

Optimal Payments Limited

Directors' report and financial statements

For the year ended 31 December 2014

Registered Number: 4478861

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Optimal Payments Limited

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Optimal Payments Limited

Officers and professional advisers

Directors

M A Jeffrey
C Ion-Byrne
D Jones
E Sherritt
D Chazonoff
Howard Klein

Secretary

Matthew Jones

Registered office

Compass House
Vision Park
Chivers Way
Cambridge
CB24 9AD

Principal bank

Barclays Bank Plc
50 Pall Mall
PO Box No 15161
London
SW1A 1QA

Registered auditors

KPMG Audit LLC
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN

Optimal Payments Limited

Directors' report

The Directors present their annual report and the audited financial statements of Optimal Payments Limited ("the Company") for the year ended 31 December 2014.

Principal activity

The principal activity of the Company is the provision of e-money services. The Company is authorised and regulated by the United Kingdom Financial Conduct Authority, in the United Kingdom.

Results and transfer to reserves

The profit for the year and transferred to reserves amounted to US\$866,931 (2013: US\$1,476,243).

Business Review

The overall 2014 performance has improved significantly over 2013 despite an increasingly competitive market and foreign exchange volatility.

The revenue increased in 2014 to US\$29,372,518 (2013: US\$21,202,987) a significant increase (38.5%). The substantial improvement in performance continued in 2014 as a result of initiatives such as the enhanced loyalty cash back program, increased relationships with the "VIP Ambassador" program as well as new marketing initiatives such as the Crystal Palace sponsorship during the World Cup. In 2014, the Company built upon the Principal Issuer membership with MasterCard and obtained an Acquiring licence in the EU in the last quarter of 2014. Neteller wallet was launched in new countries and introduced new deposit types. As a result, the number of active members increased by 58%, the sign up volumes increased by 43%, conversion rates increased by 78% and the improved affiliate channel revenues increased by 271%. Investment income was slightly up in 2014 to US\$325,229 (2013: US\$313,479) as the market interest rates remained low.

The principal direct costs are transaction related fees and bad debts. Deposit and withdrawal fees arise on facilitating the movement and settlement of cash via the banking system and third party processors. These fees increased 13.6% to US\$16,530,358 (2013: US\$14,544,102) as a result of the successful addition of several new deposit options and in line to the increase in revenue.

General administrative expenses increased in 2014 by 94% to US\$12,276,457 (2013: US\$6,326,870) as the business needed new resources to sustain growth. In 2013, the general administrative expenses grew only by 6%. The company continues to closely monitor its costs.

As a result the operating profit on ordinary activities before tax increased in 2014 to US\$914,741 (2013: US\$727,232) which is in line with management expectations.

Dividend

The Directors do not recommend the payment of a dividend for the year (2013: US\$nil).

Directors

The Directors who served during the year and to date are:

M A Jeffrey
E H Sherritt
C Ion-Byrne
D Chazonoff
D Jones
Howard Klein

Optimal Payments Limited

Directors' report (continued)

Directors (continued)

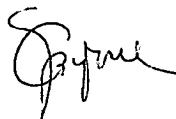
Director's interests in the shares of the Parent Company are disclosed in note 20.

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Our Auditors, KPMG Audit LLC, being eligible, have expressed their willingness to continue in office in accordance with Section 485 of the Companies Act 2006.

On behalf of the Board, 21 April 2015



Camelia Ion-Byrne
Director

Optimal Payments Limited

Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements

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 International Financial Reporting Standards as adopted by the EU.

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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 to enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Optimal Payments Limited

Report of the Independent Auditors, KPMG Audit LLC, to the member of Optimal Payments Limited

We have audited the financial statements of Optimal Payments Limited (the "Company") for the year ended 31 December 2014 on pages 7 to 30. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the EU.

This report is made solely to the Company's member, as a body, 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 as a body, 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 set out on page 4, 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 Practices Board's (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP (as issued on 1 December 2010).

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"); and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

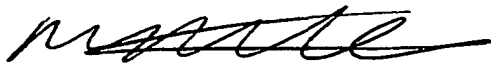
Optimal Payments Limited

Report of the Independent Auditors, KPMG Audit LLC, to the member of Optimal Payments Limited (continued)

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.



21 April 2015

Mr M. R. Kelly
Senior Statutory Auditor
for and on behalf of KPMG Audit LLC, Statutory Auditor
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
IM99 1HN
Isle of Man

Optimal Payments Limited

Statement of Comprehensive Income for the year ended 31 December 2014

	<i>Note</i>	2014 US\$	2013 US\$
Revenue			
Transaction fees	4	29,372,518	21,202,987
Investment Income	4	325,229	313,479
		29,697,747	21,516,466
Cost of sales		(16,530,358)	(14,544,102)
Gross profit		13,167,389	6,972,364
Administrative expenses		(12,276,457)	(6,326,870)
Operating profit	6	890,932	645,494
Finance income	4	23,809	81,738
Profit on ordinary activities before taxation		914,741	727,232
Tax	8	(47,810)	749,011
Total comprehensive income attributable to the owner of the Company		866,931	1,476,243

The Directors consider the Company's results to be derived from continuing activities.

The notes on pages 11 to 30 form part of these financial statements.

Optimal Payments Limited

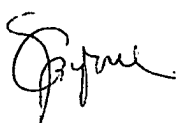
Statement of Financial Position

as at 31 December 2014

	Note	2014 US\$	2013 US\$
Assets			
Investment in subsidiary	21	6,750,000	1,000,000
Intangible assets	10	670,985	156,466
Property, plant and equipment	9	45,899	41,116
Deferred tax asset	8(c)	200,968	248,774
Total non-current assets		7,667,852	1,446,356
Trade and other receivables	11	7,110,164	5,420,462
Amounts due from other group companies	19	24,482,480	11,465,347
Restricted Neteller member cash	5	6,618,667	4,667,422
Cash and cash equivalents		41,289,526	39,932,025
Total current assets		79,500,837	61,485,256
Total assets		87,168,689	62,931,612
Equity			
Share capital	13	44,294,912	29,294,912
Retained earnings		5,820,891	4,953,960
Total equity attributable to the owner of the Company		50,115,803	34,248,872
Current Liabilities			
Payable to Members	5	-	-
Trade and other payables	12	3,289,442	2,907,685
Amounts due to parent company	15	4,107,064	24,456,824
Amounts due to other group companies	19	29,656,380	1,318,231
Total current liabilities		37,052,886	28,682,740
Total liabilities		37,052,886	28,682,740
Total equity and liabilities		87,168,689	62,931,612

The notes on pages 11 to 30 form part of the financial statements.

These financial statements were approved by the Board of Directors on 21 April 2015 and were signed on their behalf by:



Camelia Ion-Byrne
Director

Optimal Payments Limited

Statement of Changes in Equity for the year ended 31 December 2014

	Share capital US\$	Retained earnings US\$	Total US\$
At 1 January 2013	29,294,912	3,477,717	32,772,629
Total comprehensive income	-	1,476,243	1,476,243
At 31 December 2013	29,294,912	4,953,960	34,248,872
At 1 January 2014	29,294,912	4,953,960	34,248,872
New share capital issue	15,000,000	-	15,000,000
Total comprehensive income	-	866,931	866,931
At 31 December 2014	44,294,912	5,820,891	50,115,803

The notes on pages 11 to 30 form part of these financial statements.

Optimal Payments Limited

Statement of Cash Flows

for the year ended 31 December 2014

		2014 US\$	2013 US\$
Cash flows from operating activities	Note		
Operating profit before tax		890,931	645,494
Adjustment for:			
Depreciation and amortisation	6	185,377	73,724
Tax received	8(a)	-	623,893
Changes in working capital:			
(Increase) in trade and other receivables	11	(1,689,702)	(910,288)
(Increase) in amounts due from group companies		(13,017,134)	(11,465,347)
Increase in trade and other payables		381,757	1,891,207
Increase/(Decrease) in amounts due to parent company	12	(20,349,762)	24,456,824
Increase/(Decrease) in the amounts due to group companies		28,338,149	(3,637,547)
Net cash from operating activities		(5,260,384)	11,677,960
Cash flows from investing activities			
Interest received		23,809	81,738
Proceeds from issue of share capital		15,000,000	-
Acquisition of property, plant and equipment and intangible assets	9	(711,701)	(34,312)
Loss on disposal of assets	21	7,022	-
Acquisition of subsidiary		(5,750,000)	(1,000,000)
Net cash (from) /used in investing activities		8,569,130	(952,574)
Net increase in cash and cash equivalents		3,308,746	10,725,386
Cash and cash equivalents at 1 January		44,599,447	33,874,061
Cash and cash equivalents at 31 December		47,908,193	44,599,447

The notes on pages 11 to 30 form part of these financial statements.

Optimal Payments Limited

Notes

(forming part of the financial statements for the year ended 31 December 2014)

1 General information

Optimal Payments Limited (the “Company”) was a limited company, incorporated under the laws of England and Wales on 5 of July 2002. The principal activities of the company are described in Note 2. As at 31 December 2014 the Company had 36 employees.

2 Nature of operations

The principal activity of the Company is the provision of e-money services. The Company is authorised and regulated by the United Kingdom Financial Conduct Authority, in the United Kingdom, under the Electronic Money Regulations 2011 (FRN: 900015) for the issuing of electronic money and payment instruments.

3 Basis of preparation

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Basis of measurement

The financial statements are prepared under the historical cost convention except for the following material items in the statement of financial position:

- Share based payments are measured at fair value

Statement of going concern

The financial statements are prepared on a going concern basis, as the Board of Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Board have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Use of estimates and judgements

The preparation of the Company’s financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingencies at the date of the Company’s financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimated. Significant estimates in the Company’s financial statements include depreciation and amortisation, impairment testing of long-lived assets and income taxes. By their nature, these estimates and assumptions are subject to measurement uncertainty and the effect on the Company’s financial statements of changes in estimates in future periods could be significant.

Functional and presentation currency

The financial statements are presented in US Dollars (“US\$”) which is the Company’s functional currency.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash and cash equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Intangible assets

The intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation of infrastructure software is charged to the income statement over the assets estimated useful life on the following basis:

Infrastructure Software: 20% Straight Line

All intangible assets are purchased. The company does not hold internally generated intangible assets.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Property, plant and equipment are recorded at costs and depreciated over their estimated useful lives on the following basis:

Computer equipment: 30% declining balance

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised within profit or loss.

Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The difference between the carrying amount and recoverable amount is charged to profit or loss.

The recoverable amount is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Trade and other receivables

Trade and other receivables are initially recognised at their fair value. Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest rate method.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

4 Significant accounting policies (continued)

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Comprehensive Income to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment of tax payable in respect of previous years.

The Company uses the balance sheet liability method of accounting for income taxes. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the Statement of Financial Position are used to calculate deferred tax assets or liabilities. Deferred tax assets or liabilities are calculated using tax rates anticipated to exist in the periods that the temporary differences are expected to reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Revenue recognition

The Company is involved in e-money transaction processing services. Revenues from transaction processing services are recognised in profit or loss at the time services are rendered. Member revenue is recognised either as a fee calculated as a percentage of funds processed or as a charge per transaction, pursuant to the respective Member agreements.

Interest and investment income is accrued on a monthly basis, by reference to the principal outstanding and at the effective interest rate applicable.

Leases

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's Statement of Financial Position.

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

4 Significant accounting policies (continued)

Leases (continued)

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Trade and other payables

Trade and other payables are initially recognised at their fair value. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Foreign Exchange

The individual financial statements of the company are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

Related party transactions

Monetary related party transactions in the normal course of operations are recorded at fair value, and transactions between related parties not in the normal course of operations are recorded at the carrying value as recorded by the transferor.

Foreign exchange contracts

The Company uses foreign exchange contracts to reduce its exposure to adverse fluctuations in foreign exchange rates. These financial instruments are presented in the accompanying financial statements at fair value. Fair values are based on market quotes, current foreign exchange rates or management estimates, as appropriate, and gains and losses on the foreign exchange contracts are reflected in the profit or loss.

Share based payments

The Company issues share options to certain employees, including directors. Equity-settled share options are measured at fair value at the date of grant. In valuing equity-settled share options, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).

The fair value determined at the grant date of the share option is expensed over the vesting period, which ends on the date on which the relevant employees become fully entitled to the

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

4 Significant accounting policies (continued)

Share based payments (continued)

award (the vesting date). The cumulative expense recognised for equity-settled share options at each reporting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest (or in the case of a market condition, be treated as vesting). The movement in cumulative expense since the previous reporting date is recognised in the income statement, with a corresponding entry in equity.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market vesting condition or a non-vesting condition, which are treated as vesting irrespective of whether or not the condition is satisfied, provided that all other non-market vesting conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised over the remainder of the new vesting period for the incremental fair value of the modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk and processes receivables and payables in a single settlement cycle.

The balances owing to the Members and the related cash balances segregated in the member's accounts are presented net in the statement of financial position as the Company considered this gross settlement as equivalent to net settlement in accordance with IAS 32.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

Application of new and revised accounting policies

In the current year, the Company has consistently applied a number of amendments to IFRS's and a new Interpretation issued by the International Accounting Standards board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2014.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

4 Significant accounting policies (continued)

Application of new and revised accounting policies (continued)

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Company's consolidated financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The Company has applied the amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The Company has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Company's financial statements other than consistency of accounting policy application for restricted members cash and amounts owing to members as disclosed in Note 5.

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 *Fair Value Measurements*.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. As the Company does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Company's consolidated financial statements.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

4 Significant accounting policies (continued)

Future changes to accounting standards

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 Financial Instruments

The IASB issued IFRS 9 in November 2009, introducing new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective for annual periods beginning on or after 1 January 2017. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Extensive disclosures are required by IFRS 15. The directors of the Company do not anticipate that the application of IFRS 15 in the future will have a material impact on the amounts reported and disclosures made in the Company's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Company performs a detailed review.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Company's financial statements.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

4 Significant accounting policies (continued)

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the declining balance method for depreciation for its property, plant and equipment, and declining balance and straight line methods for amortisation for its intangible assets. The directors of the Company believe that these methods are the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Company's financial statements.

5 Restricted NETELLER Member Cash

In compliance with the Financial Conduct Authority (FCA) rules and regulations, the Company holds Qualifying Liquid Assets at least equal to the amounts owing to Members. These amounts are maintained in accounts which are segregated from operating funds. As a legal right of offset exists between the balances owing to the Members and the cash balances segregated in the member accounts, the prior year presentation in the Statement of Financial Position has been updated and only the net balance of surplus cash is disclosed on the Statement of Financial Position as Restricted NETELLER Member cash.

At 31 December 2014, The Group had the following balances:

	As at 31 December 2014 \$	As at 31 December 2013 \$
Qualifying Liquid Assets held for Members	143,639,792	127,949,773
Payable to NETELLER Members	(137,021,125)	(123,282,351)
Restricted NETELLER Member Cash	6,618,667	4,667,422

Prior year presentation has been updated to conform to current year presentation and classification where appropriate. The effect of the change in presentation from the prior year has resulted in a decrease in current liabilities and current assets respectively to the amount of 123,282,351 on the face of the Statement of Financial Position. The presentation and disclosure per the Statement of Cash flows has been updated accordingly.

Impact on the Cash Flow statement:

	2014 US\$	2013 US\$
Cash and Cash Equivalents at 31 December per cash flow statements	47,908,193	44,599,447
Less: Restricted Neteller Member Cash		
Cash and Cash Equivalents at 31 December per statement of financial position	6,618,667 41,289,526	4,667,422 39,932,025

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

5 Restricted NETELLER Member Cash (continued)

Extract from prior year statement of financial position:

	Extract from 2013 financial statements as at 31 December 2013 \$
Current assets:	
Qualifying Liquid Assets held for NETELLER Members	127,949,773
Current liabilities:	
Payable to NETELLER Members	(123,282,351)
Loyalty program liability	(1,721,956)
	<u>125,004,307</u>

Current year presentation:

Restated 31 December 2013 balance

Current assets:

Restricted NETELLER Member Cash 4,667,422

Impact on Gross and net asset position:

	31 December 2013 before restatement \$	Restated 31 December 2013 balances \$	Adjustment \$
Total current assets	184,767,607	61,485,256	(123,282,351)
Total current liabilities	151,965,091	28,682,740	(123,282,351)
Working capital	32,802,516	32,802,516	-
Total assets	186,213,963	62,931,612	(123,282,351)
Total liabilities	151,965,091	28,682,740	(123,282,351)
Net assets	34,248,872	34,248,872	-

6 Operating profit

	2014 US\$	2013 US\$
Operating profit is stated after charging:		
Depreciation and amortisation	185,377	73,724
Foreign exchange gain	(2,566,756)	(305,560)
Pension costs	171,372	99,314
Restructuring costs	-	-
Franchise fee	<u>3,004,098</u>	<u>1,174,169</u>

The audit fee for the current year is borne by the Parent Company.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

7 Directors and key management personnel remuneration

	2014	2013
	US\$	US\$
Directors' fees and other emoluments	825,517	532,054
Other pension contributions	73,856	41,587
	<u>899,373</u>	<u>573,641</u>
Remuneration of highest paid director	<u>681,367</u>	<u>424,537</u>

Director's remuneration is partially borne by other group companies.

Employee costs including executive directors during the period	2014 US\$	2013 US\$
Wages and salaries	2,824,992	1,300,103
Social security costs		191,350
Share option expense	382,862	112,257
	<u>115,715</u>	
Other pension contributions	<u>171,372</u>	<u>99,314</u>
	<u>3,494,941</u>	<u>1,703,024</u>
	2014	2013
The average number of persons employed was:	<u>36</u>	<u>18</u>

8 Taxation

a) Analysis of charge in the year

Statement of Comprehensive Income	2014 US\$	2013 US\$
Current tax		
Adjustment in respect of previous periods	-	(623,893)
Total current tax	<u>-</u>	<u>(623,893)</u>
Deferred tax		
Current year	44,225	(164,175)
Effects of changes in tax rates	3,585	39,057
Total deferred tax	<u>47,810</u>	<u>(125,118)</u>
Tax per Statement of Comprehensive Income	<u>47,810</u>	<u>(749,011)</u>

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

8 Taxation (continued)

b) Reconciliation of effective tax rate

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax at 21.5% (2013: 23.25%) to the profit before taxation are as follows:

	2014 US\$	2013 US\$
Profit on ordinary activities before taxation	<u>914,741</u>	<u>727,232</u>
Tax on profit on ordinary activities at standard rate 21.5% (2013: 23.25%)	196,669	169,057
<i>Factors affecting charge:</i>		
Group relief not paid for	(73,178)	(132,456)
Adjustments to tax charge in respect of previous periods	-	(623,893)
Expenses not deductible for tax purposes	-	11,937
Impact of share options	(72,096)	(212,713)
Effects of changes in tax rates	(3,585)	39,057
Income tax expense reported in the Income statement	<u>47,810</u>	<u>(749,011)</u>

c) Statement of financial position

	2014 US\$	2013 US\$
Deferred tax assets:		
Provision at start of the period	(248,774)	(123,656)
Deferred tax charge in income statement	<u>47,810</u>	<u>(125,118)</u>
Provision at the end of the period	<u>(200,964)</u>	<u>(248,774)</u>
Accelerated capital allowances	(89,679)	(107,863)
Stock Options	<u>(111,285)</u>	<u>(140,911)</u>
	<u>(200,964)</u>	<u>(248,774)</u>

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

9 Property, plant and equipment

	2014 Computer Equipment US\$	2013 Computer Equipment US\$
Cost		
At 1 January	126,965	92,653
Additions	22,343	34,312
Disposals	(85,028)	-
At 31 December	<u>64,280</u>	<u>126,965</u>
Depreciation		
At 1 January	85,849	76,698
Charge for the year	10,538	9,151
Disposals	(78,006)	-
At 31 December	<u>18,381</u>	<u>85,849</u>
Net book value at 31 December	<u>45,899</u>	<u>41,116</u>

10 Intangible assets

	2014 Infrastructure Software US\$	2013 Infrastructure Software US\$
Cost		
At 1 January	1,105,665	1,105,665
Additions	689,358	-
Disposals	(829,490)	-
At 31 December	<u>965,533</u>	<u>1,105,665</u>
Amortisation		
At 1 January	949,199	884,626
Charge for the year	174,839	64,573
Disposals	(829,490)	-
At 31 December	<u>294,548</u>	<u>949,199</u>
Net book value at 31 December	<u>670,985</u>	<u>156,466</u>

11 Trade and other receivables

	2014 US\$	2013 US\$
Trade debtors	245,803	5,857
Prepayments	616,738	543,107
Deposits	6,180,941	4,782,956
VAT refundable	66,682	88,542
	<u>7,110,164</u>	<u>5,420,462</u>

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

11 Trade and other receivables (continued)

During 2012 the Company acquired an issuing licence from MasterCard. MasterCard required a US\$4,100,000 deposit for granting the licence. A further acquiring licence was granted from Visa and MasterCard in 2013 and a further deposit of €500,000 was deposited. The MasterCard deposit was increased by US\$1,383,000 in April 2014, due to the high volume processed.

12 Trade and other payables

	2014	2013
	US\$	US\$
Trade creditors	1,001,515	494,475
Accruals	1,045,351	628,778
Taxation and social security	82,597	62,476
Loyalty program liability	1,159,979	1,721,956
	<u>3,289,442</u>	<u>2,907,685</u>

Amounts payable to group companies are unsecured, interest free and repayable on demand.

13 Share capital

	2014	2013
	£	£
Authorised		
29,877,000 Ordinary shares of £1 each	<u>29,877,000</u>	<u>21,000,000</u>
	US\$	US\$
Called up, allotted and fully paid		
26,677,100 Ordinary shares of £1 each	<u>44,294,912</u>	<u>29,294,912</u>

All shares have equal voting rights of one vote per share.

14 Operating lease commitments

The Company has the following outstanding commitments for future minimum lease payments:

	2014	2013
	US\$	US\$
Within one year	57,408	55,472
In the second to fifth years inclusive	-	-

15 Amounts due to parent company

	2014	2013
	US\$	US\$
Optimal Payments Plc	<u>4,107,064</u>	<u>24,456,824</u>

The amounts due to the Parent Company are unsecured, interest free and repayable on demand.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

16 Ultimate parent company and controlling party

The Company's immediate and ultimate parent company and controlling party is Optimal Payments plc, a company incorporated in the Isle of Man. The parent undertaking of the smallest and largest group, which includes the Company and for which Group financial statements are prepared, is Optimal Payments plc. Copies of the latest Optimal Payments plc Group financial statements are available from Audax House, Finch Road, Douglas, Isle of Man, IM1 2PT and the Optimal Payments plc website.

17 Financial instruments

Financial instruments consist of cash and cash equivalents, qualifying liquid assets held for Members, trade and other receivables, payable to Members, amounts due to the parent company, amounts due to other group companies and trade and other payables.

i) Fair values

The fair values of cash and cash equivalents, qualifying liquid assets held for members, trade and other receivables, amounts payable to members, amounts due to the parent company and trade and other payables approximate the carrying values due to the short-term nature of these instruments.

ii) Credit risk and concentrations

The Company is exposed to credit risk to the extent that its customers may experience financial difficulty and would be unable to meet their obligations. The Company manages the exposure to credit risk by employing various on-line identification verification techniques, enacted transaction limits and having a significant number of members. As these members are widespread geographically, the exposure to credit risk and concentration is largely mitigated. The qualified liquid assets held for members are deposited with major financial institutions which the Company's management believes to be financially sound and, accordingly, minimal credit risks exist with respect of these assets. Management consider that the maximum credit exposure to customers to be US\$868,566 (2013: US\$1,431,616) which is based on the maximum potential bad debts over the last 3 years.

As at the reporting date, the maximum credit exposure of the Company's financial assets exposed to credit risk amounted to the following:

	Neither past due or impaired US\$	Past due: 1-30 days US\$	Past due: 31-90 days US\$	Past due: more than 90 days US\$
As at 31 December 2014				
Cash and cash equivalents	41,289,527	-	-	-
Qualifying liquid assets held for NETELLER Members	6,618,667	-	-	-
Trade and other receivables	6,891,873	218,291	-	-
Total	54,800,067	218,291	-	-

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

17 Financial instruments (continued)

	Neither past due or impaired US\$	Past due: 1-30 days US\$	Past due: 31-90 days US\$	Past due: more than 90 days US\$
As at 31 December 2013				
Cash and cash equivalents	39,932,025	-	-	-
Qualifying liquid assets held for NETELLER Members	127,979,773	-	-	-
Trade and other receivables	4,948,644	471,818	-	-
Total	172,860,442	471,818	-	-

iii) Interest rate risk

The Company is exposed to interest rate risk to the extent that investment revenue earned on cash and cash equivalents, qualifying liquid assets held for Members of \$138,101,105 is subject to fluctuations in interest rates. The Company's exposure to interest rate risk is limited as investments are held in liquid and short-term funds. A 1% increase in interest rates offered would result in an increase of US\$1,855,320 (2013: US\$812,524) interest income while a 1% decrease would result in a reduction to interest income in the amount of US\$415,570 (2013: US\$15,530).

iv) Currency risk

The Company is exposed to currency risk due to financial assets and liabilities denominated in a currency other than the functional currency, primarily Great Britain Pound ("GBP"), the EURO ("EUR"), the Canadian dollar ("CAD") and the Hong Kong Dollar ("HKD"). The majority of the Company's transactions are denominated in US\$. The Company manages the exposure to currency risk by commercially transacting in US\$ and by limiting the use of other currencies for operating expenses where possible, thereby minimising the realised and unrealised foreign exchange gain/(loss). Where limited exposures exist, these are managed through entering into forward foreign exchange contracts as appropriate.

The Company's exposure as at the reporting date was as follows:

	GBP £	EUR €	CAD \$	HKD \$
As at 31 December 2014				
Cash and cash equivalents	2,989,061	13,274,905	21,935	181,210
Qualifying liquid assets held for NETELLER Members	7,437,580	49,560,936	1,197	-
Trade and other receivables	598,148	-	-	-
Trade and other payables	(3,289,441)	-	-	-
Payable to NETELLER Members	(7,151,487)	(49,340,705)	(152,062)	-
Total	583,861	13,495,136	(128,930)	181,210

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

17 Financial instruments (continued)

	GBP	EUR	CAD	HKD
As at 31 December 2013	£	€	\$	\$
Cash and cash equivalents	2,856,645	10,176,567	4,488	23,219
Qualifying liquid assets held for NETELLER Members	6,339,041	39,201,320	1,202	-
Trade and other receivables	388,723	-	-	-
Trade and other payables	(1,185,729)	-	-	-
Payable to NETELLER Members	(5,910,254)	(38,168,813)	(85,366)	-
Total	2,488,426	11,209,074	(79,676)	23,219

v) Market segment risk

Market segment risk may arise due to adverse changes in legislation relating to internet, payment processing or on-line gambling. The Company is exposed to market segment risk to the extent that legislation impacts operational presence and related revenue streams, which may be significant. The Company manages this exposure through geographical diversification and participation in non gambling sources of revenue. The Company closely monitors local legislation in key markets (new or existing) and does not have economic reliance on any one country.

vi) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's major exposure relates to trade payables and amounts owed to Members. The latter are fully supported by qualifying liquid assets. Management controls and monitors the Company's cash flow on a regular basis, including forecasting future cash flows.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 31 December 2014	On demand US\$	Less than 3 months US\$	3 to 12 months US\$	1 to 5 years US\$
Trade and other payables	3,289,441	3,289,441	-	-
NETELLER loyalty program	1,159,980	-	-	-
Operating lease commitments	-	21,528	35,880	-
Total	4,449,421	3,310,969	35,880	-

Amounts payable to members are fully supported by qualifying liquid assets held for members.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

17 Financial instruments (continued)

As at 31 December 2013	On demand US\$	Less than 3 months US\$	3 to 12 months US\$	1 to 5 years US\$
Trade and other payables	1,185,729	1,185,729	-	-
NETELLER loyalty program	1,721,956	-	-	-
Operating lease commitments	-	20,802	13,868	-
Total	2,907,685	1,206,531	13,868	-

vii) Risk management – assets and liabilities

Risks are identified, evaluated and mitigated through a combination of a “top down” approach driven by both the Group Audit Committee and the Board of Directors. These are aggregated into a Risk Management framework where the risks are prioritised and assigned to the executive for monitoring and risk mitigation.

viii) Capital disclosure

The Company capital structure is comprised of shareholders’ equity. The Company’s objective when managing its capital structure is to finance internally generated growth and maintain financial flexibility. To manage its capital structure the Company may adjust capital spending, issue new shares, or acquire short term financing.

18 Pension contributions

During the year, the Company has operated a defined contribution pension scheme for its employees and Directors. Payments to the pension scheme during the year amounted to US\$ 171,372 (2013: US\$99,314). There were no outstanding payments due at the reporting date (2013: US\$ nil)

19 Related party transactions

	Nature of transaction	Transaction amount 2014 US\$	Balance outstanding 2014 US\$	Transaction amount 2013 US\$	Balance outstanding 2013 US\$
Related party					
Optimal Payments PLC	Franchise fees & re-charges	41,101,708	16,644,884	(24,456,824)	(24,456,824)
Netbanx Limited	Re-charges	(2,995,539)	(3,409,772)	(414,232)	(414,232)
NT Services Limited	Re-charges	(9,515,050)	-	9,515,050	9,515,050
Optimal Payments Merchant Services Ltd (formerly Neteller Operations Limited)	Re-charges	(24,754,300)	(22,823,313)	4,765,415	1,930,987
Optimal Payments (UK) Ltd	Service fees	2,727,667	2,652,178	2,045,863	(75,494)
NBX Technologies Inc	Re-charges	902,527	902,527	-	-
Optimal Payments Services Inc	Re-charges	(2,594,790)	(3,423,295)	(828,505)	(828,505)
NBX Merchant Services Inc	Re-charges	156,523	175,828	19,305	19,305
			(9,280,963)		(14,309,713)

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

19 Related party transactions (continued)

Amounts due to group companies are unsecured, interest free and payable on demand.

Optimal Payments (UK) Limited is a service company to the group and charged the Company \$1,186,301 (2013: US \$1,378,863) for its services during the year. The remaining transaction value represents intercompany recharges and bank transfers.

Optimal Payments PLC charges the Company franchise fees for the use of intellectual property and for outsourced services. The amount charged to the Company during the year was US\$3,004,098 (2013: US\$1,174,169). The remaining transaction value represents intercompany recharges and bank transfers.

The transactions between the Company and Optimal Payments Merchant Services Limited (formerly Neteller Operations Limited) are limited to intercompany transactions for expenses and intercompany bank transfers related to paying for various items and expenses.

20 Share based payments

The Directors who held office at the year-end had the following interests in share options in the Parent Company:

	At 1 January 2014	Options Lapsed in Year	Options Exercised in Year	Options Granted in Year	At 31 December 2014	Exercise price(£)
M A Jeffrey	116,928	-	75,988	12,500	53,440	0.0001
EH Sherritt	20,000	-	-	6,667	26,667	0.0001
C Ion-Byrne	15,000	-	-	5,000	20,000	0.0001
D Chazonoff	576,243	-	176,858	1,055,053	1,454,438	0.0001
H Klein	628,579	-	411,085	57,744	275,238	0.0001

Options Granted under the Employee Share Option Scheme:

	At 1 January 2014	Options Lapsed in Year	Options Exercised in Year	Options Granted in Year	At 31 December 2014	Exercise price(£)
EH Sherritt	9,000	-	-	-	-	0.56
C Ion-Byrne	9,000	-	-	-	-	0.56

The Parent Company's share option plan has been in existence since 2004 and was amended in 2008 to include the addition of a new "approved" plan for UK based employees. Under the 'approved' and 'unapproved' plans (ESOS), the Board of Directors of the Parent Company may grant share options to eligible employees including directors of Group companies to subscribe for ordinary shares of the Parent Company.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

20 Share based payments (continued)

No consideration is payable on the grant of an option. Options may generally be exercised to the extent that they have vested. Options vest according to the relevant schedule over the grant period following the date of grant. The exercise price is determined by the Board of Directors of the Parent Company, and shall not be less than the average quoted market price of the Parent Company shares on the three days prior to the date of grant. Subject to the discretion of the Board, share options are forfeited if the employee leaves the Optimal Payments PLC Group before the options vest. The ESOS options granted in December 2011 vest on the third anniversary of the date of grant and lapse a further six months after vesting. The options granted under the 2011, ESOS were valued using the Black Scholes model. The following inputs were assumed for options outstanding at 31 December 2014:

	Year ended 31 December 2014 US\$	Year ended 31 December 2013 US\$
Weighted average exercise price	£3.35	£1.21
Expected volatility	40.0%	36.5%
Expected life	3.25 years	3.25 years
Risk free interest rate	0.92%	0.63%
Expected dividends	0%	-
Employee exit rate	£1.00	7%

Expected volatility was determined by calculating the historical volatility of the Parent Company's share price over a period commensurate with the expected term of the options ending on the date of the grant.

Long Term Incentive Plan

The Company adopted the Long Term Incentive Plan ("LTIP") which took effect from 1 January 2010. On 18 January 2013, certain executives of the Group were granted LTIP options to acquire ordinary shares in the Company with an exercise price of £0.0001 per share. These LTIP options vest in one tranche based on future performance related to EBITDA targets for the financial year ending on 31 December 2014 and subject to continued employment over the remaining vesting period. Vested options lapse on the tenth anniversary of the date of grant.

Optimal Payments Plc group recognised US\$8,274,347 (2013: US\$4,511,983) in the year. The amount of \$115,715 (2013: US\$112,257 - the proportion associated with the employees and directors of Optimal Payments Limited) has been recognised in the income statement of Optimal Payments Limited.

Optimal Payments Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2014)

21 Investment in subsidiary

Details of the Company's principal subsidiaries held at cost as at 31st December 2014 are as follows:

Name of subsidiary	Place of incorporation and Operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
Optimal Payments Services Inc	United States	100%	100%	US - based money transmission services (applicable licenses pending)
OPL Payment services LLC	United States	100%	100%	US Sales company

Optimal Payments Limited purchased 100% of the shared capital (1,500 shares) of Optimal Payments Services Inc for US\$ 1,000,000 on 30 September 2013. The company made further investment for US\$5,750,000 by 31 December 2014.

These financial statements are separate financial statements as the Company has taken an exemption in accordance with IAS27 not to prepare consolidated financial statements.