KALIXA PAY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Registration number: 06035209

CONTENTS

Directors	J Leigh J Bennett D Hellicar-Bowman (Resigned 30th June 2015) E Chandler (Resigned 3rd July 2015) R Steytler (Resigned 30th September 2015)
Company Secretary	R G Hoskin
Registered Office	The Corn Mill Stanstead Abbotts Hertfordshire SG12 8XL
Auditors	BDO LLP 55 Baker Street London W1U 7EU

Organisational Overview

The principal activity of the Company is to issue electronic money via an electronic wallet and prepaid card. In order to carry out that activity, the Company is authorised and regulated by the Financial Conduct Authority (FCA) to issue electronic money as a principal member of MasterCard, as a prepaid card issuer. The Company has strategic partners in place to help to deliver its wallet services, providing services such as connectivity to the MasterCard Scheme, payment processing and customer services.

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

1. The provision of an e-Wallet (or e-Account) with an integrated prepaid MasterCard directly to customers.
2. The provision of bespoke 3rd party branded e-Wallet and prepaid card solutions to other businesses.

Business model

Kalixa Pay's business model is simple, its aim is to provide an easy, cost effective and efficient way for our customers and our partners' customers to make payments. Through our proprietary systems and full end to end offering we are able to provide a seamless solution and service with competitive pricing. As well as allowing customers to spend their funds through the 35.9 million merchant and 1.4 million ATM outlets globally supported by MasterCard, we have the ability to provide closed loop transactions to our partners when Kalixa acts as both issuer and acquirer. These transactions are processed through the Kalixa Group and as such reduce cost to merchants and the funds are 100% guaranteed with no risks of chargebacks. All customer regulatory due diligence is taken care of by our sophisticated automated fraud checks and our experienced risk team. Kalixa Pay is powered by Kalixa Accept, Kalixa Pay's in house Payment service provider and partner. It provides access to an extensive global network of payment methods. It services 28 countries and millions of users offering a robust technical solution that allows Kalixa to operate 24 hours a day, 365 days a year, safely, securely and continuously.

Strategy

Kalixa Pay's primary physical card touch point is the Prepaid MasterCard. It is an e-money issuer and owns the electronic payment process, including card issuing, payment processing and MasterCard Principal Membership. This approach provides control, agility and flexibility to rapidly adapt to changing market conditions with the overall goal of serving our customers and our partners customers best.

In 2015 Kalixa Pay rolled out a mobile wallet in the UK for a leading high street bank, following the introduction in 2014 of an instant pay out card for a partner and a small business mobile point of sale proposition. Kalixa Pay continues to focus on growing the B2B business and providing innovative technology and financial service solutions to its partners, all delivered through a next generation wallet platform. Kalixa Pay is unique in that it owns the majority of the value chain and provides its partners with a low cost, end to end solution.

In 2015 Kalixa Pay continued to operate its own prepaid card proposition in the UK, Germany, Austria and Italy. However, due to increased competition in this space and further margin compression a decision has been taken in 2016 to close Kalixa Pay's prepaid card programme and to focus solely on the B2B market.

Performance assessment, financial review and key performance indicators

Investment continues to be made to enhance the wallet platform and improve the offering available to partners. Key revenue drivers for our B2B business are the value of transactions processed and the number of customer accounts under management. In 2015 these have increased by £263K and 2,685 respectively compared to 2014.

The key revenue drivers for our direct consumer business (B2C) are the number of new customer registrations which have declined by 74% in 2015 compared to 2014 as expected. This has resulted in the decision in Q1 2016 to close the B2C business and to focus on the B2B market.

The Board are cautiously optimistic that this strategic shift should enable the business to become profitable in 2016.

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 this risk, the Company has robust policies and procedures in place.

Corporate governance

As an FCA licenced electronic money institution, we are obliged to abide by the Electronic Money Regulations 2011. The Board considers that the company has complied with these regulations throughout the year. The board meets on a regular basis.

Approved by the Board of directors on 26/04/16 and signed on its behalf by:

Julia Leigh

J Leigh
Director

The directors present their report and the financial statements for the year ended 31 December 2015.

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.

Directors of the company

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

J Leigh

D Hellicar-Bowman (Resigned 30th June 2015)

E Chandler (Resigned 3rd July 2015)

J Bennett

R Steytler (Resigned 30th September 2015)

Change in accounting framework

The company has adopted FRS 101 "Reduced Disclosure Framework" for the first time this year. In previous years, the company has applied applicable UK accounting standards.

Results

There was a loss for the financial year after taxation of £1,239,649. Following an adjustment to the prior year as detailed in note 25 the loss for the year ended 31 December 2014 was restated to £1,340,244.

A key revenue driver for the Company is payment volume in to the electronic wallet. This increased significantally in 2015 to €93 million (2014: €87 million).

Going Concern

The Company is loss making and currently funded by its parent company, Kalixa Payments Group Limited. The Company's cash reserves at 31 December 2015 were £8,272,327 (2014: £7,924,937) of which £7,701,097 is client money held (2014: £7,587,607) and the directors can report that there was a capital investment made by Kalixa Payments Group Limited of £700,000 on 22nd February 2016. The company is reliant on the continued support of its shareholder in order to be able to meet its day to day liabilities. The Directors are confident of the continued support, however due to the shareholder decision to make the business available for sale, the company has only received formal confirmation that the shareholder will continue to support the company until it ceases to be a subsidiary. There is no certainty that a future purchaser of the business will continue this support. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The directors consider that the Company will continue in operational existence for the foreseeable future and consequently the financial statements have been prepared on a going concern basis. However, should the parent company or a future purchaser cease its support the company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Qualifying Third Party Indemnity Provision

The Company has arranged qualifying third party indemnity for all its directors.

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.

Appointment of new auditors

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

Approved by the Board on 26/04/16 and signed on its behalf by:

J Leigh
Director

We have audited the financial statements of Kalixa Pay Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, Statement of Financial Position 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 2015 and of its loss 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.

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is reliant on the continued support of its shareholder in order to be able to meet its day to day liabilities. The Directors are confident of the continued support, however due to the shareholder decision to make the business available for sale, the company has only received formal confirmation that the shareholder will continue to support the company until it ceases to be a subsidiary. There is no certainty that a future purchaser of the business will continue this support. These conditions indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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.

BDO LLP
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Leigh Wormald (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

London, United Kingdom

Date: 26 APRIL 2016.

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	£ 2015	£ 2014 (restated)
Revenue	2.	2,282,943	1,423,050
Other revenue	5.	1,167,557	788,649
Cost of sales		(1,535,393)	(1,437,828)
Gross profit		1,915,106	773,871
Administrative expenses		(3,169,704)	(2,114,960)
Loss from operating activities	3.	(1,254,598)	(1,341,089)
Finance income	8.	15,086	28,444
Finance expenses	9.	(137)	(27,599)
Loss before tax		(1,239,649)	(1,340,244)
Tax on loss on ordinary activities	10.	-	-
Total comprehensive loss for the financial year		(1,239,649)	(1,340,244)

The notes on pages 11 to 19 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Note	2015 £	2014 (restated) £
Non-current assets			
Intangible assets	11.	-	15,745
Tangible fixed assets		8,929	-
		8,929	15,745
Current assets			
Inventories		110,349	30,948
Trade and other receivables	12.	1,619,892	626,317
Cash and cash equivalents		8,272,328	7,924,937
		10,002,568	8,582,202
Total Assets		10,011,497	8,597,947
Current liabilities	13.	(10,493,476)	(8,900,042)
Net liabilities		(481,979)	(302,095)
Equity			
Share capital	14.	7,851,580	7,851,580
Capital Contribution	15.	2,700,000	1,700,000
Stock Option Reserve	20.	54,268	16,364
Retained earnings	16.	(11,087,827)	(9,870,039)
Total equity		(481,979)	(302,095)

The financial statements were approved by the Board of directors on 26/04/16 and signed on its behalf by:

Julian Leigh

J Leigh
Director

The notes on pages 11 to 19 form an integral part of these financial statements.

	Share capital	Capital Contribution	Stock option reserve	Retained earnings	**Total**
	£	£	£	£	**£**
1-Jan-15	**7,851,580**	**1,700,000**	**16,364**	**(9,870,039)**	**(302,095)**
Comprehensive income for the year	-	-	-	-	-
Share based payment credit	-	-	37,904	-	37,904
Loss for the year	-	-	-	(1,239,649)	(1,239,649)
Cash capital contribution received	-	1,000,000	-	-	1,000,000
Currency Reserve	-	-	-	21,861	21,861
31-Dec-15	**7,851,580**	**2,700,000**	**54,268**	**(11,087,827)**	**(481,979)**

The financial statements were approved by the Board of directors on 26/04/16 and signed on its behalf by:

J Leigh
Director

The notes on pages 11 to 19 form an integral part of these financial statements.

1. Accounting policies

Basis of preparation

The finiancial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred

- certain comparative information as otherwise required by EU endorsed IFRS
- a statement of cash flows
- the effect of future accounting standards, not yet adopted
- disclosure of related party transactions with other wholly owned members of the group headed by GVC Holdings plc

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosure is included in the consolidated financial statements of Kalixa Payments Group Limited. These financial statements do not include certain disclosures in respect of:

- business combinations;
- share based payments;
- financial instruments;
- fair value measurements; or
- impairment of assets

Going Concern

The Company is loss making and currently funded by its parent company, Kalixa Payments Group Limited. The Company's cash reserves at 31 December 2015 were £8,272,327 (2014: £7,924,937) of which £7,701,097 is client money held (2014: £7,587,607) and the directors can report that there was a capital investment made by Kalixa Payments Group Limited of £700,000 on 22nd February 2016. The company is reliant on the continued support of its shareholder in order to be able to meet its day to day liabilities. The Directors are confident of the continued support, however due to the shareholder decision to make the business available for sale, the company has only received formal confirmation that the shareholder will continue to support the company until it ceases to be a subsidiary. There is no certainty that a future purchaser of the business will continue this support. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The directors consider that the Company will continue in operational existence for the foreseeable future and consequently the financial statements have been prepared on a going concern basis. However, should the parent company or a future purchaser cease its support the company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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.

Revenue

Revenue represents amounts chargeable net of value added tax, in respect of the sale of goods and services to customers. Income from the company's principal activities is recognised when a cardholder has executed a transaction and associated fees can be charged in line with contractual arrangements.

Amortisation

Intangible assets are held at cost less amortisation and impairment in value.

Amortisation is provided on intangible fixed assets so as to write-off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Licenses	20% straight line basis

Inventory

Inventory 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.

Prior Period Adjustments

During the financial year it was identified that Payables were overstated by £104,184 and administrative expenses were overstated by £104,184. The results for 2014 financial year have therefore subsequently been restated to reduce payables by £104,184 in the Statement of financial position and reduce administrative expenses by £104,184 in the Income statement. The effect on 2014 loss was to reduce this from £1,444,427 to £1,340,244. The effect on net liabilities in 2014 was a reduction from £406,279 to £302,095.

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

Transactions entered into by the company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Hire purchase and leasing

Rental payable under operating leases are charged in the profit and loss account on a straight line basis over the term of the lease.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the Statement of Comprehensive Income in the period in which they become payable in accordance with the rules of the scheme.

2. Revenue

An analysis of revenue by geographical location is given below:

	2015	2014
	£	£
Sales - UK	(1,475,035)	(325,640)
Sales - Europe	(807,908)	(1,097,410)
Sales - Rest of world	-	-
	(2,282,943)	(1,423,050)

3. Loss from operating activities

Loss from operating activities is stated after charging:

	2015	2014
	£	£
Auditor's remuneration (see note 4)	43,200	54,040
Foreign currency gain	(64,366)	(218,955)
Depreciation of tangible assets	2,905	-
Amortisation of intangible assets	15,745	48,195
Pension cost	2,587	7,162

4. Auditor's remuneration

	2015	2014
	£	£
Audit of the financial statements	43,200	54,040

5. Other revenue

	2015	2014 (restated)
	£	£
Management recharge to group undertakings	1,167,557	788,649

6. Particulars of employees

	2015 No.	2014 No.
Finance	3	2
Product	5	4
Sales and marketing	3	1
Legal & Compliance	2	2
	13	9

The aggregated payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	1,333,802	1,138,927
Social security costs	144,291	310,657
Staff pensions	2,587	7,162
	1,480,680	1,456,746

7. Directors' remuneration

	2015 £	2014 £
Remuneration (including benefits in kind)	932,719	499,149
Company contributions paid to money purchase schemes	4,791	5,684

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

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme (including highest paid director)	4	4

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	150,000	250,000
Pension contributions	750	211

8. Finance income

	2015 £	2014 £
Bank interest received	15,086	28,444

9. Finance expense

	2015 £	2014 £
Bank interest and similar charges	137	27,599

10. Taxation

Tax on (loss) on ordinary activities

	2015	2014
	£	£
Current tax		
Corporation tax charge	-	-

Factors affecting current tax charge for the year

Tax on loss on ordinary activities for the year is the same as the standard rate of corporation tax in the UK at 20.25% (2014 – 21.49%).

The differences are reconciled below:

	2015	2014 (restated)
	£	£
Loss on ordinary activities before tax	(1,239,649)	(1,340,244)
Corporation tax at standard rate	(251,029)	(287,482)
Depreciation in excess of capital allowances	(241)	(312)
Disallowable expenses	23,122	5,307
Tax losses carried forward (deferred tax asset not recognised)	-	-
Group relief surrendered Non-taxable income	228,148	282,487
	-	-

The Company has an unrecognised deferred tax asset in relation to operating losses carried forward by the Company. The estimated deferred tax asset at the current tax rate is £1,137,881 (2014: £1,264,313).

This is calculated at 18% of operating losses of £6,321,563 carried forward (2014: 20% of £6,321,563).

No deferred tax assets have been recognised by the Company due to the uncertainty around timing and the extent of future taxable profits available.

11. Intangible assets

	Licence costs	Total
	£	£
Cost		
At 1 January 2015	239,615	239,615
At 31 December 2015	239,615	239,615
Amortisation		
At 1 January 2015	223,870	223,870
Charge for the year	15,745	15,745
At 31 December 2015	239,615	239,615
Net book value		
At 31 December 2015	-	-
At 31 December 2014	15,745	15,745

12. Trade and other receivables

	2015	2014 (restated)
	£	£
Trade receivables	522,102	87,373
Amounts owed by group undertakings	592,892	69,319
Security deposit	343,803	439,885
Prepayments	46,135	25,831
Other debtors	114,960	3,909
	1,619,892	626,317

13. Trade and other payables

	2015	2014 (restated)
	£	£
Trade payables	239,074	472,015
Amounts owed to group undertakings	1,932,747	688,215
Other taxes and social security	76,427	56,036
Client money held	7,701,097	7,587,607
Accruals and deferred income	544,131	96,169
	10,493,476	8,900,042

As required by the Electronic Money Regulations 2011, client money is safeguarded in segregated bank accounts and included as part of the balance of cash at bank.

14. Share capital

Allotted, called up and fully paid shares

	2015	
	No.	£
Ordinary shares of £1 each	7,851,580	7,851,580

15. Capital Contribution

	2015	2014
	£	£
Capital Contribution	2,700,000	1,700,000
	2,700,000	1,700,000

During the year Kalixa Payments Group Limited, as sole shareholder of the company made a capital contribution in the amount of £1,000,000 to the company on 21st April 2015 for no additional shares of the company. During 2014 TCI, as sole shareholder of the company made a capital contribution in the amount of £1,700,000 to the company on 30th April 2014 for no additional shares of the company. This was titled as Share Premium in 2014 but was disclosed as being a capital contribution, therefore the note title has been amended to reflect the nature of the transaction.

16. Profit and loss accounts

	Profit and loss account £	Total £
At beginning of year as previously stated	(9,974,223)	(9,974,223)
Prior year adjustment	104,184	104,184
At beginning of year as restated	(9,870,039)	(9,870,039)
Currency Reserve	21,861	21,861
Loss for the year	(1,239,649)	(1,239,649)
At 31 December 2015	(11,087,827)	(11,087,827)

17. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Share Premium	1,000,000	1,700,000
Stock Option Reserve	37,903	16,365
Currency Reserve	21,861	-
Loss attributable to the shareholders of the company	(1,239,648)	(1,340,244)
Net addition/(reduction) to shareholders' funds	(179,884)	376,121
Shareholders' funds at 1 January	(302,095)	(678,216)
Shareholders' funds at 31 December	(481,979)	(302,095)

18. Pensions

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £2,587 (2014 - £7,162).

Contributions totalling £nil (2014 - £nil) were payable to the scheme at the end of the year.

19. Commitments

The company had no annual commitments in 2015 (2014: nil).

20. Stock Option Reserve

	2015 £	2014 £
Share-based payments	54,268	16,364
	54,268	16,364

The BSP 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. The BSP plan was wound up on the acquisition of Bwin.party digital entertainment plc on 1st February 2016. No further grants of shares were made in 2016 and all options were vested and exercised on this date under the scheme rules.

Bonus and Share Plan ("BSP")

	2015 No.	2014 No.
Outstanding at beginning of year	48,259	-
Granted during the year	141,906	-
Exercised during the year	(125,568)	-
Transferred during the year	-	48,259
Outstanding at end of year	64,597	48,259

There were no new shares options that lapsed during the year.

21. Related party transactions

The Company has taken advantage of the exemption available under FRS101 paragraph 8(k), not to disclose any transactions with wholly owned subsidiaries included in the consolidated financial statements of its parent company.

22. Post balance sheet events

A capital injection was made by Kalixa Payments Group Limited of £700,000 on 22nd February 2016.

Kalixa Pay decided to close its prepaid card programme on 24th February 2016.

23. Ultimate parent undertaking and controlling party

As at the year end the Company was a subsidiary undertaking of Bwin.party digital entertainment plc which is the ultimate holding company. Subsequently GVC Holdings plc has acquired Bwin.party digital entertainment plc so is now the ulimate holding company. The Company's immediate holding company during the year was Kalixa Payments Group Limited.

The consolidated accounts of Bwin.party digital entertainment plc are available to the public and may be obtained from 711 Europort, Gibraltar.

24. First time adpotion of FRS 101 "Reduced Disclosure Framework"

This is the first time that the company has adopted FRS 101 having previously applied applicable UK Accounting standards.

The date of transition to FRS 101 was 1 January 2014.

Other than the adoption of the reduced disclosures there was no material effect of appliying FRS 101 for the first time. The disclosure exemptions adopted are included in note 1 to the financial statements. The following table summarises the effects on the company's equity and total comprehensive income of applying FRS101 for the first time.

Reconciliation of equity at 1 January 2015	**£**
Shareholders' funds as reported previously in accordance with applicable UK accounting standards	(302,095)
Transaction adjustments	
Holiday pay	45,664
Shareholders' funds as reported in accordance with FRS101	(256,431)

Reconciliation of equity at 31 December 2015	**£**
Shareholders' funds as reported previously in accordance with applicable UK accounting standards	(481,979)
Transaction adjustments	
Holiday pay	38,224
Shareholders' funds as reported in accordance with FRS101	(443,755)

Reconciliation of total comprehensive income for the year ended 31 December 2015	**£**
Shareholders' funds as reported previously in accordance with applicable UK accounting standards	(481,979)
Transaction adjustments	
Holiday pay	38,224
Shareholders' funds as reported in accordance with FRS101	(443,755)

25. Prior Period Adjustments

During the financial year it was identified that Payables were overstated by £104,184 and administrative expenses were overstated by £104,184. The results for 2014 financial year have therefore subsequently been restated to reduce payables by £104,184 in the Statement of financial position and reduce administrative expenses by £104,184 in the Income statement. The effect on 2014 loss was to reduce this from £1,444,427 to £1,340,244. The effect on net liabilities in 2014 was a reduction from £406,279 to £302,095.