

EMERCHANTPAY LIMITED
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2010

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COMPANIES HOUSE

EMERCHANTPAY LIMITED

COMPANY INFORMATION

COMPANY REGISTRATION NUMBER 05153270

DIRECTORS

Bascorp Services Limited (Resigned 23rd September 2009)

E Commerce Services Limited (Resigned 14th September 2010)

if Radgjof ehf (Resigned 14th September 2010)

S R Dickson (Appointed 21st September 2009)

REGISTERED OFFICE

29 Howard Street
North Shields
Tyne and Wear
NE30 1AR

ACCOUNTANTS

Essell
29 Howard Street
North Shields
Tyne and Wear
NE30 1AR

EMERCHANTPAY LIMITED

DIRECTOR'S REPORT

The director presents his report and audited consolidated financial statements for the year ended 31st August 2010

PRINCIPAL ACTIVITY

The group's principal activity is to act as agents for banking and financial consultancy

DIRECTOR

The directors who served during the year to 31st August 2010, were

Bascorp Services Limited (Resigned 23rd September 2009)
E Commerce Services Limited (Resigned 14th September 2010)
if Radgjof ehf (Resigned 14th September 2010)
S R Dickson (Appointed 21st September 2009)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The director of the company who held office at the date of approval of this annual report confirms that

- So far as he is 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
- He has taken all the steps he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

By Order of the Board



Director

S R Dickson

Date 22/01/2011

EMERCHANTPAY LIMITED

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 the 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,
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EMERCHANTPAY LIMITED

We have audited the financial statements of Emerchantpay Limited for the year ended 31st August 2010 on pages 5 and 12. The financial statements have been prepared under the historical cost convention of the accounting policies set out on page 9 and applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with s 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that 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 members as a body, for our audit work, or the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities statement set out on page 2, 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).

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 group and 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 on financial statements

In our opinion the consolidated financial statements

- Give a true and fair view of the state of the group's and company's affairs as at 31st August 2010 and of group's profit for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted
- Have been 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.

EMERCHANTPAY LIMITED

INDEPENDENT AUDITOR'S REPORT (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
- The financial statements are not in agreement with the accounting records or returns,
- Certain disclosures of director' remuneration specified by law are not made,
- We have not received all the information and explanations we require for our audit, or

The directors were not entitled to prepare the financial statements and the directors' report

Derek Reah

Derek Reah (Statutory Auditor)

For and on behalf of
REAH & McBRIDE, Certified Accountants
Suite 2B North Sands Business Centre
Liberty Way
Sunderland SR6 0QA

Date *29th Jun 24*

EMERCHANTPAY LIMITEDCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
TURNOVER	2	10822558	25000
Cost of sales		2296153	-
		-----	-----
GROSS PROFIT		8526405	25000
OVERHEADS			
Other operating income	3	111674	-
Administrative expenses		(5681392)	(9323)
		-----	-----
OPERATING PROFIT BEFORE INTEREST RECEIVABLE	3	2956687	15677
Interest receivable		440	14
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2957127	15691
Tax on profit on ordinary activities	4	793346	3295
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR	10	2163781	12396
		=====	=====

All amounts relate to continuing operations

The notes on pages 9 to 12 form part of these financial statements

EMERCHANTPAY LIMITEDCONSOLIDATED BALANCE SHEET AS AT 31ST AUGUST 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
INVESTMENTS	5	297856	-
SECURITY DEPOSITS	6	286930	-
CURRENT ASSETS			
Debtors	7	1665939	24737
Bank balances		2179121	-
		-----	-----
		3845060	24737
CREDITORS			
AMOUNTS FALLING DUE WITHIN			
ONE YEAR	8	2247309	5981
		-----	-----
NET CURRENT ASSETS		1597751	18756
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		2182537	18756
		-----	-----
NET ASSETS		2182537	18756
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	2182536	18755
		-----	-----
SHAREHOLDERS FUNDS		2182537	18756
		=====	=====

APPROVED BY THE BOARD



Director

S R Dickson

Date 20/6/2011

EMERCHANTPAY LIMITEDCOMPANY BALANCE SHEET AS AT 31ST AUGUST 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
INVESTMENTS	5	297856	-
SECURITY DEPOSITS	6	286930	-
CURRENT ASSETS			
Debtors	7	815725	24737
Bank balances		69190	-
		<u>884915</u>	<u>24737</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	8	1324041	5981
NET CURRENT ASSETS		(439126)	18756
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>145660</u>	<u>18756</u>
NET ASSETS		<u>145660</u>	<u>18756</u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	145659	18755
SHAREHOLDERS FUNDS		<u>145660</u>	<u>18756</u>

APPROVED BY THE BOARD



Director

S R Dickson

Date 25/6/2011

COMPANY REGISTRATION NUMBER 05153270

EMERCHANT PAY LIMITEDCONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST AUGUST 2010RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATIONS

	<u>2010</u>	<u>2009</u>
Operating profit	2956687	15677
Debtors	(1641202)	(16016)
Creditors	1447982	61
Net cash inflow from operations	<u>2763467</u> =====	<u>(278)</u> =====

CASH FLOW STATEMENT

	<u>2010</u>	<u>2009</u>
Net cash inflow from operations	2763467	(278)
Returns on investments	440	14
Tax received	-	264
Investment	(297856)	-
Security deposits	(286930)	-
Increase in cash	<u>2179121</u> =====	<u>-</u> =====

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	<u>2010</u>
Cash at bank 1st September 2009	-
Cash flow	<u>2179121</u> =====
Net funds 31st August 2010	<u>2179121</u> =====

EMERCHANTPAY LIMITEDNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 20101 ACCOUNTING POLICIES1 1 Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared under the historical cost and in accordance with applicable accounting standards

1 2 Foreign currency transactions

The accounts are stated in Pounds Sterling

Monetary Assets and Liabilities denominated in other currencies are translated into Sterling at the rate of exchange applicable on the Balance Sheet date

Transactions completed in other currencies are recorded at the exchange rates ruling at the date of the transaction All variances are taken to the Profit and Loss Account

1 3 Consolidation

The group financial statements consolidate the financial statement of the company and its subsidiary undertakings made up to 31st August 2010 on a line by line basis No profit and loss account is presented for Emerchantpay Limited as permitted by Section 408 of the Companies Act 2006

2 TURNOVER

Turnover comprises the invoiced value of services supplied by the group, net of value added tax

3 OPERATING PROFIT

	<u>2010</u>	<u>2009</u>
The operating profit is stated after charging		
Directors remuneration	48535	-
Audit fee	11000	-
Negative goodwill write-off	111674	-
	=====	=====

4 TAXATION

	<u>2010</u>	<u>2009</u>
UK Corporation Tax	793346	3295
	=====	=====

5 INVESTMENTS

	<u>2010</u>		<u>2009</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
European American Capital Group Limited	297854	297854	-	-
	=====	=====	=====	=====

The investment in European America Capital Group Limited has been included by the director, at cost

	<u>Investments in subsidiary Companies</u>			
	<u>2010</u>		<u>2009</u>	
Group				
Cost at 31st August 2010 and 2009	2		-	
	=====		=====	
Company				
UK group undertakings	2		-	
	=====		=====	
Cost at 31 st August 2010 and 2009	2		-	
	=====		=====	

EMERCHANTPAY LIMITEDNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)6 SECURITY DEPOSITS

	<u>2010</u>		<u>2009</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
Acquirer Security Deposits	286930	286930	-	-
	=====	=====	=====	=====

The company is required to place Security Deposits with Banks, who in turn provide facilities to allow the group to operate

7 DEBTORS

	<u>2010</u>	<u>2009</u>
Amounts falling due within one year		
Group		
Trade debtors	807465	24732
Inter company debtors	715170	-
Other debtors	25825	5
Loans	117479	-
	-----	-----
	1665939	24737
	=====	=====
Company	<u>2010</u>	<u>2009</u>
Trade debtors	112130	24732
Inter company debtors	678797	-
Other debtors	24798	5
	-----	-----
	815725	24737
	=====	=====

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2010</u>	<u>2009</u>
Group		
Trade creditors	19918	-
Accruals	322280	-
Inter company creditors	1085754	-
Loans	20213	1730
Other creditors	2503	956
Corporation tax	796641	3295
	-----	-----
	2247309	5981
	=====	=====
Company	<u>2010</u>	<u>2009</u>
Trade creditors	13890	-
Inter company creditors	1045428	-
Accruals	210170	-
Other creditors	3537	956
Loan Interconsult International Limited	1730	1730
Corporation tax	49286	3295
	-----	-----
	1324041	5981
	=====	=====

EMERCHANTPAY LIMITEDNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)9 CALLED UP SHARE CAPITAL

	<u>2010</u>	<u>2009</u>
Allotted, issued and fully paid ordinary shares of £1 each	1 =====	1 =====

10 PROFIT AND LOSS ACCOUNT

	<u>2010</u>
Group	
Balance at 1 st September 2009	18755
Retained profit for the year	2163781 -----
Balance as at 31st August 2010	2182536 =====

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2010</u>	
Group		
Opening shareholders' funds	18756	
Profit for the year	2163781 -----	
Closing shareholders' funds	2182537 =====	
	<u>2010</u>	<u>2009</u>
Company		
Opening shareholders' funds	18755	6359
Profit for the year	126904 -----	12396 -----
	145659 =====	18755 =====

The profit for the year dealt with in the accounts of the company was £126904 (2009 - £12396)

12 RELATED PARTIES

The related parties are companies where the directors have an involvement

The companies and the inter company balances at the year end are as follows

Amounts owing to the company

	£
Digicontent Sales Limited	14215
Interconsult Group Holdings Limited	35285
Emerchantpay UK Services Limited	50897
IPS Limited	3454

Amounts owing by the company

Ins Online Limited	2152
Emerchantpay Group Limited	472802

EMERCHANTPAY LIMITEDNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12 (Cont)

RELATED PARTIES

In addition, there are the following loans which do not attract interest and are repayable on demand

Amounts owing to the company

£

Emerchantpay Group Limited	113368
IEL Limited	3936
Infor Overseas Limited	175

Amounts owing by the company

IAL Limited	7714
-------------	------

The following information is included in respect of transactions made between the companies where services are provided

£

Emerchantpay UK Services Limited	99807
Interconsult Group Holdings Limited	19315
Emerchantpay Group Limited	1920814
Ins Online Limited	23673

13 SUBSIDIARIES

<u>Company Name</u>	<u>Country</u>	<u>Percentage Shareholding</u>	<u>Description</u>
Interconsult International Limited	UK	100	Agents for banking and financial consultancy
Internet Card Pay Limited	UK	100	Agents for banking and financial consultancy

14 CONTROLLING PARTIES

The company is under the ultimate control of Mr Jones Reynisson