ClickandBuy International Ltd.
(formerly ClickandBuy (Europe) Ltd.)

Registered in England and Wales
No. 5661160

REPORT AND ACCOUNTS

FOR THE YEAR ENDED
31 December 2008

Report of the Directors

The Directors submit their report together with the Financial Statements for the year ended 31 December 2008. The comparatives are for the 7-month period from 1 June to 31 December 2007.

Principal activity

ClickandBuy International Ltd. (formerly ClickandBuy (Europe) Ltd.; renamed June 2008), incorporated 22 December 2005, is a Financial Services Authority ("FSA") licensed e-money issuer. The Company was granted a licence to issue e-money by the FSA 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 14,000 well known merchants using the solution.

By accepting payments through ClickandBuy, merchants can offer more than 40 different payment methods to customers across Europe on a single contract and system. In addition to this 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.

The principal risks associated with the business are certain types of attempted fraud and potential breeches of data security. Fraud risk is mitigated by a dedicated anti-fraud / anti-money laundering department utilising highly skilled fraud managers and fraud detection technologies. Some of these have been developed in-house by ClickandBuy, while others have been sourced externally from the best industry has to offer. Data integrity is maintained through regular, independent auditing of the company's IT policies and practices – including its physical locations, as well as industry standard certification such as PCI-DSS. As would be expected from a secure online payments organisation, ClickandBuy also makes use of secure internet connections and encryption technologies wherever necessary to protect information which is passed to or from its systems. A recent addition to the portfolio has been the implementation of daily 3rd party scanning of the ClickandBuy environment.

Results and dividends

The profit for the period on ordinary activities after taxation amounted to EUR 539,979 (EUR 3,239,638 loss for the 7-month period from 1 June to 31 December 2007).

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

Directors and their interests

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

Mr Charles Fränkl (appointed 1 December 2008)
Mr Michael Grodd (appointed 20 October 2008)
Mr Frank Brinker
Mr Nicholas Drew (appointed 1 February 2008)
Mr Timo Seidel (resigned 14 April 2008)

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'.

Report of the Directors (continued)

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.

Statement of going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. The Company's objectives, policies and processes for managing its capital are described in note 19 to the financial statements.

Details of the Company's financial risk management objectives, its financial instruments and hedging activities; and its exposures to credit risk, market risk and liquidity risk are set out in note 20 to the financial statements.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

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 LLP are deemed to have been re-appointed as auditors of the Company.

By Order of the Board

Charles Fränkl

24 April 2009

ClickandBuy International Limited

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLICKANDBUY INTERNATIONAL LIMITED.

We have audited the Financial Statements of ClickandBuy International Ltd for the year ended 31 December 2008 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 2008 and of its profits 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.

As explained in Note 1 to the Financial Statements, the company in addition to complying with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, UK
24 April 2009

Income Statement

For the year ended 31 December 2008

	Notes	Year ended 31 December 2008 EUR	Period ending 31 December 2007 EUR (restated)
Revenue	2	20,061,804	8,058,591
Cost of sales		(17,741,569)	(9,479,256)
Gross Profit (Loss)		**2,320,235**	**(1,420,655)**
Operating expenses		218,311	(462,240)
Administrative expenses		(1,401,687)	(1,479,178)
Impairment loss	5	(452)	-
Loss on foreign exchange		(1,348,067)	(189,426)
Operating loss		**(211,660)**	**(3,551,509)**
Financial income	6	751,639	311,871
Profit (Loss) before tax		**539,979**	**(3,239,638)**
Tax	7	-	-
Profit (Loss) attributable to equity shareholders		**539,979**	**(3,239,638)**

Statement of Changes in Equity

For the year ended 31 December 2008

	Share capital and Capital reserves EUR	Retained earnings EUR	Total EUR
At 1 January 2008	5,951,287	(5,869,780)	81,507
Increase in Share capital in February 2008	661,550	-	661,550
Increase in Share premium reserves in February 2008	2,646,203	-	2,646,203
Profit for the year	-	539,979	539,979
At 31 December 2008	**9,259,040**	**(5,329,801)**	**3,929,239**

ClickandBuy International Ltd.

Balance Sheet

As at 31 December 2008

	Notes	31 December 2008 EUR	31 December 2007 EUR
Non-current assets			
Intangible assets	8	537,614	723,614
Tangible assets	9	75,587	99,586
Other financial assets		0	3,959
Total non-current assets		**613,201**	**827,159**
Current assets			
Receivables and other assets	10	21,688,661	9,832,780
Cash		18,489,861	22,142,366
Total current assets		**40,178,522**	**31,975,146**
Current liabilities			
Trade and other payables	11	(35,559,353)	(31,568,055)
Other accruals	12	(835,408)	(534,804)
Total current liabilities		**(36,394,761)**	**(32,102,859)**
Net current assets		**3,783,761**	**(127,713)**
Non-current liabilities			
Loan	13	(467,723)	(617,939)
Total non-current liabilities		**(467,723)**	**(617,939)**
Net assets		**3,929,239**	**81,507**
Equity			
Share capital	14	1,852,997	1,191,447
Share premium reserves		7,406,043	4,759,840
Retained earnings	15	(5,329,801)	(5,869,780)
Total equity attributable to equity holders of the Company		**3,929,239**	**81,507**

The Financial Statements were approved by the board of Directors and authorised for issue on 24 April 2009. They were signed on its behalf by:

Director

Charles Fränkl

ClickandBuy International Ltd.

Cash Flow Statement

For the year ended 31 December 2008

	Notes	Year ended 31 December 2008 EUR	From 1 June to 31 December 2007 EUR
Net cash from operating activities	16	**(6,819,655)**	**4,159,724**
Investing activities			
Purchase of intangible assets		-	-
Purchase of tangible assets		-	(15,223)
Decrease (Increase) of financial assets		9,613	(13,571)
Net cash flow (used in) investing activities		**9,613**	**(28,794)**
Financing activities			
Issue of ordinary share capital		661,550	595,240
Issue of Capital reserves		2,646,203	2,380,960
(Decrease) / Increase of Loans		(150,216)	(1,559,901)
Net cash from financing activities		**3,157,537**	**1,416,299**
Net (decrease) increase in cash		(3,652,505)	5,547,229
Cash at beginning of period		22,142,366	16,595,137
Cash at end of period		**18,489,861**	**22,142,366**

Notes to the Financial Statements for the year ended 31 December 2008

1. Accounting Policies

The principal accounting policies applied in the preparation of the 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 12-month-period from 1 January to 31 December 2008 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 7-month-period from 1 June to 31 December 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.

- In the current year, two Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are: IFRIC 11 IRFS 2 - *Group and Treasury Share Transactions* and IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The adoption of these Interpretations has not led to any changes in the Financial Statements of the Company.

- 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 (and in some cases had not et been adopted by the EU);

IFRS 1 (amended)	*Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
IFRS 2 (amended)	*Share-based Payment – Vesting Conditions and Cancellations*
IFRS 8	*Operating Segments*
IAS 1 (revised 2007)	*Presentation of Financial Statements*
IAS 23 (revised 2007)	*Borrowing Costs*
IAS 27 (revised 2008)	*Consolidation and Separate Financial Statements*
IAS 32 (amended)	*Puttable Financial Instruments and Obligations Arising on Liquidation*

IFRIC 12	*Service Concession Arrangements*
IFRIC 15	*Agreements for the Construction of Real Estate*
IFRIC 16	*Hedges of a Net Investment in a Foreign Operation*

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.

The Company policy for recognising revenue was changed during the year to remove fees levied against customers whose direct debits and credit card payments have failed. It is not considered probable that the economic benefit associated with the transaction will flow to the entity. The directors consider that the new policy provides a fairer presentation of the result and of the financial position of the Company because it does not overstate revenues with charges that are unlikely to be received. The comparative figures in the primary statements and notes have been restated to reflect the new policy. There is no impact on the overall profit from this restatement.

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.

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 assess 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).

Taxation

The Company made a profit in the current year but was loss making in the prior periods. Therefore the brought forward losses have been used against current year profits so no corporation tax has been incurred.

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:

	Year ended 31 December 2008 EUR	From 1 July to 31 December 2007 EUR (restated)
ClickandBuy Commissions and fees	15,407,878	6,321,307
ClickandBuy end user fees	3,909,940	1,597,336
Other revenues	628,549	19,413
Intercompany sales	115,437	120,535
Total sales	**20,061,805**	**8,058,591**

3. Auditors' Remuneration

	Year ended 31 December 2008 EUR	From 1 July to 31 December 2007 EUR
Fees for audit of the Company's annual report	65,000	86,832
Fees for VAT and other advice	17,000	16,618
Total	**82,000**	**103,450**

4. Staff costs

The average number of employees (including the managing director) is 10.
The aggregate remuneration comprised:

	Year ended 31 December 2008 EUR	From 1 July to 31 December 2007 EUR
Wages and salaries	520,336	432,297
Social security costs	45,931	41,634
Other pension costs	12,809	6,732
Total	**579,076**	**480,663**

The remuneration of the highest paid Director was 93,105 EUR (2007: 84,422 EUR).

5. Impairment loss

This amount represents the write-off of amounts owed by customers which are not recoverable.

	Year ended 31 December 2008 EUR	From 1 July to 31 December 2007 EUR (restated)
Impairment loss related to end-users	452	-
Recoveries	-	-
Net charges	452	-
Total	**452**	**-**

The impairment loss for the prior period has been restated due to the change in accounting policy as described in note 1. Prior to the restatement the charge was EUR 1,193,573.

6. Net financial income

The item is made up as follows:

	Year ended 31 December 2008 EUR	From 1 July to 31 December 2007 EUR
Other financial income	821,909	345,304
Other financial expenses	(70,270)	(33,433)
Total	**751,639**	**311,871**

Other financial income comprises only bank interest. Other financial expenses mainly cover interest due to affiliated companies of EUR 31,459 (EUR 33,392 for period to 31 December 2007).

7. Taxes

	Year ended 31 December 2008 EUR	From 1 July to 31 December 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
Total	**Nil**	**Nil**

Corporation tax is calculated at 28.5% (prior period: 30%) 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 2008 EUR	Period ending 31 December 2007 EUR
Profit / (Loss) before tax:	539,979	(3,239,638)
Tax calculated at a rate of 28.5% (2007: 30%)	153,894	(971,891)
Tax credit from losses brought forward	(153,894)	971,891
Tax expense	**Nil**	**Nil**

8. Intangible assets

Intangible assets moved as follows:

	Year ended 31 December 2008 EUR	From 1 July to 31 December 2007 EUR
Cost		
At 1 January 2008	922,934	922,934
At 31 December 2008	922,934	922,934
Amortization		
At 1 January 2008	(199,320)	(91,551)
Charge for the year	(186,000)	(107,769)
At 31 December 2008	(385,320)	(199,320
Net Book Value	**537,614**	**723,614**

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 January 2008	61,413	37,041	35,806	5,951	140,211
At 31 December 2008	61,413	37,041	35,806	5,951	140,211
Depreciation					
At 1 January 2008	(14,271)	(10,681)	(11,120)	(4,553)	(40,625)
Charge for the year	(7,670)	(8,499)	(7,543)	(287)	(23,999)
At 31 December 2008	(21,941)	(19,180)	(18,663)	(4,840)	(64,624)
Net Book Value	**39,472**	**17,861**	**7,143**	**1,111**	**75,587**

10. Receivables and other assets

	31 December 2008 EUR	31 December 2007 EUR
Trade receivables	12,541,509	7,105,993
Receivables from affiliated companies	8,053,432	2,384,268
Other assets	1,093,720	342,519
Total	**21,688,661**	**9,832,780**

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

11. Trade and other payables

	31 December 2008 EUR	31 December 2007 EUR
Trade accounts payables	24,661,701	20,041,552
Amounts due to affiliated companies	10,349,155	11,273,730
Other liabilities	548,497	252,773
Total	**35,559,353**	**31,568,055**

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

12. Other accruals

Other accruals comprise of:

	31 December 2008 EUR	31 December 2007 EUR
Unpaid invoices	94,000	25,417
Audit Fees	65,000	81,426
Staff bonuses	56,633	98,186
Sundry other accruals	619,775	329,775
Total	**835,408**	**534,804**

13. Related party transactions

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

Amounts due to group companies	31 December 2008 EUR	31 December 2007 EUR
Loan Firstgate Holding AG	(467,723)	(617,939)
Interest expenses on loan	(31,459)	(33,392)
Intercompany accounts		
ClickandBuy International AG	(7,145,787)	(7,292,929)
ClickandBuy Marketing AG	(2,324,213)	(1,354,832)
ClickandBuy Marketing Inc.	(512,691)	0
Firstgate SAS FR	(313,169)	(306,974)
Firstgate Holding AG	(53,183)	(23,276)
Firstgate SA ES	(112)	(13,926)
ClickandBuy Services AG	0	(1,168,468)
ClickandBuy LLC	0	(1,113,325)
Total	**(10,349,155)**	**(11,273,730)**

Amounts due from group companies	31 December 2008 EUR	31 December 2007 EUR
Intercompany accounts		
ClickandBuy Services AG	4,832,153	1,350,329
ClickandBuy International AG	2,015,753	298,497
Firstgate SAS FR	555,922	555,922
Firstgate Holding AG	547,445	0
ClickandBuy Marketing AG	102,159	2,159
Firstgate SA ES	0	119,109
ClickandBuy Marketing Inc.	0	58,252
Total	**8,053,432**	**2,384,268**

The loan of EUR 467,723 is 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 31,459. The loan is repayable on 31 March 2009.

14. Share capital

	Year ended 31 December 2008 EUR	From 1 July to 31 December 2007 EUR
Authorised shares	1,301,000	801,000
Issued and fully paid		
At the beginning of the period	1,191,448	596,207
Ordinary share issue EUR 1.49 each	661,550	595,241
At the end of the period	1,852,997	1,191,448
Share premium reserve:		
At the beginning of the period	4,759,840	2,378,880
Share premium increase EUR 5.95 each	2,646,203	2,380,960
At the end of the period	**7,406,043**	**4,759,840**

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 661,550 and share premium by EUR 2,646,203.

15. Retained earnings

	Year ended 31 December 2008 EUR	From 1 July to 31 December 2007 EUR
Balance at beginning of the period	(5,869,780)	(2,630,142)
Profit / (Loss) for the year	539,979	(3,239,638)
Balance at period-end	**(5,329,801)**	**(5,869,780)**

16. Notes to the cash flow statement

	Year ended 31 December 2008 EUR	From 1 July to 31 December 2007 EUR
Net profit (loss) for the period	539,979	(3,239,638)
Depreciation and amortization on intangible and tangible assets	209,999	131,606
Operating cash flows before movements in working capital	749,978	(3,108,032)
Increase / (Decrease) in other accruals	300,604	(85,662)
(Increase) in trade receivables	(5,435,516)	(2,345,106)
(Increase) / Decrease in accounts due from affiliated companies	(5,669,164)	790,354
(Increase) in other receivables	(756,856)	(210,422)
Increase in trade accounts payable	4,618,368	7,570,828
(Decrease) / Increase in accounts due to affiliated companies	(924,574)	1,450,747
Increase in other liabilities	297,505	97,017
Cash generated by operations	(7,569,633)	7,267,756
Net cash flow from operating activities	**(6,819,655)**	**4,159,724**

Cash comprises of 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, Artherstrasse 23a, 6300 Zug, Switzerland.

18. The Directors

The Directors as at 31 December 2008 are Charles Fränkl, Michael Grodd, Frank Brinker and Nicholas Drew. Charles Fränkl, Michael Grodd and Frank Brinker 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
Charles Fränkl	25%	6,572
Michael Grodd	25%	15,738
Frank Brinker	25%	57,962

The salaries of Charles Fränkl, Michael Grodd and Frank Brinker are paid by ClickandBuy International AG, Zug, and ClickandBuy Marketing AG, Zug.

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 consist 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 exception being a requirement to inject additional share capital which was identified at period end 2007. 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, the situation was short-lived with fully documented corrective action being affected within days. No further action was necessary.

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 11.6% (this is equivalent to 11.6% 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:

	Year ended 31 December 2008 EUR '000	From 1 July to 31 December 2007 EUR '000
Loans receivable	Not applicable	Not applicable
Cash	18,490	22,142
Loans payables	468	618
Net debt	468	618
Equity	3,929	82
Net debt to equity ratio	11.9%	754%

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

The loans from Group undertakings (EUR 467,723) is actually due in less than one year (31 March 2009).

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.

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 tables detail the Company's remaining maturity for its financial liabilities.

At 31 December 2008	On demand	Up to 3 months	3-12 months	1-5years and over 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Trade accounts payables	24,661,701	-	-	-	24,661,701
Amounts due to affiliated companies	10,349,155	-	-	-	10,349,155
Loans from group undertakings	-	467,723	-	-	467,723
Other liabilities	548,497	-	-	-	548,497
Total	**35,559,353**	**467,723**	**-**	**-**	**36,027,076**

At 31 December 2007	On demand EUR	Up to 3 months EUR	3-12 months EUR	1-5years and over 5 years EUR	Total EUR
Trade accounts payables	20,041,552	-	-	-	20,041,552
Amounts due to affiliated companies	11,273,730	-	-	-	11,273,730
Loans from group undertakings	-	-	-	617,939	617,939
Other liabilities	252,773	-	-	-	252,773
Total	**31,568,055**	**-**	**-**	**617,939**	**32,185,994**

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	12 month period ending 31 December 2008 EUR '000	7 month period ending 31 December 2007 EUR '000
Foreign exchange rates	+6%	40	1
Foreign exchange rates	-6%	-40	-1

21. Post Balance Sheet Events

There have been no events subsequent to 31 December 2008 that require disclosure in the accounts.