		(15,223)	(124,988)
Increase of financial assets		(13,571)	-
Net cash flow (used in) investing activities		(28,794)	(1,047,922)
Financing activities			
Issue of ordinary share capital		595,240	596,207
Issue of Capital reserves		2,380,960	2,378,880
(Decrease) / Increase of Loans		(1,559,901)	2,177,840
Net cash from financing activities		1,416,299	5,152,927
Net increase in cash		5,547,229	16,595,137
Cash at beginning of period		16,595,137	-
Cash at end of period		22,142,366	16,595,137

Notes to the financial statements for the Period ending 31 December 2007 (continued)

1 Accounting Policies

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied throughout the period, unless otherwise stated.

Basis of preparation

The financial statements comprising the 7-month-period from 1 June to 31 December 2007 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union that are effective at the company's reporting date. The company, in addition to complying with its legal obligation to comply with IFRSs as adopted for use in the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention and in accordance with UK Company Law. The comparatives are for the 17-month-period from 22 December 2005 to 31 May 2007.

During the period, the Company adopted the following IFRS

- The amendments to IAS 1 "Capital Management" which requires that certain disclosures are made regarding the entity's objectives, policies and processes for managing capital. The Company's capital management disclosures may be found in note 19 to the accounts and
- IFRS 7 "Financial Instruments: Disclosures" which enables the users of the financial statements to evaluate the significance of financial instruments for the entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date, and how the entity manages those risks. The disclosures relating to financial instruments may be found in note 20
- Four interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are IFRIC 7 *Applying a Restatement Approach under IAS29, Financial Reporting in Hyperinflationary Economies*, IFRIC 8 *Scope of IFRS 2*, IFRIC 9 *Reassessment of Embedded Derivatives*, and IFRIC 10 *Interim Financial Reporting and Impairment*. The adoption of these Interpretations has not led to any changes in the Company's accounting policies
- At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective,

IFRS 8 *Operating Segments*

IFRIC 11 *IFRS 2 – Group and Treasury Share Transactions*

IFRIC 12 *Service Concession Arrangements*

IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

Foreign currencies

The financial statements of the company are presented in Euros, which is the currency of the primary economic environment in which the company operates (its functional currency). In preparing the financial statements, foreign exchange differences arise on transactions in currencies other than the company's functional currency. Exchange differences arising on the settlement of monetary and non-monetary items, and on the retranslation of monetary and non-monetary items, are included in the income statement for the period.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Intangible assets

Intangible assets are recognised if they arise from contracted or other legal rights or if they are capable of being separated or divided from the Company and sold, transferred, licensed, rented or exchanged. The value of such intangible assets is amortised on a straight line basis over the useful economic life of the assets in question, which for the brand licence is 5 years.

ClickandBuy (Europe) Ltd.

Notes to the financial statements for the Period ending 31 December 2007 (continued)

Tangible assets

Assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at a rate calculated to write off the cost or valuation, less the estimated residual values of each asset on a straight line basis over their expected useful lives as follows:

- Computer hardware over 4 to 5 years
- Fixtures over 4 years
- Office equipment over 4 to 5 years
- Office interiors over 8 years

Financial Assets

The Company classifies its financial assets as loans and receivables. Management determines the classification of its investments at initial recognition. Loans and receivables are non-derivative financial assets with fixed or determinable payments and which are not classified as available for sale. They arise when the entity provides money or services directly to a customer with no intention of trading the loan. Loans and receivables are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, using the effective interest method. They are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all of the risks and rewards of ownership.

At each balance sheet date, the Company assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets classified as available for sale or loans and receivables have become impaired. Evidence of impairment may include indications that the borrower or group of borrowers have defaulted or are experiencing significant financial difficulty.

Financial liabilities

Financial liabilities are initially recognised when the entity becomes contractually bound to transfer economic benefits in the future and are measured at amortised cost. Financial liabilities are only derecognised once the liability has been extinguished. A liability is only extinguished when either the liability is discharged by payment, or there is a legal release (by law or by the creditor).

Income taxes

The company is loss making in the current period. No corporation tax has been incurred and no deferred tax asset has been recognised for the loss.

Retirement benefits

The company operates a defined contribution scheme for UK-based employees. The amount charged to the profit and loss account is the contributions payable in the year.

2 Revenue

Sales are made up as follows:

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
ClickandBuy Commissions and fees	6,321,307	6,613,015
ClickandBuy end user fees	2,790,909	2,111,850
Other revenues	19,413	108
Intercompany sales	120,535	95,656
Total sales	9,252,164	8,820,629

3 Auditors Remuneration

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Fees for audit of the company's annual report	86,832	91,283
Fees for VAT and other advices	16,618	-
	103,450	91,283

ClickandBuy (Europe) Ltd.

Notes to the financial statements for the Period ending 31 December 2007 (continued)

4 Staff costs

The average number of employees (including the managing director) is 19
The aggregate remuneration comprised

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Wages and salaries	432,297	365,699
Social security costs	41,634	22,444
Other pension costs	6,732	10,942
Total	480,663	399,085

5. Impairment loss

This amount represents the write-off of amounts owed by customers which are no longer deemed recoverable

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Impairment loss related to end-users	1,193,573	886,908
Recoveries	-	-
Net charges	1,193,573	886,908
Total	1,193,573	886,908

6 Financial income

The item is made up as follows

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Other financial income	345,304	194,864
Other financial expenses	(33,433)	(54,666)
	311,871	140,198

Other financial income comprises only bank interest Other financial expenses mainly cover interest due to affiliated companies of EUR 33,392 (EUR 54,519 for period to 31 May 2007)

7. Taxes

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
UK corporation tax – current year	Nil	Nil
UK corporation tax – prior year	Nil	Nil
Deferred tax – current year	Nil	Nil
Deferred tax – prior year	Nil	Nil
	Nil	Nil

Corporation tax is calculated at 28% (prior period 28%) of the estimated assessable profit for the year
The charge for the year can be reconciled to the profit per the income statement as follows

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Loss before tax	(3,239,638)	(2,630,142)
Expected Tax credit at the UK corporation tax rate of 28% (Period to 31 May 2007 28%)	(907,099)	(736,440)
Losses not recognised in the period	907,099	736,440
	Nil	Nil

ClickandBuy (Europe) Ltd.

Notes to the financial statements for the Period ending 31 December 2007 (continued)

8 Intangible assets

Intangible assets moved as follows

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Cost		
At 1 June 2007	922,934	-
Acquisition costs	-	922,934
At 31 December 2007	922,934	922,934
Amortization		
At 1 June 2007	(91,551)	-
Charge for the year	(107,769)	(91,551)
At 31 December 2007	(199,320)	(91,551)
Net Book Value	723,614	831,383

9 Tangible assets

The item is made up as follows

	Fixtures EUR	Computer hardware EUR	Office interiors EUR	Office equipment EUR	Total EUR
Cost					
At 1 June 2007	59,499	26,949	35,236	3,304	124,988
Acquisition costs	1,914	10,092	570	2,647	15,223
At 31 December 2007	61,413	37,041	35,806	5,951	140,211
Depreciation					
At 1 June 2007	(5,467)	(3,466)	(4,826)	(3,029)	(16,788)
Charge for the year	(8,804)	(7,215)	(6,294)	(1,524)	(23,837)
At 31 December 2007	(14,271)	(10,681)	(11,120)	(4,553)	(40,625)
Net Book Value	(47,142)	(26,360)	(24,686)	(1,398)	(99,586)

10 Receivables and other assets

	31 December 2007 EUR	31 May 2007 EUR
Trade receivables	7,105,993	4,760,887
Receivables from affiliated companies	2,384,268	3,174,622
Other assets	342,518	122,484
	9,832,779	8,057,993

The directors consider that the carrying amount of trade and other receivables approximates to their fair value

11 Trade and other payables

	31 December 2007 EUR	31 May 2007 EUR
Trade accounts payables	20,041,552	12,470,724
Amounts due to affiliated companies	11,273,730	9,822,983
Other liabilities	252,773	155,755
	31,568,055	22,449,462

The directors consider that the carrying amount of trade and other payables approximates to their fair value

ClickandBuy (Europe) Ltd.

Notes to the financial statements for the Period ending 31 December 2007 (continued)

12. Other accruals

Other accruals comprise

	31 December 2007 EUR	31 May 2007 EUR
Staff bonuses	98,186	53,150
Audit Fees	81,426	91,283
Unpaid invoices	25,417	404,000
Sundry other accruals	329,775	72,033
	534,804	620,466

13. Related party transactions

The following were the balances with related parties as at 31 December 2007

	31 December 2007 EUR	31 May 2007 EUR
Amounts due to group companies		
Loan Firstgate Holding AG	617,939	2,177,840
Interest expenses on loan	33,392	54,519
Intercompany accounts		
ClickandBuy International AG	(7,292,929)	(4,518,611)
ClickandBuy Marketing AG	(1,354,832)	(2,400,000)
ClickandBuy Services AG	(1,168,468)	(2,755,387)
ClickandBuy LLC	(1,113,325)	-
Firstgate SAS FR	(306,974)	-
Firstgate Holding AG	(23,276)	(148,985)
Firstgate SA ES	(13,926)	-
	(11,273,730)	(9,822,983)

	31 December 2007 EUR	31 May 2007 EUR
Amounts due from group companies		
Intercompany accounts		
ClickandBuy Services AG	1,350,329	2,037,107
Firstgate SAS FR	555,922	-
ClickandBuy International AG	298,497	1,136,045
Firstgate SA ES	119,109	-
ClickandBuy Marketing Inc	58,252	-
ClickandBuy Marketing AG	2,159	-
Firstgate Holding AG	-	1,470
	2,384,268	3,174,622

The loan of EUR 617,939 reflects an amount owed to Firstgate Holding AG, Zug/Switzerland. This amount will be charged with an interest rate of 6% p.a. There are accumulated interest expenses for Firstgate Holding AG, Zug/Switzerland, of EUR 33,392. The loan is repayable on 31 March 2009.

ClickandBuy (Europe) Ltd.

Notes to the financial statements for the Period ending 31 December 2007 (continued)

14. Share capital

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Authorised shares	801,000	401,000
Issued and fully paid		
At the beginning of the period	596,207	-
Ordinary share issue EUR 1.49 each (401,000 shares)	595,241	596,207
At the end of the period	1,191,448	596,207
Share premium reserve		
At the beginning of the period	2,378,880	-
Share premium increase EUR 5.95 each (401,000 shares)	2,380,960	2,378,880
At the end of the period	4,759,840	2,378,880

After the balance sheet date, on 28 February 2008, the company issued 500,000 shares made up of ordinary shares of EUR 1.49 each. This increased share capital by EUR 661,551 and share premium by EUR 2,646,202.

15 Retained earnings

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Balance at beginning of the period	(2,630,142)	-
Loss for the year	(3,239,638)	(2,630,142)
Balance at period-end	(5,869,780)	(2,630,142)

16 Notes to the cash flow statement

	Period ending 31 December 2007 EUR	Period ending 31 May 2007 EUR
Net loss for the period	(3,239,638)	(2,630,142)
Depreciation and amortization on intangible and tangible assets	131,606	108,339
Operating cash flows before movements in working capital	(3,108,032)	(2,521,803)
(Decrease) / Increase in other accruals	(85,662)	620,466
(Increase) in trade receivables	(2,345,106)	(4,760,887)
Decrease / (Increase) in accounts due from affiliated companies	790,354	(3,174,622)
(Increase) in other receivables	(210,422)	(122,484)
Increase in trade accounts payable	7,570,828	12,470,724
Increase in accounts due to affiliated companies	1,450,747	9,822,983
Increase in other liabilities	97,017	155,755
Cash generated by operations	7,267,756	15,011,935
Net cash flow from operating activities	4,159,724	12,490,132

Cash comprise cash at banks

17 Parent undertaking and controlling party

The Company's immediate and ultimate parent company is Firstgate Holding AG, a company incorporated in Zug, Switzerland.

Copies of all sets of group accounts, which include the results of the Company, are available from Firstgate Holding AG, Industriestraße 18, 6300 Zug, Switzerland.

ClickandBuy (Europe) Ltd.

Notes to the financial statements for the Period ending 31 December 2007 (continued)

18 The directors

The directors as at 31 December 2007 are Frank Brinker, David Hunter and Timo Seidel. Frank Brinker and Timo Seidel are also executives of other entities of the Firstgate Holding Group. The Company's contribution towards director's salaries is made up as follows:

	Percentage Contribution	Amount EUR
Frank Brinker	25%	22,978
David Hunter	100%	84,422
Timo Seidel	50%	25,417

The salaries of Frank Brinker and Timo Seidel are paid by ClickandBuy International AG and ClickandBuy Services AG.

19 Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of debt, which includes the borrowings disclosed in note 13, cash and equity attributable to equity holders of the company, comprising issued capital, reserves and retained earnings as disclosed in notes 14 and 15.

Capital requirements exist for the company as a regulated e-money issuer within the United Kingdom. The company's capital position is reported to its regulator on a regular basis. The company generally maintained a fully compliant capital position during the reporting period, the only exceptions being a requirement to inject additional share capital which was only identified after period end and an earlier mis-balance of tier1-tier2 capital mix which was found not to meet regulator's requirements. The company's regulator possesses the ability to impose restrictions or special measures upon a firm not meeting its obligations, however in the case of the above, both conditions were temporary with fully documented corrective action being affected within days.

Gearing Ratio

The Company's capital structure is reviewed on a monthly basis as part of a wider funding review and in line with capital adequacy obligations as an FSA regulated firm. A gearing ratio of approximately 754% (this is equivalent to 754% debt/equity ratio) is targeted across several companies in order to maintain the wider group credit rating.

The debt/equity ratio at the year end is as follows:

	7 month period ending 31 December 2007 EUR '000	17 month period ending 31 May 2007 EUR '000
Loans receivable	Not applicable	Not applicable
Cash	22,143	16,595
Loans payables	618	2,178
Net debt	618	2,178
Equity	82	345
Net debt to equity ratio	754%	631%

Debt is defined as long-term loans payable, as detailed in notes 13.

Equity includes all capital and reserves of the company attributable to equity holder of the company.

20. Financial risk management

The Company's risk management focuses on the major areas of credit risk, liquidity risk and market risk. Risk management is carried out by the central risk management function of the Firstgate Group.

Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers to meet their obligations.

The Company's principal financial assets are bank balances and cash, trade and other receivables and amounts owed by other members of the group. For trade and other receivables, refer to note 10 and for loans receivable refer to note 11.

The credit risk on liquid funds is limited because bank balances are held on current accounts with zone A banking institutions only which can be withdrawn on a daily basis.

ClickandBuy (Europe) Ltd.

Notes to the financial statements for the Period ending 31 December 2007 (continued)

Trade receivables from third parties comprise receivables from end user customers corresponding to trade payables due to internet merchants. Any risks concerning these receivables are balanced by corresponding trade payables accordingly. The credit risk to the Company is therefore limited to the potential loss of its commission of about 2.5% on average in respect of non-performing receivables.

Liquidity risk

Liquidity risk is the potential that, although remaining solvent, the Company does not have sufficient liquid financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

The following table details the Company's remaining maturity for its financial liabilities.

	Within one year EUR	Between one and two years EUR	Between two and five years EUR	Over five years EUR	Total EUR
2007					
Loans from group undertakings		617,939	-	-	617,939
Trade and other payables	31,568,054	-	-	-	31,568,054
Total	31,568,054	617,939	-	-	32,185,993
2006					
Loans from group undertakings		-	2,177,840	-	2,177,840
Trade and other payables	22,449,462	-	-	-	22,449,462
Total	22,449,462	-	2,177,840	-	24,627,302
Net assets/ (liabilities)	(12,626,295)	(617,939)	(2,177,840)	-	(15,422,074)

Market risk

Market risk is defined as the risk of loss as a result of adverse changes in risk factors including foreign exchange rates.

The majority of market risk arises as a result of foreign exchange rates. The Company's income is exposed to movements in the foreign exchange rate on balances held with banks to fund the transactions between internet merchants and end user customers.

Sensitivity analysis

A movement of +/- 100 basis points in foreign exchange rates, when applied to statistical models, will have the following impact on the profit and equity in the financial statements.

Risk factor	Variability	7 month period ending 31 December 2007 EUR '000	17 month period ending 31 May 2007 EUR '000
Foreign exchange rates	+6%	1	N / A
Foreign exchange rates	-6%	-1	N / A

21. Post Balance Sheet Events

There have been no events subsequent to 31 December 2007 that require disclosure in the accounts with the exception of the share capital issue in February 2008, detailed in Note 14.