Agentpiece Limited

Directors' Report and Financial Statements

9 Month Period Ended 30 September 2007

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DIRECTORS AND OTHER INFORMATION

Directors

Mike Maloney
James T Murphy
Mary Turrell
John T Nagle
John D Williamson

Solicitors

McCann FitzGerald
Riverside One
Sir John Rogerson's Quay
Dublin 2

Secretary and Registered Office

Brenda Hogan
Davidson House
Gadbrook Park
Northwich
Cheshire
CW9 7TN

Company Number: 4482839

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1

DIRECTORS' REPORT

The directors present their report together with financial statements for the nine month period ended 30 September 2007 The comparative period is for the year ended 31 December 2006

Principal activities, results and dividends
The profit and loss account and balance sheet for the nine month period ended 30 September 2007 are set out on pages 8 and 9 The company is an investment holding company funded by borrowings from other group companies Interest is paid on some of these loans

The directors do not recommend the payment of a dividend

Interests of directors and secretary
The directors and secretary who held office at 30 September 2007 had no interests in the shares in, or debentures or loan stock of, the company

The interests of the directors in the shares of the parent undertaking is disclosed in the financial statements of that company (note 10)

Research and development
The company did not engage in any research and development during the period

Future developments
There are no future material changes anticipated in the business of the company at this time

Subsequent events
Except as described in note 13, there have been no significant events subsequent to the period end which require disclosure

Auditors
The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office A resolution proposing their re-appointment will be submitted to the Annual General Meeting

On behalf of the board

25 July 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation

Company law requires the directors to prepare financial statements for each financial period 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) The financial statements are required by law to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and Irish Statute comprising the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

By order of the board

PRICEWATERHOUSECOOPERS

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Independent auditors' report to the members of Agentpiece Limited

We have audited the financial statements of Agentpiece Limited for the nine month period ended 30 September 2007 which comprise the profit and loss account, the balance sheet and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements

In addition we report to you if, in our opinion the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

PRICEWATERHOUSECOOPERS

Independent auditors' report to the members of Agentpiece Limited - continued

Opinion
In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its loss for the period then ended, and

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and

- the information given in the Directors' Report is consistent with the financial statements

Pricewaterhouse Coopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

25/07/08

STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in the United Kingdom and United Kingdom statute comprising the Companies Acts 1985 Accounting standards generally accepted in the United Kingdom in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in England and Wales and issued by the Accounting Standards Board

The company has reviewed its functional currency and the company considers that the euro is the most appropriate currency to correctly reflect the underlying activities of the company The company has adopted the euro as its functional currency with effect from 1 January 2004

The preparation of the financial statements requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts included in the profit and loss account for the period

Consolidation

Consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of alphyra Holdings Limited, a company incorporated in the EU, which prepares consolidated financial statements Copies of these consolidated financial statements are available from Registrar of Companies, Parnell Square, Dublin 1

Investments

Investments are shown at cost less provisions for impairments in value Income from financial fixed assets, together with any related tax credit, is recognised in the profit and loss account in the period in which it is receivable

Taxation

The charge for taxation is based on the results for the period as adjusted for group relief Tax losses utilised for group relief are transferred between group members Charges for group relief are determined on a case-by-case basis

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future (which is considered to be recoverable) have occurred at the balance sheet date

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is not discounted

PROFIT AND LOSS ACCOUNT
9 Month Period Ended 30 September 2007

	Notes	2007 €	Year ended 31 December 2006 €
Exceptional operating expenses	1	(118,383,256)	-
Loss on ordinary activities before interest and taxation		(118,383,256)	-
Interest payable and similar charges	2	(4,474,697)	(5,007,406)
Loss on ordinary activities before taxation		(122,857,953)	(5,007,406)
Taxation on loss on ordinary activities	3	-	-
Loss for the period		(122,857,953)	(5,007,406)
Accumulated losses at start of period		(18,533,690)	(13,526,284)
Accumulated losses at end of period		(141,391,643)	(18,533,690)

There are no recognised gains or losses other than the loss for the above period There is no difference between the loss on ordinary activities before taxation and the profit retained above and their historical cost equivalents

All of the above amounts relate to continuing activities

On behalf of the board

BALANCE SHEET
30 September 2007

	Notes	30 September 2007 €	31 December 2006 €
Fixed assets			
Investments	4	106,100,000	223,858,612
Current assets			
Debtors	5	3,690,145	3,690,145
Creditors - amounts falling due within one year	6	(5,000,000)	(5,052,653)
Net current liabilities		(1,309,855)	(1,362,508)
Total assets less current liabilities		104,790,145	222,496,104
Creditors - amounts falling due after more than one year	7	(246,181,787)	(241,029,793)
Net liabilities		(141,391,642)	(18,533,689)
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		(141,391,643)	(18,533,690)
Equity shareholders' deficit	9	(141,391,642)	(18,533,689)

On behalf of the board

NOTES TO THE FINANCIAL STATEMENTS

1 Exceptional operating expenses

An indication of impairment arose when the net assets of subsidiary companies were below the carrying value of the investment Consequently an impairment review was carried out which gave rise to an impairment charge of €118,383,256

2 Interest payable and similar charges

	2007 €	2006 €
On bank loans, overdrafts and other loans wholly repayable within five years		
Interest payable to group companies	(4,474,697)	(5,007,406)

3 Tax on loss on ordinary activities

	2007 €	2006 €
Corporation tax on the loss for the period on ordinary activities,		
Corporation tax on loss for the period	-	-
Overprovision in respect of prior period	-	-
Current tax (credit)/charge for period	-	-

The current tax charge for the period is higher than the current charge that would result from applying the standard rate of corporation tax in the United Kingdom to loss on ordinary activities The differences are explained below

	2007 €	2006 €
Loss on ordinary activities before taxation	(122,857,953)	(5,007,406)
Tax on profit on ordinary activities 30% (2006 30%)	(36,857,385)	(1,502,221)
Effects of		
Disallowable expenses	35,514,976	-
Losses surrendered to group companies	1,342,409	1,502,221
Corporation tax	-	-

4 Investments

	2007 €	2006 €
Cost		
Opening balance	223,858,612	223,401,355
EVS additional consideration	624,644	607,666
Impairment during the period (note 1)	(118,383,256)	(150,409)
	106,100,000	223,858,612

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Investments - continued

At the 30 September 2007 the company held 100% of the equity of the following undertakings

	Country of incorporation	Class of share capital held	Proportion held	Principal activity
alphyra Group Holdings (UK) Limited	UK	Ordinary	100%	Investment and property holding company
Payzone Top Up Limited	UK	Ordinary	100%	Prepaid cellular distribution
Payzone Top Up Collection Services Limited	UK	Ordinary	100%	Prepaid cellular distribution
Marioon tobacco BV	Holland	Ordinary	100%	Non-trading
Payzone Polska SP	Poland	Ordinary	100%	Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes and utility top up
alphyra UK Limited	UK	Ordinary	100%	Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes and utility top up
alphyra Payments Services Limited	UK	Ordinary	100%	Cash collection and management of trust accounts
Triton Payment Services Limited	UK	Ordinary	100%	Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes
ITG Payphones (UK) Limited	UK	Ordinary	100%	Non trading
Payzone GmbH	Germany	Ordinary	100%	Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes

5 Debtors

	2007 €	2006 €
Amounts owed by group companies	3,690,145	3,690,145

6 Creditors - amounts falling due within one year

	2007 €	2006 €
Deferred consideration	5,000,000	5,052,653

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Creditors - amounts falling due after more than one year

	2007 €	2006 €
Loan note due to parent companies	134,123,994	129,674,546
Amounts due to group companies	108,892,683	104,157,579
Deferred consideration	3,165,110	7,197,668
	246,181,787	241,029,793

The loan note due to parent company is non-interest bearing and is redeemable by the holder under certain circumstances

The amount due to group companies is interest bearing and is repayable on 31 October 2014

8 Share capital

	2007 £	2006 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	€	€
Allotted, called up and fully paid		
1 ordinary share of £1 each	1	1

9 Reconciliation of movement in equity shareholders' deficit

	2007 €	2006 €
Loss for the period	(122,857,953)	(5,007,406)
Net movement in shareholders' deficit	(122,857,953)	(5,007,406)
Opening shareholders' deficit	(18,533,689)	(13,526,283)
Closing shareholders' deficit	(141,391,642)	(18,533,689)

10 Related party transactions

The company is availing of exemptions from disclosure of transactions and balances with fellow group companies in accordance with Financial Reporting Standards ("FRS") 8 *"Related Party Transactions"*

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Ultimate parent company

The directors consider that the ultimate parent undertaking and controlling related party of this company is alphyra Holdings Limited which is incorporated in the Republic of Ireland

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by alphyra Holdings Limited, incorporated in the Republic of Ireland The consolidated financial statements of alphyra Holdings Limited may be obtained from the Companies Registrar Office, Parnell Square, Dublin 1

12 Guarantees

The Company was Co- guarantee of facilities provided by Bank of Scotland plc to the groups headed by its ultimate parent Company, alphyra Holdings Limited As part of the Agreement, Bank of Scotland plc had a fixed and floating charge over the assets of the group, including this Company This security has subsequently been released as outlined in note 13

13 Subsequent events

On 5 December 2007, a "merger" was effected between Cardpoint plc and the company's parent, Alphyra Holdings Limited ("Alphyra") through a new holding company, Payzone plc, which acquired the shares of both Cardpoint and Alphyra and listed on the AIM market in London on the same date The transaction was accounted for as a reverse acquisition based on Cardpoint plc acquiring alphyra and Payzone plc Payzone plc, the legal parent, is tax resident in Ireland and has its headquarters in Dublin Following completion of the merger, Payzone plc is owned approximately 60% by Alphyra and approximately 40% by Cardpoint shareholders The transaction was facilitated through Payzone plc entering into a €332m facility agreement with Royal Bank of Scotland On the date of completion of the merger €291m was drawn down and used to settle the pre-existing facilities in Cardpoint plc and alphyra

On 10 March 2008 an EGM of Payzone plc was held and the shareholders of that company approved a motion to remove both John Nagle and John Williamson from the board Both remain on the board of Agentpiece Limited

On 11 March 2008 Mike Maloney and Nigel Bell were appointed as CEO and interim CFO respectively of Payzone plc

On 10 March 2008 James T Murphy and Mary Turrell were appointed directors On 11 April 2008, Mike Maloney was appointed as a director

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Subsequent events - continued

The Placing by Payzone plc to raise aggregate gross proceeds of €40 0 million was undertaken by way of a placing of 137 3 million new Payzone Ordinary Shares of £0 01 each nominal value (the "New Ordinary Shares") at a price of £0 20 per New Ordinary Share, raising £27 5 million (€34 5 million) and 5 5 million new Euro denominated Payzone Convertible Preference Shares of €0 01 each nominal value, issued at €1 00 each (the "New Convertible Preference Shares") and convertible into Ordinary Shares for the paid up value at a price of £0 25 per Ordinary Share with the Euro paid up amount convertible into Sterling at the fixed rate of €1 2565 equal to £1 00, raising €5 5 million The New Ordinary Shares will represent 45% of Payzone's current issued Ordinary share capital and further 6% ordinary shares of 1 pence each ("Ordinary Shares") would arise upon immediate conversion of the New Convertible Preference Shares

Application was made for the New Ordinary Shares to be admitted to trading on AIM and dealings commenced on 17 June 2008 The New Convertible Preference Shares will not be admitted to trading

The net proceeds from the Placing will be used to strengthen the business following its recent operational issues arising from the integration of the Cardpoint and alphyra businesses and allow for investment to support future growth The Board believes that the funds to be raised by the Placing are sufficient to allow the Company to fund its immediate working capital requirements and its medium term capital expenditure plans

14 Approval of financial statements

The board of directors approved these financial statements on 25 July 2008