

## **DIONE LIMITED**

**Director:** A Y-Q Liu  
M Rothman

**Secretary:** A Y-Q Liu

**Registered Office:** Symphony House  
7 Cowley Business Park  
Cowley, Uxbridge  
UB8 2AD

**Registered Number:** 1790959 (England & Wales)

**Auditors:** Levy Cohen & Co  
37 Broadhurst Gardens  
London  
NW6 3QT

### **Financial statements** **For the year ended 31 October 2012**

	<u>page</u>
Directors' Report	1-2
Auditors' Report	3-4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7-13



## **DIONE LIMITED**

### **Directors' Report**

The directors present the financial statements of the company for the year ended 31 October 2012

#### ***Principal activity***

The principal activity of the company during the year continues to be the development, design and sale of credit card reading machines and the provision of maintenance and support services for these products.

#### ***Review of business and future developments***

The company suffered accumulated losses in the last three years and its liabilities exceed its total assets. This situation indicates the existence of a material uncertainty and casts significant doubt on the ability of the company to continue as going concern able to discharge the whole of its liabilities in the future. The directors are continuing to monitor the situation but do not consider it necessary to make any adjustments to the financial statements in this regard.

#### ***Financial risk management***

**Credit risk** - The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

**Foreign exchange risk** - The company operates mainly in the United Kingdom, however some operations are undertaken in Europe and Worldwide. As a result the principle foreign exchange risk arises through exposure to the Euro and US Dollar.

#### ***Results and dividend***

The company's profit for the year is £265 thousand (2011 - £1,264 thousand loss).

The directors are not able to recommend a distribution of dividends.

#### ***Directors***

The directors during the year under review were:

A Y-Q Liu, M Rothman (appointed 9/4/2013) and R R Dykes (resigned 9/4/2013).

None of the above had any beneficial interest in the company's issued ordinary share capital.

#### ***Political and charitable donations***

During the year no political donations were made (2011 - Nil).

#### ***Environment***

The company's environmental strategy continues to be reviewed and amended to take account of changing requirements in terms of legislation.

#### ***Key performance indicators***

The company's directors consider a range of KPIs to measure the business. The range of KPIs may include, but is not limited to, performance levels, quality, health and safety and a range of financial measures. The directors believe that because of the nature of the business, disclosing further KPIs is not necessary for an understanding of the company's development, performance or position.

*Continued.....*

## **DIONE LIMITED**

### ***Directors' Report (Continued)***

#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- follow applicable accounting standards, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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' disclosure to the auditors**

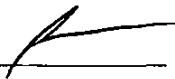
The directors confirm that

- So far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware, and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Auditors**

The auditors Levy Cohen & Co, are deemed to be reappointed under Section 487 (2) of the Companies Act 2006.

Signed on Behalf of the Board

  
A Y-Q Liu  
Director

Approved by the Board

22 July 2013

## **Independent Auditors' Report to the Shareholders Of**

### **DIONE LIMITED**

We have audited the financial statements of Dione Limited for the year ended 31 October 2012 which comprise of the profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practises Board's (APB's) Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **OPINION**

In our opinion the financial statements

- give a true and fair view of the company's affairs as at 31 October 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly 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 qualified, we have considered the adequacy of the disclosure made in note 1(h) to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £999,000 during the last two years ended 31 October 2012 and, at that date, the company's liabilities exceeded its total assets by £2,905,000. These conditions, along with the other matters explained in note 1(h) to the financial statements, indicate 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.

**Independent Auditors' Report to the Shareholders Of**

**DIONE LIMITED**

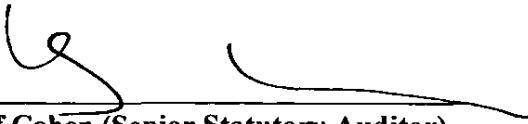
**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Director's 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.

  
**Josef Cohen (Senior Statutory Auditor)**  
for and on behalf of LEVY COHEN & CO, Statutory Auditor  
37 Broadhurst Gardens, London, NW6 3QT

22 July 2013

## **DIONE LIMITED**

### **Profit and Loss Account** **For The Year Ended 31 October 2012**

	<i>Notes</i>	<i>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
<b><i>Turnover</i></b>	2	7,357	10,567
Cost of sales		<u>(5,672)</u>	<u>(10,734)</u>
<b><i>Gross profit</i></b>		1,685	(167)
Net operating expenses	3	<u>(1,412)</u>	<u>(1,097)</u>
<b><i>Operating profit/(loss)</i></b>	4	273	(1,264)
Net finance expense	5	(8)	-
<b><i>Profit/(loss) on ordinary activities before taxation</i></b>		<u>265</u>	<u>(1,264)</u>
Taxation	6	<u>-</u>	<u>-</u>
<b><i>Profit/(loss) for the year</i></b>		<b><u>£ 265</u></b>	<b><u>£ (1,264)</u></b>

The results for the above two periods are derived from continuing operations

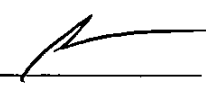
There were no other gains and losses other than the loss for the above two periods

# **DIONE LIMITED**

## **Balance Sheet As At 31 October 2012**

	Notes	31 10 2012		31 10 2011
		£000	£000	£000
<b>Current assets</b>				
Stock	7	2,553		823
Debtors	8	112		112
Cash at bank and in hand		997		556
		<u>3,662</u>		<u>1,491</u>
<i>Creditors, amounts falling due within one year</i>	9	<u>(6,448)</u>		<u>( 4,392)</u>
<b>Net current liabilities</b>			<u>(2,786)</u>	<u>(2,901)</u>
<b>Total assets less current liabilities</b>			<u>(2,786)</u>	<u>(2,901)</u>
<i>Creditors: amounts falling due after more than one year</i>	10		(6)	(79)
Provision for liabilities and charges	11		(113)	(190)
<b>Total assets less liabilities</b>			<u>£ (2,905)</u>	<u>£ (3,170)</u>
 <b>Capital and Deficit</b>				
		£	£	£
Called up share capital	12	138		138
Other reserve	13	6,036		6,036
Profit and loss account	13	<u>(9,079)</u>		<u>(9,344)</u>
<b>Shareholders' funds</b>	14		<u>£ (2,905)</u>	<u>£ (3,170)</u>

Signed on behalf of the Board

  
A Y-Q Liu  
Director

Approved by the Board

22 July 2013

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## **DIONE LIMITED**

### **Notes to the financial statements - 31 October 2012**

#### **1. *Accounting Policies***

##### **(a) *Basis of accounting***

The financial statements have been made under the historical cost convention, and in accordance with the Financial Reporting Standards in the United Kingdom. A summary of the more important accounting policies set out below.

##### **(b) *Turnover and revenue recognition***

Turnover is the amount derived from ordinary activities and represents the net invoiced value of goods sold and services supplied excluding VAT.

Revenues from sales of goods are recognized upon delivery of the goods when collection is probable, no significant obligation with regard to implementation remains, and persuasive evidence of arrangement exists.

Revenues from maintenance arrangements are deferred and recognized on a straight-line basis over the life of the related agreement.

Customer advances and billed amounts due from customers in excess of revenue recognized are recorded as deferred revenue.

Equipment leased to customers under finance lease is deemed to be sold at normal selling value which is taken to turnover at the inception of the lease. Finance lease interest is recognized over the period of the lease.

##### **(c) *Research and development costs.***

Research and development costs that are not related to the development of software are charged to the profit and loss account in the year in which they are incurred.

##### **(d) *Stock***

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realizable value.

Net realizable value is based on the estimated selling price less any further costs expected to be incurred to completion and disposal.

##### **(e) *Deferred taxation***

Deferred taxation is provided using the liability method to take into account timing differences arising from the inclusion of items of expenditure in taxation computations in periods that differ from those in which they are included in the financial statements to the extent that it is probable that the liability or asset will crystallize in the future.



## **DIONE LIMITED**

### **Notes to the financial statements - 31 October 2012**

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

##### **(f) Foreign Currencies**

Monetary assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction.

All exchange differences are dealt with in the profit and loss account.

##### **(g) Cash flow statement**

In accordance with FRS1 the company is exempt from preparing a cash flow statement as it is a subsidiary undertaking where 90% of the voting rate is controlled within the group and the group financial statements are publicly available.

##### **(h) Going concern**

Despite making a profit in the year, the company's liabilities exceed its total assets by £2,905,000. This situation indicates the existence of material uncertainty which casts significant doubt on the company's ability to continue as going concern, able to discharge the whole of its liabilities in the future.

**DIONE LIMITED**  
**Notes to the financial statements - 31 October 2012**

**2. Turnover**

*Turnover is attributed to geographical markets as follows*

	<i>2012</i> £000	<i>2011</i> £000
United Kingdom	6,252	10,167
Europe	352	347
Rest of the World	753	53
	<u>7,357</u>	<u>10,567</u>
<i>Included in turnover</i>		
Rental received under operating lease contracts	<u>-</u>	<u>374</u>

**3. Operating expenses**

	<i>2012</i> £000	<i>2011</i> £000
Sales and distribution costs	367	291
Research and development	25	117
Administrative expenses	1,020	689
	<u>1,412</u>	<u>1,097</u>

**4. Operating profit/(loss)**

	<i>2012</i> £000	<i>2011</i> £000
<i>The operating profit/(loss) is stated after charging:</i>		
Auditors' remuneration -		
Audit fees	13	13
Other services	<u>2</u>	<u>2</u>

## **DIONE LIMITED**

### **Notes to the financial statements - 31 October 2012**

#### **5. *Net finance expense***

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Exchange rate (losses)	(8)	-
	<u>(8)</u>	<u>-</u>

#### **6. *Taxation***

No tax liability or charge has arisen during the year as a result of the losses brought forward  
Differed tax asset that is relating to trading loss carried forward is not disclosed until it is certain  
that profit will be materialized in the future

#### **7. *Stock***

	<b>31.10.2012</b>	<b>31.10.2011</b>
	<b>£000</b>	<b>£000</b>
Finished goods and goods for resale	<u>2,553</u>	<u>823</u>

#### **8. *Debtors: due within one year***

	<b>31.10.2012</b>	<b>31.10.2011</b>
	<b>£000</b>	<b>£000</b>
Group company	<u>112</u>	<u>112</u>

## **DIONE LIMITED**

### **Notes to the financial statements - 31 October 2012**

<b>9. Creditors: amounts falling due within one year</b>	<b>31.10.2012</b> <b>£000</b>	<b>31.10.2011</b> <b>£000</b>
Group companies	6,240	4,098
Accruals	208	294
	<u>6,448</u>	<u>4,392</u>
 <b>10. Creditors: amounts falling due in more than one year</b>	 <b>31.10.2012</b> <b>£000</b>	 <b>31.10.2011</b> <b>£000</b>
Deferred income	<u>6</u>	<u>79</u>
 <b>11. Provision for liabilities and charges</b>	 <b>31.10.2012</b> <b>£000</b>	 <b>31.10.2011</b> <b>£000</b>
<i>Provision for warranty</i>		
As at 1 November 2011	190	357
(Release from) profit and loss account	(77)	(167)
As at 31 October 2012	<u>113</u>	<u>190</u>

## **DIONE LIMITED**

### **Notes to the financial statements - 31 October 2012**

#### **12. Called up share capital**

	<b>31.10.2012</b> £000	<b>31.10.2011</b> £000
<i>Authorized</i>		
21,277,853 Ordinary shares of 1p each	213	213
	<u>213</u>	<u>213</u>
<i>Allotted, called up and fully paid</i>		
13,807,700 Ordinary shares of 1p each	138	138
	<u>138</u>	<u>138</u>

#### **13. Reserves**

	<b>Share Premium</b> <i>Account</i> £000	<b>Profit &amp; Loss</b> <i>Account</i> £000	<b>Total</b> £000
At 1 November 2011	6,036	(9,344)	(3,308)
Loss for the period	-	265	265
At 31 October 2012	<u>6,036</u>	<u>(9,079)</u>	<u>(3,043)</u>

#### **14. Reconciliation of movement in shareholders' funds**

	<b>31.10.2012</b> £000	<b>31.10.2011</b> £000
Opening shareholders' funds	(3,170)	(1,906)
Profit/(loss) for the year	<u>265</u>	<u>(1,264)</u>
Closing shareholders' funds	<u>(2,905)</u>	<u>(3,170)</u>

## **DIONE LIMITED**

### **Notes to the financial statements - 31 October 2012**

#### **15. Related party transactions**

##### **Control:**

The company is a wholly owned subsidiary of Rayside Holdings Ltd, a company registered in Cyprus

The ultimate parent company and controlling party is Verifone Systems Inc (formerly Verifone Holdings Inc ), a company incorporated in Delaware, United States of America

Verifone Systems Inc is the parent company of the smallest and largest group of which the company is a member, and for which group financial statements are prepared. Copies of the financial statements of Verifone Systems Inc , which include the company, can be obtained from 2099 Gateway Place, Suite 600, San Jose, CA 95110, USA

##### **Transactions:**

In accordance with FRS 8 the company is exempt from disclosure of related parties transactions as its financial statements are included in group financial statements that are publicly available and can be obtained from the company's registered office