TRINTECH GROUP PLC

GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2007

GROUP FINANCIAL STATEMENTS
For the year ended 31 January 2007

TABLE OF CONTENTS

	Page
GROUP INFORMATION	2
DIRECTORS' REPORT	3
INDEPENDENT AUDITORS' REPORT	12
GROUP PROFIT AND LOSS ACCOUNT	14
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	15
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	15
GROUP BALANCE SHEET	16
COMPANY BALANCE SHEET	17
GROUP CASH FLOW STATEMENT	18
NOTES TO THE GROUP FINANCIAL STATEMENTS	19

TRINTECH GROUP PLC

GROUP INFORMATION

DIRECTORS	Cyril P. McGuire R. Paul Byrne Kevin C. Shea (American) Trevor D. Sullivan Robert M. Wadsworth (American) Dr. Jim Mountjoy
SECRETARY	Joseph Seery (appointed 12 February 2007) Maurice Hickey (resigned 12 February 2007)
REGISTERED OFFICE	Block C, Central Park, Leopardstown, Dublin 18.
SOLICITORS	A. & L. Goodbody, IFSC, North Wall Quay, Dublin 1.
	Wilson Sonsini Goodrich and Rosati, Professional Corporation, 650 Page Mill Road, Palo Alto, CA 94304, USA.
BANKERS	Bank of Ireland, Stillorgan, Co. Dublin.
AUDITORS	Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2.

DIRECTORS' REPORT
For the year ended 31 January 2007

The directors present their report and audited group financial statements for the year ended 31 January 2007.

PRINCIPAL ACTIVITIES

The Company is a holding company for its wholly-owned subsidiaries and as such, does not trade. Through its subsidiaries, the group is a leading global provider of financial software and services specialising in reconciliation workflow, revenue enhancement, transaction risk management and compliance for commercial, financial and healthcare markets. For over 20 years, Trintech has been providing comprehensive, industry-leading solutions to financial departments seeking greater insight into critical transaction processes. Trintech delivers a configurable, highly scalable platform that incorporates a company's unique business processes, enabling managers to obtain greater visibility and more efficiently manage business risk throughout the transaction lifecycle.

The group's transaction process management solutions include: ReconNET for high volume transaction reconciliation; AssureNET GL for general ledger reconciliation and certification; On-Demand solutions for ASP ReconNET and AssureNET services; DataFlow Transaction Network for data collection and delivery and ClearContracts, an ASP service which enables healthcare providers to optimise contract profitability by reconciling payments received from their patients' insurers to amounts they should have received from claims under the terms of their respective contracts.

The group has a customer base of over 465 retail chains, commercial companies, financial institutions and healthcare providers and targets its sales and marketing efforts at three principal regions:

- Europe, Middle East and Africa;
- North and South America; and
- the Asia- Pacific region.

The group's principal market is the USA, which represents approximately 91% of the group's total revenue for the year ended 31 January 2007.

REVIEW OF THE DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

Turnover was €31 million for the year ended 31 January 2007 ("fiscal 2007") compared to €39.3 million for the year ended 31 January 2006 ("fiscal 2006"). The loss on ordinary activities before taxation for the year amounted to €2.1 million compared to a loss of €2.7 million in the previous year. Following a taxation charge of €126,000 and a minority interest charge of €560,000, a retained loss of €2.8 million was incurred in fiscal 2007. The basic loss per ordinary share amounted to €0.09 compared to a basic loss per ordinary share of €0.09 in the previous year.

On 1 February 2006, the group acquired substantially all the assets of Assurity Technologies, Inc. ("Assurity"), a privately held company in the U.S., for a total initial consideration of €4.1 million subject to final adjustment relating to performance related contingent cash consideration. The fiscal 2007 results include the results of the Assurity business for the year ended 31 January 2007. Assurity provides an enterprise process management system for general ledger account reconciliation, review and certification. The product, AssureNET, is designed to increase workflow efficiencies and mitigate risk by strengthening internal controls to support Sarbanes-Oxley compliance programs. The acquisition strengthens the group's market position with customers benefiting from AssureNET functionality being integrated into the group's ReconNET product. These combined products provide an end-to-end solution for general ledger account reconciliation, review, certification and risk management.

On 1 December 2006, the group acquired substantially all of the assets and assumption of certain liabilities of Concuity, Inc. ("Concuity"), a private company specialising in technology solutions for the healthcare industry, for an expected total cash consideration of up to €7.6 million. The group's Concuity business' primary value proposition is providing healthcare providers with software applications to allow them to recover revenue that has not been paid by payers (generally healthcare insurance companies) due to the complexity of the healthcare billing process in the United States. The Concuity solutions provide hospitals, integrated health systems and outpatient clinics the visibility and control needed to analyse and negotiate contracts with payers,

ensure accurate compliance with contractual obligations, and resolve revenue loss tied to denials and underpayments of healthcare claims through reconciling the remittance (Explanation of Benefit) to the claim prepared on the basis of the payer contract. The Concuity solutions deliver its web-based software suite, ClearContracts, through an Application Service Provider ("ASP") model and complements this technology with a revenue recovery services offering. The fiscal 2007 results include the results of the Concuity business for the two month period ended 31 January 2007.

The Funds Management Systems division ("FMS") is primarily engaged in marketing and selling licenses for the group's transaction process management software and related maintenance, development and installation services. Its main product lines are ReconNET, AssureNET GL, Xinet, On-Demand Solutions and the DataFlow Transaction Network. This business segment's target customer base is any business seeking to automate and manage their transaction risk, reconciliation workflow, revenue enhancement and compliance processes. Additionally, any company that seeks to automate the retrieval, processing, aggregation and delivery of transaction data from financial institutions. The FMS business generated revenues of €19.8 million in fiscal 2007 and €17 million in fiscal 2006. The FMS business has in excess of 450 customers.

The Healthcare division was formed in June 2006, to help healthcare providers, payers and financial institutions optimise the claim to payment transaction process, including transaction reconciliation and workflow management of exceptions. The Healthcare division generated revenues of €592,000, which all related to the Concuity business for the two months ended 31 January 2007. The Healthcare business has in excess of 15 customers.

On 1 September 2006, the group sold substantially all of the Payments business (excluding its German business) to VeriFone Holdings, Inc. As a result, the financial results contained in the accompanying consolidated financial statements reflect the Payments business as a discontinued operation. The gain on sale is reflected in the fiscal 2007 results. In addition, the group closed its German business in the quarter ended 31 October 2006. The group now has two business segments: FMS and Healthcare.

The below review of financial results relate to continuing operations only.

Fiscal Year Ended 31 January 2007 Compared To Fiscal Year Ended 31 January 2006

Turnover	**Year ended 31 January 2007**	**Year ended 31 January 2006**	**Increase from prior year**	**Percentage change from prior year**
		(Euro in thousands)		
License	11,374	9,476	1,898	20%
Service	8,986	7,569	1,417	19%
Total Turnover	**20,360**	**17,045**	**3,315**	**19%**

License. The increase in license revenue in fiscal 2007 was due to higher revenues from the sale of core transaction process management products into new vertical markets and revenues from the Assurity business.

Service. The increase in service revenue in fiscal 2007 was due to higher service revenues from DataFlow services and revenues from the newly acquired Assurity and, to a lesser degree, Concuity businesses.

Cost of Sales	**Year ended 31 January 2007**	**Year ended 31 January 2006**	**Increase from prior year**	**Percentage change from prior year**
		(Euro in thousands)		
License	837	800	37	5%
Amortisation of purchased technology	262	—	262	100%
Service	4,238	2,760	1,478	54%
Total Cost of Sales	**5,337**	**3,560**	**1,777**	**50%**

Total Cost of Sales. Although total revenue from continuing operations increased by 19% in fiscal 2007 compared to the prior year, the total cost of revenue increased by 50%. This had the effect of decreasing gross margin by 5% compared to last year.

License. The increase in the cost of license sales in fiscal 2007 compared to the prior year was due to higher salary costs associated with the delivery of maintenance services.

Amortisation of purchased technology. The amortisation of purchased technology relates to the Assurity and Concuity acquisitions in fiscal 2007.

Service. Service cost of sales increased in fiscal 2007 in absolute and in percentage terms compared to service cost of sales in the prior year. These costs represented 47% of service sales in fiscal 2007 compared to 36% in the prior year. The increase was primarily due to additional headcount and higher salaries, lower levels of capacity utilisation being achieved by our service teams compared to the prior year and new costs incurred in fiscal 2007 in relation to Application Hosting Provision ("ASP") services and the provision of consulting services.

Operating Expenses	Year ended 31 January 2007	Year ended 31 January 2006	Increase from prior year	Percentage change from prior year
		(Euro in thousands)		
Distribution costs	5,642	3,938	1,704	43%
Research and development	3,921	2,070	1,851	89%
General and administrative	7,892	7,034	858	12%

Distribution costs. The increase in distribution costs in fiscal 2007 was primarily due to additional personnel costs and marketing expenses. These costs related to the increased investment in new and existing markets, including costs relating to the newly acquired Assurity and Concuity businesses and costs relating to the opening of new offices in the Netherlands and UK. These costs are expected to continue to increase in fiscal 2008 in absolute terms but not as a percentage of total sales as the group markets its products in new and existing markets, by hiring more sales staff and by incurring additional third-party marketing expenditures to increase brand awareness and mass-market lead generation.

Research and development. The increase in research and development expenses in fiscal 2007 compared to the prior year was primarily due to increased investment in the development of the next generation of our FMS product platform. This increased investment was in the form of additional headcount and increased contractor and other advisory services for the new product platform. The new FMS product platform is expected to be substantially completed by the end of fiscal 2008, at which point, costs are forecast to decrease. In addition, the increase was due to the inclusion of personnel and other costs related to the newly acquired Assurity and Concuity businesses.

General and administrative. The increase in general and administrative expenses in fiscal 2007 was due to additional headcount and additional facility, recruitment and external advisor costs and the inclusion of costs relating to the newly acquired Assurity and Concuity businesses.

Discontinued operations. In August 2006, the Company entered into a definitive agreement to sell its Payments business (excluding the German element of this business) to VeriFone Holdings, Inc. The sale was completed on 1 September 2006. As a result of this transaction, the Payments business is reported as discontinued operations in the accompanying consolidated financial statements. The group recorded an operating loss from discontinued operations of €3.1 million for fiscal 2007 and €3.4 million in fiscal 2006. The fiscal 2006 cost of sales included an exceptional warranty charge of €4.1 million. This charge related to costs associated with addressing technical issues that gave rise to the intermittent failure of certain hardware products deployed in the market and the extension of warranty periods for these products. The fiscal 2006 general and administrative expenses included an exceptional gain of €2.6 million relating to an adjustment to the loss on goodwill. There were extensive negotiations over the previous two years with the vendors of Checkline on the payment of escrow monies and deferred consideration relating to the original acquisition of Checkline in fiscal 2001. Arising from these negotiations, a mediation process was entered into by both parties. The result of this process was the release to the group of €1.5 million held in an escrow account, which formed part of the original purchase consideration; the release of the group from payment of the deferred consideration liability of €1.1 million to the vendors of Checkline and the receipt of 533,720 ordinary shares with a market value on the date of settlement of €740,000, which again formed part of the original purchase consideration. The net affect of the agreement was a reduction in the overall impairment loss on the acquisition, net of legal costs in fiscal 2006, of €2.6 million.

Profit on disposal of discontinued operations. Arising from the sale of the Payments business, the group recorded a gain on disposal of €4.2 million in fiscal 2007.

Exceptional item-restructuring. The group recorded restructuring charges of €2.2 million and €548,000 in fiscal 2007 and fiscal 2006, respectively. The restructuring charge in fiscal 2007 related mainly to the exit charges on facilities amounting to €1.8 million and staff termination, redundancy and restructuring charges related to the closure of the office in Germany amounting to approximately €400,000. The restructuring charge in fiscal 2006 related to staff terminations in both the research and development and general and administrative functions in Ireland and Germany. In this regard, the group reduced its workforce by 9 employees. The group incurred an additional cost of €352,000 in fiscal 2006 as a result of the assignment of a lease obligation relating to one of the group's Dublin facilities, which had been assumed as part of the acquisition of Exceptis Technologies Limited in fiscal 2001.

The group had entered into lease agreements relating to its two Dublin facilities with its Chief Executive Officer, Cyril McGuire, the owner of these facilities. These agreements were reached in 1998 in relation to the Phase 1 facility and in 2001 in relation to the Phase 2 facility. These lease agreements were terminated in accordance with their contractual terms with effect from 1 September 2006 and 31 October 2006 respectively resulting in a payment of €1.8 million in fiscal 2007. This amount is included in the €2.2 million mentioned above.

Interest receivable and similar income. Interest receivable and similar income increased by €238,000 to €1.1 million in fiscal 2007 compared to €908,000 in fiscal 2006. Despite lower cash and cash equivalent balances at 31 January 2007, the amounts invested attracted higher interest rates in both the U.S. and the U.K.

Tax on loss on ordinary activities. The tax on loss on ordinary activities was a charge of €126,000 in fiscal 2007 compared to a credit of €355,000 for fiscal 2006. The credit balance in fiscal 2006 related primarily to a deferred tax credit of €357,000 in our U.S. and U.K. tax jurisdictions arising from net operating losses carried forward and deductible timing differences, which was partially offset by tax payable in our U.S. and German tax jurisdictions.

FINANCIAL RISK MANAGEMENT

The group's operations are exposed to foreign exchange risk arising from cash flows and financial instruments that are denominated in currencies other than our reporting currency or that of the relevant subsidiary conducting the business. The purpose of our foreign currency management is to manage the effect of exchange rate fluctuations on certain foreign currency denominated turnover, costs and eventual cash flows and on foreign currency denominated assets and liabilities.

The terms of currency instruments used for hedging purposes are consistent with the timing of the transactions being hedged. The group does not use derivative financial instruments for trading or speculative purposes. The group uses derivative financial instruments, such as forward exchange contracts, to hedge certain forecasted foreign currency denominated transactions expected to occur within the next 12 months. As a policy the group only hedges anticipated foreign currency sales and purchase transactions for which the group has a firm commitment to a customer or supplier. As of 31 January 2007, the group had three forward exchange contracts maturing in fiscal 2008 to sell US$846,000 and receive euro in return. These derivative instruments are recorded at fair value and changes in fair value are recorded under exchange gain (loss) in the group profit and loss account. The aggregate fair value of the contracts as of 31 January 2007 was a loss of €3,000.

Furthermore, the group manages the currency exposure of certain receivables and payables using derivative instruments, such as currency options. The gains or losses on these instruments provide an offset to the gains or losses recorded on the foreign currency receivables and payables. These derivative instruments are recorded at fair value and changes in fair value are recorded under exchange gain (loss) in the group profit and loss account. At 31 January 2007, the group had no currency options.

KEY PERFORMANCE INDICATORS

The key financial indicators are set out below:

		2007	2006	% Change from prior year
1.	Turnover (€'000)	31,004	39,315	(21)%
2.	Operating expenses (€'000)	25,198	24,139	4%
3.	EBITDA operating expense (€'000)	21,899	21,599	(1)%
4.	Net loss (€'000)	(2,833)	(2,692)	(5)%
5.	EBITDA net (loss) income (€'000)	(2,338)	123	(2001)%
6.	Effective tax rate (%)	6	(13)	146%
7.	Basic net loss per ordinary share	(0.09)	(0.09)	—
8.	Cash and cash equivalents (€'000)	19,891	29,012	(31)%
9.	DSO's (days)	63	66	(5)%
10.	Working capital (€'000)	15,208	26,313	(42)%

EBITDA operating expenses are operating expenses before depreciation, amortisation, adjustment of acquisition liabilities and adjustment to impairment loss on goodwill.

EBITDA net loss is earnings before interest, taxation, depreciation, amortisation, adjustment of acquisition liabilities, gain on sale of business, adjustment to impairment loss on goodwill, exceptional warranty charge and restructuring charge.

LIKELY FUTURE DEVELOPMENT

The group's mission is to be a leading global provider of financial software and services specialising in reconciliation workflow, revenue enhancement, transaction risk management and compliance for commercial, financial and healthcare markets.

The group has commenced an investment program to drive transaction process management revenue growth in new vertical markets. The group now operates in three vertical markets; Commercial, Financial Services and Healthcare. While these investments will have a negative impact on earnings in the short term, they, combined with the acquisition of Assurity and Concuity, present growth opportunities within our target markets and position the group for long term growth.

Following the September 2006 sale of its payment systems and hardware business to VeriFone Holdings, Inc. for €9.4 million in an all cash transaction, the group is now focused on expanding and growing its financial software solutions and services business through capitalising on an increasing demand for risk management and revenue enhancement solutions in financial institutions;expanding demand for compliance and control solutions across its existing customer base; and growing its healthcare business following the recent acquisition of the business and assets of Concuity, Inc. The future growth of the group will be underpinned by a strong core customer base and an established market position. The group proposes to expand this business franchise through investment in new products and markets and will continue to seek further acquisition opportunities in the target markets.

The key components of the group's strategy are:

- Increase market share and growth levels in Financial Services and Healthcare markets;
- Expand direct sales resources and indirect channels through strategic partnerships;
- Expand demand for compliance and financial control modules (AssureNET) across our existing customer base;
- Capitalise on increasing demand for revenue enhancing solutions in Tier II and Tier III banks seeking to retain and grow their customer base;
- Develop the Healthcare market growth opportunity where significant investment is being made to improve transaction efficiency and reduce revenue leakage; and
- Acquire complementary products, customers and partnerships to accelerate growth in existing markets and expand into new markets.

PRINCIPAL RISKS AND UNCERTAINTIES

Under Irish Company law (Statutory Instrument 116.2005—European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005), the group is required to provide a description of the principal risks and uncertainties which it faces. The principal risks and uncertainties which the group faces are set out below:

- *The group's software and transaction services business model will present risks and may have an adverse effect on its financial performance.*

  On 1 September 2006, the group finalised the sale of its Payments business to VeriFone Holdings, Inc. and, as a result, the Group now has a software and transaction services business model. This will involve growing organically our FMS business and positioning our newly acquired Healthcare business for future growth. If our software and transaction services business model is not successful, this may have an adverse effect on our financial performance.

- *The group will depend on sales of the group's transaction process management and services to customers located in the United States for a large majority of the group's total revenues.*

  For fiscal 2007, U.S. customers accounted for approximately 91% of the group's revenues. Any material reduction in demand for the group's products and services in the United States could adversely affect the group's business, financial condition and results of operations.

- *New versions and releases of the group's products may contain errors or defects.*

  The group's software products are complex and, accordingly, may contain undetected errors or be subject to intermittent failures when first introduced or as new versions are released. This may result in the loss of, or delay in, market acceptance of the group's products.

- *The group's corporate tax rate may increase, which could adversely impact the group's cash flow, financial condition and results of operations.*

  The group currently has operations in the Republic of Ireland and may generate a meaningful portion of the group's future taxable income there. Currently, some of the group's Irish subsidiaries are taxed at rates substantially lower than U.S. tax rates. If the group's Irish subsidiaries were no longer to qualify for these lower tax rates or if the applicable tax laws were rescinded or changed, the group's operating results could be materially adversely affected. The US Internal Revenue Service ("IRS") is currently performing a review of the tax returns of our US based subsidiaries for fiscal 2005. While there has been no indication from the IRS that taxes have been underpaid, if the IRS were to disagree with the tax treatment adopted in relation to certain items, the group's taxes could increase. In addition, if U.S. and U.K. or other foreign tax authorities were to change applicable tax laws or successfully challenges the manner in which the group's subsidiaries' profits are currently recognised, or if the group's ability to offset historical losses against future profits, if they occur, was reduced, the group's taxes could increase, and the group's business, cash flow, financial condition and results of operations could be materially adversely affected.

- *The group could be subject to potential product liability claims and third party liability claims related to products and services.*

  Any errors, defects or other performance problems could result in financial or other damages to the group's customers. A product liability claim brought against us, even if not successful, would likely be time consuming and costly and could seriously harm the group's business.

- *The group may be unsuccessful in developing and selling new products or in penetrating new markets.*

  Our competitiveness and future success depend on our ability to develop, market and sell new products and services on a timely and cost effective basis. A fundamental shift in technologies in any of our markets could harm our competitive position within these markets

- *The group may fail to adequately integrate acquired products, technologies or businesses.*

  Over the past several years, the group evaluated opportunities to acquire additional product offerings, complementary technologies and businesses and made a number of acquisitions, including the

acquisition of certain assets and liabilities of Concuity, Inc. in December 2006. The revenues from the acquired businesses may not be sufficient to support the costs associated with those businesses, thereby adversely affecting the group's operating margins in the future.

- *The group depends on a few key personnel to manage and operate.*

  The loss of certain members of the Group's senior management, including the group's Chief Executive Officer and President, could have a material adverse effect on the group's business and prospects.

- *If the group is unable to retain and attract highly skilled personnel with experience in retail software and transaction services industries, the business may be unable to grow.*

  The group is dependent upon the ability to attract and hire, when necessary, as well as train and retain highly skilled technical, sales and marketing, engineering, support and other highly skilled personnel with knowledge in funds management, reconciliation workflow, transaction risk management, compliance, internet and other technologies.

- *The group's quarterly and annual operating results are difficult to predict because they can fluctuate significantly. This limits your ability to evaluate the group's historical financial results and increases the likelihood that the group's results will fall below market analysts' expectations, which could cause the price of the group's ADSs to drop rapidly and severely.*

- *Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance.*

  The group is committed to maintaining high standards of corporate governance and public disclosure, and our efforts to comply with evolving laws, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

- *The group's business is subject to currency fluctuations that can adversely affect the group's operating results.*

  Due to the group's multinational operations, the group's business is subject to fluctuations based upon changes in the exchange rates between the currencies in which the group collects turnover or pays expenses and the euro.

- *To be successful, the group needs to effectively respond to future changes in the rapidly developing markets in which the group sells its software products and services.*

  The markets for the group's electronic payment software and transaction reconciliation software and services are rapidly evolving and changing.

- *The group's success depends on the group's ability to manage and expand the group's software direct sales force.*

  The group has sold the group's software products almost exclusively through the group's direct sales force. The group's future turnover growth will depend in large part on the group's ability to recruit, train and manage additional software sales personnel worldwide and generate increased sales productivity from the group's existing sales force.

- *Increased competition may result in decreased demand for the group's products and services, which may result in reduced turnover and gross margins and loss of market share.*

  The market for transaction process management solutions is competitive and the group expects competition to continue to increase.

RESEARCH AND DEVELOPMENT

Research and development expenses decreased €485,000 to €7.3 million in fiscal 2007, from €7.8 million in fiscal 2006, a decrease of 7%. The decrease in research and development expenses in fiscal 2007 was primarily due the sale of the Payments business which more than offset the increased investment in the development of the next generation of the group's FMS product platform. There was a reduction in the number of research and development employees from 110 at 31 January 2006 to 37 at 31 January 2007 due primarily to the sale of the Payments business.

IMPORTANT EVENTS SINCE THE YEAR-END

The group's sub-tenant at its Hayward, California facility defaulted on its contractual lease obligation and vacated the building without notice in April 2007. Subsequently, the group created an additional provision for abandonment of €215,000 in the quarter ended 30 April 2007, which forms part of a purchase accounting adjustment for the Concuity acquisition.

DIVIDENDS

The directors do not propose the payment of a dividend for the year.

BOOKS AND ACCOUNTING RECORDS

The directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act 1990, are kept by the group. To achieve this, the directors have appointed appropriate accounting personnel, including a Chief Financial Officer, in order to ensure that those requirements are complied with.

The books and accounting records are maintained at the group's registered office at Block C, Central Park, Leopardstown, Dublin 18.

DIRECTORS

The present directors are as listed on page 2.

Mr. Robert M. Wadsworth and Mr. Cyril P. McGuire will retire by rotation, and, being eligible, offer themselves for re-election.

DIRECTORS' AND SECRETARY'S INTEREST

The directors and secretary who held office on 31 January 2007 had the following interests in the ordinary shares of the Company and the group:

	At 31 January 2007 Number of shares	At 31 January 2006 Number of shares
Cyril P. McGuire	6,138,948	5,710,636
R. Paul Byrne	64,305	64,305
Kevin C. Shea	10,000	10,000
Trevor D. Sullivan	2,670	2,670
Robert M. Wadsworth	—	—
Dr. Jim Mountjoy	—	—
Maurice Hickey	—	—

	At 31 January 2007 Number of options over ordinary shares	At 31 January 2006 Number of options over ordinary shares
Cyril P. McGuire	488,334	488,334
R. Paul Byrne	1,130,588	1,070,588
Kevin C. Shea	332,500	312,500
Trevor D. Sullivan	90,000	102,500
Robert M. Wadsworth	180,000	160,000
Dr. Jim Mountjoy	130,000	100,000
Maurice Hickey	200,000	100,000

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standard Board and promulgated by the Institute of Chartered Accountants in Ireland.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and the group and enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2006. They are also responsible for safeguarding the assets of the Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PARENT COMPANY SHARES

Trintech Group PLC, through a subsidiary Trintech Limited, held 716,126 of its own ordinary shares with a nominal value of €1,493 as of 31 January 2007.

AUDITORS

Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Directors,

R. Paul Byrne
Cyril P. McGuire

Directors

28 June 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINTECH GROUP PLC

We have audited the group and parent company financial statements (the "financial statements") of Trintech Group PLC for the year ended 31 January 2007 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 32. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (U.K. and Ireland).

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 Acts, 1963 to 2006. We also report to you our opinion as to: whether proper books of account have been kept by the company; whether, at the balance sheet date there exists a financial situation which may require the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and transactions with the group is not given and, where practicable, include such information in our report.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 group's and 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 misstatement, 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.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the group and of the parent as at 31 January 2007 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINTECH GROUP PLC (Continued)

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The company balance sheet is in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

In our opinion the company balance sheet does not disclose a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

Ernst & Young,
Registered Auditors

Dublin, Ireland
29 June 2007

TRINTECH GROUP PLC

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 January 2007

	Notes	Continuing operations - Acquisitions 2007	Continuing operations Continuing 2007	Discontinued operations 2007	Total 2007	Continuing operations - 2006	Discontinued operations 2006	Total 2006
						(restated)	*(restated)*	*(restated)*
		€'000	€'000	€'000	€'000	€'000	€'000	€'000
Turnover	3	2,905	17,455	10,644	31,004	17,045	22,270	39,315
Cost of sales—normal		(438)	(4,899)	(5,678)	(11,015)	(3,560)	(10,546)	(14,106)
Cost of sales—exceptional	6	—	—	—	—	—	(4,149)	(4,149)
Gross profit		2,467	12,556	4,966	19,989	13,485	7,575	21,060
Operating expenses:								
Distribution costs		(1,107)	(4,535)	(2,039)	(7,681)	(3,938)	(3,893)	(7,831)
Research and development		(1,008)	(2,913)	(3,412)	(7,333)	(2,070)	(5,748)	(7,818)
General and administrative – normal		(245)	(7,647)	(2,590)	(10,482)	(7,034)	(3,929)	(10,963)
General and administrative – exceptional	6	—	—	—	—	—	2,595	2,595
Exchange gain (loss)		—	298	—	298	(122)	—	(122)
		(2,360)	(14,797)	(8,041)	(25,198)	(13,164)	(10,975)	(24,139)
Operating profit (loss)	3,4	107	(2,241)	(3,075)	(5,209)	321	(3,400)	(3,079)
Profit on disposal of discontinued operations	6	—	—	4,166	4,166	—	—	—
Exceptional item—restructuring	6	—	—	(2,232)	(2,232)	(65)	(483)	(548)
Profit (loss) on ordinary activities before interest		107	(2,241)	(1,141)	(3,275)	256	(3,883)	(3,627)
Interest payable and similar charges	7				(18)			(24)
Interest receivable and similar income					1,146			908
Loss on ordinary activities before taxation					(2,147)			(2,743)
Tax on loss on ordinary activities.	8				(126)			355
Loss on ordinary activities after taxation					(2,273)			(2,388)
Minority interests					(560)			(304)
Loss for the financial year					(2,833)			(2,692)
Loss brought forward at the beginning of the year					(229,154)			(228,690)
Repurchase of ordinary share capital, net	19				(639)			(30)
Foreign currency reserve movement					(1,764)			2,258
Loss carried forward at the end of the year					(234,390)			(229,154)
Basic and diluted loss per ordinary share	9				(0.09)			(0.09)

Approved by the Board on 28 June 2007

R. Paul Byrne
Cyril P. McGuire

TRINTECH GROUP PLC

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 January 2007

	2007 €'000	2006 *(restated)* €'000
Loss for the year attributable to ordinary shareholders	(2,833)	(2,692)
Currency translation effects on foreign currency net investments and on deferred trading balances	(1,764)	2,258
Total recognised losses for the financial year	(4,597)	(434)
Prior year adjustment (note 2)	(1,426)	
Total recognised losses since last annual report	(6,023)	

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 €'000	2006 *(restated)* €'000
Shareholders' funds at beginning of year	27,368	26,410
Loss for the financial year	(2,833)	(2,692)
Share-based payments	1,488	1,327
Issuance of new shares for cash and on acquisition, net of issuance expenses	550	89
(Discount) premium on reissue of treasury shares	(20)	6
Currency translation effects on foreign currency net investments and on deferred trading balances	(1,764)	2,258
Repurchase of ordinary share capital, net	(639)	(30)
Shareholders' funds at end of year	24,150	27,368

TRINTECH GROUP PLC

GROUP BALANCE SHEET
As at 31 January 2007

	Notes	2007		2006	
				(restated)	
		€'000	€'000	€'000	€'000
FIXED ASSETS					
Intangible assets	10		13,346		3,114
Tangible assets	11		1,209		1,091
			14,555		4,205
CURRENT ASSETS					
Stocks	13	—		2,215	
Debtors	14	6,612		12,027	
Cash at bank and in hand		19,891		29,012	
		26,503		43,254	
CREDITORS (amounts falling due within one year)					
Bank loans and overdrafts		—		158	
Trade and other creditors	15	10,506		15,448	
Deferred acquisition consideration	24	596		1,279	
Corporation taxation		193		56	
		11,295		16,941	
NET CURRENT ASSETS			15,208		26,313
TOTAL ASSETS LESS CURRENT LIABILITIES			29,763		30,518
CREDITORS (amounts falling due after more than one year)					
Deferred rent less current portion	11		395		—
Deferred acquisition consideration	24		5,136		—
Provisions for liabilities	16		82		3,150
			24,150		27,368
CAPITAL AND RESERVES					
Called up share capital	17	79		79	
Share premium account	20	254,299		253,749	
Treasury shares – premium on reissue	20	122		142	
Other reserves	20	4,040		2,552	
Profit and loss account deficit	20	(234,390)		(229,154)	
Shareholders' funds			24,150		27,368
MINORITY INTEREST			—		—
			24,150		27,368

Approved by the Board on 28 June 2007

R. Paul Byrne
Cyril P. McGuire

Directors

TRINTECH GROUP PLC

COMPANY BALANCE SHEET
As at 31 January 2007

	Notes	2007		2006 (restated)	
		€'000	€'000	€'000	€'000
FIXED ASSETS					
Financial assets	12		166,195		156,898
CURRENT ASSETS					
Debtors	14	—		2,239	
Cash at bank and in hand		226		1,118	
		226		3,357	
CREDITORS (amounts falling due within one year)					
Amounts due to subsidiary undertakings		143,034		127,774	
NET CURRENT LIABILITIES			(142,808)		(124,417)
TOTAL ASSETS LESS CURRENT LIABILITIES			23,387		32,481
CAPITAL AND RESERVES					
Called up share capital	17	79		79	
Share premium account	20	254,299		253,749	
Treasury shares—premium on reissue	20	122		142	
Other reserves	20	4,025		2,537	
Profit and loss account deficit	20	(235,138)		(224,026)	
Shareholders' funds			23,387		32,481

Approved by the Board on 28 June 2007

R. Paul Byrne
Cyril P. McGuire

Directors

TRINTECH GROUP PLC

GROUP CASH FLOW STATEMENT
for the year ended 31 January 2007

	Notes	2007	2006
		€'000	*(restated)* €'000
Net cash outflow from operating activities	21	(5,679)	(2,386)
Returns on investments and servicing of finance			
Interest paid		(18)	(23)
Interest received		1,110	869
Dividends paid to minority interests		(560)	(304)
Finance lease interest		—	(1)
		532	541
Taxation			
Overseas taxes received		43	265
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(652)	(892)
Acquisitions and disposals			
Payments relating to the acquisition of subsidiary undertakings and businesses	24	(7,135)	(900)
Proceeds from sale of business		4,185	—
Proceeds from legal settlement	6	1,439	—
		(1,511)	(900)
Cash outflow before financing		(7,267)	(3,372)
Financing			
Issue of share capital, net of expenses		632	200
Repurchase of share capital	19	(740)	(135)
Capital element of finance leases repaid	22	—	(64)
Repayments under bank overdraft facility	22	(158)	(278)
		(266)	(277)
Decrease in cash in the year	22	(7,533)	(3,649)

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 January 2007

1. ACCOUNTING POLICIES

(a) Organisation

Trintech Group PLC (the "Company") is incorporated as a public limited company under the laws of the Republic of Ireland. Trintech Group PLC and its wholly-owned subsidiaries (collectively, the "group") is a leading global provider of financial software and services specialising in reconciliation workflow, revenue enhancement, transaction risk management, and compliance for commercial, financial, and healthcare markets. For over 20 years, the group has been providing comprehensive, industry-leading solutions to financial departments seeking greater insight into critical transaction processes. The group delivers a configurable, highly scalable platform that incorporates a company's unique business processes, enabling managers to obtain greater visibility and more efficiently manage business risk throughout the transaction lifecycle.

The group's transaction process management solutions include: ReconNET for high volume transaction reconciliation; AssureNET GL for general ledger reconciliation and certification; On-Demand solutions for ASP ReconNET and AssureNET services and the DataFlow Transaction Network for data collection and delivery; and ClearContracts, an ASP service which enables healthcare providers to optimise contract profitability by reconciling payments received from their patients' insurers to amounts they should have received from claims under the terms of their respective contracts.

The group has a customer base of over 465 retail chains, commercial companies, financial institutions and healthcare providers and targets its sales and marketing efforts at three principal regions:

- Europe, Middle East and Africa;
- North and South America; and
- the Asia- Pacific region.

The group's principal market is the USA, which represents approximately 91% of the group's total revenue in fiscal 2007.

(b) Basis of accounting

The financial statements are prepared under the historical cost convention in accordance with Irish generally accepted accounting practice ("Irish GAAP").

In preparing the financial statements for the current year, the group has adopted FRS 20 "share-based payment". The adoption of FRS 20 has resulted in a change in accounting policy for share-based payment transactions. FRS 20 requires the fair value of options and share awards which ultimately vest to be charged to the profit and loss account over the vesting or performance period. For equity based-settled transactions the fair value is determined at the date of the grant using an appropriate pricing model.

The impact of the adoption of FRS 20 has been reflected throughout the financial statements by means of a prior year adjustment, as detailed in note 2. Prior period comparatives were restated, where appropriate.

(c) Basis of consolidation

The group financial statements consolidate the results of Trintech Group PLC and all its subsidiary undertakings drawn up to 31 January each year.

The Assurity business has been included in the group financial statements using the acquisition method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of the Assurity business for the twelve month period from its acquisition on 1 February 2006. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

The Concuity business has been included in the group financial statements using the acquisition method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of the Concuity business for the two month period from its acquisition on 1 December 2006. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

1. ACCOUNTING POLICIES—(Continued)

The group profit and loss account and statement of cash flows also includes the results and cash flows of the Payments business for the seven month period to 1 September 2006, the date of its sale outside the group.

(d) Turnover

Turnover represents the value of goods and services supplied to external customers and excludes intercompany sales and value added tax.

(e) Revenue recognition

The group's revenue is derived from license fees and charges for services.

Revenue is recognised on product sales when persuasive evidence of an arrangement exists, delivery has occurred, the related fee is fixed or determinable and collectability is reasonably assured.

The group recognises license revenue in accordance with the Securities and Exchange Commission's Staff Accounting Bulletins (SAB) No. 101, "Revenue Recognition in Financial Statements", as amended by SAB No. 104 "Revenue Recognition", issued by the staff of the SEC in December 2003, the American Institute of Certified Public Accountants' Statement of Position ("SOP") 97-2, "Software Revenue Recognition", as amended by SOP 98-9, "Modification of SOP 97-2, Software Revenue Recognition, with Respect to Certain Transactions" except where these criteria conflict with the requirements of Irish GAAP and in particular, Application Note G "Revenue Recognition" to Financial Reporting Standard 5 "Reporting the Substance of Transactions" ('Application Note G') issued by the Accounting Standards Board. Such conflicts relate primarily to the requirement under Irish GAAP to recognise revenue to the extent that the group has obtained a right to consideration in exchange for its performance rather than in accordance with the set of rules in SOP 97-2, and the requirement to take account of the time value of money in determining the revenue to recognise for arrangements with extended payment terms under Irish GAAP in contrast to the SOP 97-2 presumption that revenue be recognised only as payments become due in such circumstances. For license arrangements that do not require significant production, modification or customisation of the software, the group recognises license revenue when: (1) persuasive evidence of an arrangement with a customer exists; (2) delivery to the customer has occurred; (3) the fee to be paid by the customer is fixed or determinable; and (4) collection is probable.

If the license fee due from the customer is not fixed or determinable, revenue is recognised as payment becomes due, assuming all other revenue recognition criteria have been met. The group considers arrangements with payment terms extending beyond one year not to be fixed or determinable and revenue is recognised as payments become due from the customer. If collection of the fees from the customer is not considered probable, revenue is recognised when the fee is collected. Revenue arrangements with resellers are recognised, net of fees, when persuasive evidence is received that the reseller has sold the products to an end user customer and all other revenue recognition criteria are met.

SOP 97-2, as amended, generally requires revenue earned on software arrangements involving multiple elements to be allocated to each element based on the relative fair values of the elements. Revenue recognised from multiple-element arrangements is allocated to various elements of the arrangement based on the relative fair values of the elements specific to the group. The group's determination of fair value of each element in multi-element arrangements is based on vendor-specific objective evidence ("VSOE"). The group limits its assessment of VSOE for each element to either the price charged when the same element is sold separately or the price established by management, having the relevant authority to do so, for an element not yet sold separately.

If evidence of fair value of all undelivered elements exists but evidence does not exist for one or more delivered elements, then revenue is recognised using the residual method. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is recognised as revenue.

Revenue allocated to maintenance and support is recognised ratably over the maintenance term, typically one year. Revenue allocated to implementation, training and other service elements is recognised as the services are performed. The group obtains VSOE for maintenance from substantive renewal rates based on consistent percentages of the license fee.

1. ACCOUNTING POLICIES—(Continued)

Service revenue is derived mainly from implementation and training services. Services are provided primarily on a time and materials basis for which revenue is recognised in the period that the services are provided.

Arrangements that include services are evaluated to determine whether those services are essential to the functionality of other elements of the arrangement. When services are not considered essential, the revenue allocable to the software services is recognised as the services are performed. If the group provides services that are considered essential to the functionality of the software products the amount of revenue recognised is based on the total license and service fees under the agreement and the percentage of completion achieved. The percentage of completion is measured by monitoring progress using records of actual time incurred to date in the project compared to the total estimated project requirements, which corresponds to the costs related to earned revenues. Estimates of total project requirements are based on prior experience of customisation of similar software and delivery of similar services and are reviewed and updated regularly by management. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are first determined, in the amount of the estimated loss on the entire contract. No such estimated losses were identified in any of the periods presented.

The group also offers hosting arrangements, known as Application Service Provision (“ASP”). With ASP arrangements, the group installs and runs software applications through its own or third-party’s servers giving customers access to the application via the internet or a dedicated line. ASPs are within the scope of SOP 97-2 if the customer has the contractual right to take possession of the software at any time during the hosting period without significant penalty and it is feasible for the customer to either run the software on its own hardware or contract with another party unrelated to the vendor to host the software without significant penalty. Assuming all other revenue recognition criteria have been met, and VSOE has been established for the hosting element, revenue is recognised on the portion of the fee attributable to the license on delivery, while the portion of the fee related to the hosting element would be recognised ratably as the service is provided.

Revenue from our ASP hosting operations is recognised in accordance with SAB 104, generally over the term of the contract. ASP hosting agreements are generally one to five years in duration and provide for quarterly billing. Revenue related to the customer’s initial set up and implementation is deferred and subsequently recognised over the expected term of the ASP hosting agreement.

(f) Cost of sales

Cost of license revenue includes shipping, software documentation, labor, third-party license fees and other costs associated with the delivery of software products from which license revenue is derived and the cost of providing after-sale support and maintenance services to customers and amortisation of acquired technology costs. Cost of service revenue includes labor, travel and other non-recoverable costs associated with the delivery of services to customers.

(g) Goodwill, purchased technology and trademarks

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in various business acquisitions. Goodwill is being amortised on a straight-line basis over six years. The carrying value of goodwill is subject to an annual impairment review.

Purchased technology and trademarks are recorded at their fair value at the date of acquisition and are being amortised on a straight-line basis over three years.

(h) Taxation

Current taxation represents the amount expected to be paid or recovered in respect of tax on the profits for the year and is calculated using the taxation rates and laws that have been enacted at the balance sheet date.

1. ACCOUNTING POLICIES—(Continued)

Deferred tax is recognised in respect of 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, or a right to pay less, tax in the future have occurred at the balance sheet date. Timing differences are differences between profit as computed for taxation purposes and profit as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(i) Foreign currency translation

The Euro is the functional currency of the group's subsidiaries in Ireland and Germany. The U.S. Dollar (US$) is the functional currency of the parent company, Trintech Group PLC and the Company's subsidiaries in the United States and the Cayman Islands. The United Kingdom pound sterling (Stg£) is the functional currency of the group's UK subsidiary.

These financial statements are presented in euro. Results and cash flows of subsidiary undertakings based in non-euro countries have been translated into euro at average exchange rates for the year, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on translation of the results of the non-euro subsidiary undertakings at average rates, and on restatement of the operating net assets at closing rates, are dealt with in reserves, net of differences on related currency borrowings. All other translation differences are included in arriving at operating (loss) profit.

Rates used for translation of results and balance sheets into euro:

	Average rates		Year-end rates	
Euro 1 =	**2007**	**2006**	**2007**	**2006**
U.S. Dollar	1.2629	1.2389	1.2954	1.2118
Pound Sterling	0.6819	0.6834	0.66325	0.6843

(j) Revenue grants

Revenue grants received in respect of categories of revenue expenditure are credited to the profit and loss account in the year in which the expenditure to which they relate is charged.

(k) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed using the straight-line method over estimated useful lives of the assets as follows:

Motor vehicles, computer and office equipment, fixtures and fittings—3 years.

Leasehold improvements are depreciated over the lesser of the leasehold improvements useful life or the lease term.

(l) Leasing

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the group are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the related rental obligations is charged to the profit and loss account so as to produce a constant rate of charge. Operating lease rentals are charged to the profit and loss account.

1. ACCOUNTING POLICIES—(Continued)

The Dallas facility lease expired in August 2006. The group entered into a new lease agreement for space at the same premises in fiscal 2007. The new facility is under a 7.5 year lease and expires in January 2014. The lease agreement included a lease incentive for tenant improvements of €500,000 which was recorded in property and equipment, net as leasehold improvements and as a deferred rent liability. The deferred rent liability will be amortised over the lease term as a reduction of rent expense. At 31 January 2007, €66,000 was recorded as a current liability and €395,000 was recorded as a non-current liability.

(m) Stocks

Stocks are stated at the lower of cost and net realisable value and net of amounts received and receivable on account.

(n) Warranty reserves

The group accrues undiscounted warranty liabilities at the time of sale of hardware product for the estimated costs that may be incurred to provide warranty services. Factors that affect the group's warranty liability include the number of units currently under warranty, historical and anticipated rates of warranty claims on those units, and an estimated cost per claim to satisfy the group's warranty obligation. The anticipated rate of warranty claims is the primary factor impacting the group's estimated warranty obligation. Other factors include repair parts and labor rates. Repair parts are generally already in stock or available at pre-determined prices, and labor rates are generally arranged at pre-established amounts with service providers. On a regular basis, the group re-evaluates its estimates to assess the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary.

(o) Financial instruments

Financial instruments include (i) borrowings, (ii) cash, deposits and liquid investments and (iii) forward contracts and other derivatives. The group uses derivative instruments to manage certain exposures to foreign currency risks. The objective for holding derivatives is to minimise these risks using the most effective methods to eliminate or reduce the impact of such exposure. When derivatives are used to hedge cross currency cash flows arising from trading activities, the underlying transaction is recorded at the contract rate.

(p) Fair values of financial instruments

The carrying amount of cash, short-term investments, accounts receivable and accounts payable reported in the balance sheet approximates the fair value of these financial instruments.

(q) Share-based payment

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become entitled to the award. Fair value is determined by using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

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

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the profit and loss account, with a corresponding entry in 'other reserves'.

1. ACCOUNTING POLICIES—(Continued)

When the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an 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. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of the 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 profit and loss account.

The group has taken advantage of the transitional provisions of FRS 20 in respect of equity-settled awards so as to apply FRS 20 only to equity-settled awards granted after 7 November 2002 that had not vested before 1 February 2006.

2. PRIOR YEAR ADJUSTMENTS

(a) FRS 20 Share-based payment

In preparing the consolidated financial statements for the current year, the group has adopted FRS 20 "Share-based payment". The adoption of FRS 20 has resulted in a change of accounting policy for share-based payment transactions. FRS 20 requires the fair value of options and share awards which ultimately vest, as well as awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied, to be charged to the profit and loss account over the vesting or performance period. For equity-settled transactions the fair value is determined at the date of the grant using an appropriate pricing model.

The effect of the prior year adjustment on the consolidated profit and loss account for the year ended 31 January 2006 and the consolidated balance at that date was to recognise additional staff costs of €1.3 million in the profit and loss account, with a corresponding adjustment made to other reserves. The adoption of FRS 20 also had the effect of increasing staff costs by €995,000 in the opening profit and loss account at 1 February 2005. The adoption of FRS 20 resulted in the recognition of addition staff costs of €1.5 million in the profit and loss account for the year ended 31 January 2007.

When options are granted to subsidiary company employees to purchase shares in the parent entity, it is necessary to record an expense in the profit and loss account of the subsidiary company in recognition of the services received in exchange for equity instruments in the parent entity. In the financial statements of the parent entity, the award is treated as a capital contribution to the subsidiary company, and the amount recognised as an increase in the carrying value of the investment in the subsidiary company, with a corresponding adjustment made to other reserves. The effects of the prior year adjustment on the company balance sheet at 31 January 2006 was to increase the carrying value of the investment in the subsidiary company by €2.3 million, with a corresponding adjustment made to other reserves. The adoption of FRS 20 resulted in a further increase in the carrying value of the investment in the subsidiary companies of €1.5 million during the year ended 31 January 2007.

(b) Amortisation of intangible assets

In preparing the consolidated financial statements for the current year, the group noted an accounting error in the calculation of amortisation on intangible assets which had the effect of understating its prior year reserves.

The effect of the prior year adjustment on the consolidated group profit and loss account for the year ended 31 January 2006 and the consolidated balance at that date was to reduce amortisation of intangible assets by €448,000 in the profit and loss account, with a corresponding adjustment made to intangible assets. The prior year adjustment also had the effect of reducing amortisation of intangible assets by €448,000 in the opening profit and loss account at 1 February 2005.

3. SEGMENTAL INFORMATION

Prior to fiscal 2007, the group split its operations between Payments and its Funds Management Systems ("FMS") businesses. On 1 September 2006, the group sold substantially all of the Payments business (excluding its German business) to VeriFone Holdings, Inc. As a result, the financial results reflect the Payments business/segment as a discontinued operation. In addition, the group closed its German business in the quarter ended 31 October 2006.

Continuing operations—This represents the results of our two main business/segments; FMS and Healthcare and incorporates the results of the newly acquired Assurity business for the 12 months ended 31 January 2007 and the results of the newly acquired Concuity business for the two months ended 31 January 2007.

FMS is primarily engaged in marketing and selling licenses for the group's transaction process management software and related maintenance, development and installation services. FMS includes the business of DataFlow which is engaged in the retrieval, processing, aggregation and delivery of all transaction data in daily bank statements.

The Healthcare division was formed in June 2006, to help healthcare providers, payers and financial institutions optimise the claim to payment transaction process, including transaction reconciliation and workflow management of exceptions.

Discontinued operations—The financial results reflect the Payments business/segment as a discontinued operation. The prior period group profit and loss account has been restated accordingly. The gain on sale is reflected in the fiscal 2007 results.

Geographical analysis

The geographical analysis of turnover is based on destination. The table below relates solely to the continuing element of the group's business. There is no material difference between this analysis and the split of turnover and operating loss by origin.

	2007	2006
	€'000	€'000
Turnover		
United States of America	18,620	15,371
United Kingdom	722	834
Republic of Ireland	24	41
Rest of Europe	253	186
Rest of World	741	613
	20,360	17,045

3. SEGMENTAL INFORMATION—(Continued)

	2007 €'000	2006 (restated) €'000
Loss before taxation		
United States of America	(880)	(74)
United Kingdom	(3,730)	(549)
Republic of Ireland	3,499	(3,012)
Rest of Europe	(267)	103
Rest of World	(769)	789
	(2,147)	(2,743)

	2007 €'000	2006 (restated) €'000
Long-Lived Assets		
United States of America	3,406	3,435
United Kingdom	6	360
Ireland	11,143	386
Germany	—	14
Uruguay	—	10
Total	14,555	4,205

	2007 €'000	2006 €'000
Net Assets		
United States of America	1,764	2,002
United Kingdom	100	806
Republic of Ireland	3,794	113
Rest of Europe	(24)	224
Rest of World	18,516	24,223
	24,150	27,368

3. SEGMENTAL INFORMATION—(Continued)

The group does not report indirect operating expenses, interest income and expense, capital expenditure or identifiable assets and liabilities other than stocks, trade debtors and accrued revenue by class of business segment. Reconciliations of segment profits and losses to consolidated operating loss before tax.

	2007	2006
		(restated)
	€'000	€'000
Turnover per segment		
Payments	10,644	22,270
FMS	19,768	17,045
Healthcare	592	—
	31,004	39,315
Operating (loss) profit per segment		
Payments	(3,026)	(5,675)
FMS	3,736	5,471
Healthcare	(944)	—
	(234)	(204)
Unallocated amounts:		
Central overheads	(3,387)	(4,456)
Amortisation and adjustment to impairment loss on goodwill	(1,886)	1,703
Exceptional item—restructuring	(2,232)	(548)
Interest receivable and similar income	1,146	908
Interest payable and similar charges	(18)	(24)
Exchange gain (loss)	298	(122)
Profit on disposal of discontinued operations	4,166	—
Total loss before tax	(2,147)	(2,743)

	2007	2006
		(restated)
	€'000	€'000
Operating net assets per segment		
Payments	—	6,434
FMS	4,445	3,129
Healthcare	897	—
	5,342	9,563
Reconciliation to net assets		
Intangible assets	13,346	3,114
Tangible assets	1,209	1,091
Prepaid expenses and other receivables	2,433	4,679
Cash	19,891	29,012
Liabilities	(18,071)	(20,091)
Total net assets	24,150	27,368

4. OPERATING LOSS

Operating loss is arrived at after charging (crediting):

	2007 €'000	2006 *(restated)* €'000
Directors' emoluments:		
Salaries	469	450
Share-based payments	504	702
Fees	63	72
Auditors' remuneration	127	114
Depreciation	514	437
Amortisation of intangible assets	1,886	892
Adjustment to impairment loss on goodwill	—	(2,595)
Revenue grants	—	(377)
Operating leases – land & buildings	1,688	2,501
Operating leases – other	—	5

5. EMPLOYMENT

The average number of group employees by region was as follows:

	2007 Number	2006 Number
United States of America	150	116
Republic of Ireland	45	92
United Kingdom	38	65
Rest of Europe	6	7
Uruguay	15	28
	254	308

The average number of persons employed by the group (including executive directors) during the year was as follows:

	2007 Number	2006 Number
Research and development	34	21
Professional and support services	72	52
Sales and marketing	34	24
Administration	26	13
Discontinued operations	88	198
	254	308

The staff costs comprise:

	2007 €'000	2006 *(restated)* €'000
Wages and salaries	18,729	19,167
Share- based payments	1,488	1,327
Pension costs	217	274
Social welfare costs	1,569	1,785
	22,003	22,553

5. EMPLOYMENT—(Continued)

The share-based payments of €1.5 million (2006: €1.3 million) arose from equity-settled share- based transactions. Wages and salaries and social welfare costs include €6.4 million and €11 million relating to discontinued operations for fiscal 2007 and fiscal 2006, respectively.

The group does not operate a pension scheme for its employees, however it does make pension contributions on behalf of certain employees.

6. EXCEPTIONAL ITEMS

	2007	2006
	€'000	€'000
Cost of sales		
Warranty	—	4,149
Operating expenses		
Adjustment to impairment loss on goodwill	—	(2,595)
Other		
Profit on disposal of discontinued operations	(4,166)	—
Restructuring	2,232	548

Warranty

In fiscal 2006, the group increased its warranty reserve by an exceptional charge of €4.1 million relating to the costs of a re-work programme and the extension of warranty periods for certain new and recently brought to market hardware products, deployed, in Europe that were found to fail intermittently. The provision was calculated using the actual number of units deployed in the market-place, supplier quotes for the required re-work to these units and the re-imbursement to customers of costs associated with the re-work programme.

Adjustment to impairment loss on goodwill

In fiscal 2006, the group recognised a reduction of the impairment loss on goodwill previously written off. There were extensive negotiations with the vendors of Checkline on the payment of escrow monies and deferred consideration relating to the original acquisition of Checkline in fiscal 2001. Arising from these negotiations, a mediation process was entered into by both parties. The result of this process was the release of monies held in the escrow account, an element of the original purchase consideration, amounting to €1.5 million to the group; the release of the group from payment of the deferred consideration liability of €1.1 million to the vendors of Checkline; and the receipt of 533,720 ordinary shares with a market value on the date of settlement of €740,000, which again formed part of the original purchase consideration. The net effect of the settlement was a reduction in the overall impairment loss on the acquisition, net of legal costs in fiscal 2006, of €2.6 million.

Profit on disposal of discontinued operations

In August 2006, the Company entered into a definitive agreement to sell its Payments business (excluding the German element of this business) to VeriFone Holdings, Inc. ("VeriFone"). The sale was completed on 1 September 2006. As a result of this transaction, the Payments business is reported as discontinued operations in the accompanying consolidated financial statements. The prior period group profit and loss account has been restated accordingly. The Company recorded a profit on sale of the Payments business of €4.2 million for fiscal 2007.

Restructuring

The group recorded restructuring charges of €2.2 million and €548,000 in fiscal 2007 and 2006, respectively. The restructuring charge in fiscal 2007 related mainly to the exit charges on Dublin facilities

6. EXCEPTIONAL ITEMS—(Continued)

amounting to €1.8 million and staff redundancy costs and restructuring charges related to the closure of the office in Germany amounting to €400,000. The group had entered into lease agreements relating to its two Dublin facilities with its Chief Executive Officer, Cyril McGuire, the owner of these facilities. These agreements were reached in 1998 in relation to the Phase 1 facility and in 2001 in relation to the Phase 2 facility. These lease agreements were terminated in accordance with their contractual terms with effect from 1 September 2006 and 31 October 2006 respectively resulting in a payment of €1.8 million in fiscal 2007.

During fiscal 2006, the group implemented restructuring plans which resulted in staff terminations in both the research and development and general administrative functions in Ireland and Germany. In connection with these activities the group recorded a restructuring charge of €196,000 and reduced its workforce by 9 employees. The group incurred an additional cost of €352,000 in fiscal 2006 as a result of the assignment of a lease obligation relating to a Dublin facility, which had been assumed as part of the acquisition of Exceptis Technologies Limited in fiscal 2001.

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	€'000	€'000
Interest payable on overdrafts wholly repayable within five years	18	23
Finance lease interest	—	1
	18	24

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	2007	2006
	€'000	€'000
Current taxation		
Ireland—corporation tax at 12.5% (2006: 12.5%)	—	—
Adjustment in respect of prior periods	—	(38)
Irish taxation	—	(38)
Overseas taxation	196	23
Total current taxation charge (credit)	196	(15)
Deferred taxation		
Origination and timing differences	(70)	(340)
Total taxation charge (credit) on loss on ordinary activities	126	(355)

Effective taxation rate

	2007	2006
	€'000	€'000 *(restated)*
Loss on ordinary activities before taxation	(2,147)	(2,743)
As a percentage of loss before taxation:		
—current taxation	9.1%	(0.5)%
—total taxation (current and deferred)	5.9%	(12.9)%

8. TAX ON LOSS ON ORDINARY ACTIVITIES—(Continued)

The following table relates the applicable Republic of Ireland statutory rate to the effective current taxation rate of the group:

	2007	2006
	%	%
Irish corporation taxation rate	(12.5)	(12.5)
Income subject to higher rates of taxation	5.6	1.6
Operating losses utilised	(8.1)	(73.4)
Operating losses not utilised	—	85.9
Income not subject to taxation	3.3	(7.4)
(Loss) income from Irish manufacturing operations (relieved)/taxed at lower rates	(0.7)	7.7
State and local taxes	(7.0)	0.5
Other	28.5	(2.9)
	9.1	(0.5)

	2007	2006
	€'000	€'000
Deferred tax assets		
Net operating loss carryforwards	3,369	16,069
Amounts not recognised	(3,063)	(15,706)
Net deferred tax assets	306	363

	2007	2006
	€'000	€'000
Deferred tax assets		
Opening net deferred tax asset at 1 February	363	36
Origination and reversal of timing differences	(70)	340
Exchange differences	13	(13)
Closing deferred tax asset as at 31 January	306	363

As at 31 January 2007, the group has net operating tax loss carryforwards (NOLs) of approximately €8.1 million for tax purposes, which will be available for offset against future taxable income. The group has provided in full against the NOLs and other deferred benefits in the Irish entity due to the history of operating losses. No valuation allowance has been provided against the deferred tax asset recognised in the US entity due to the likelihood of taxable profits in future years to offset the NOLs.

9. (LOSS) INCOME PER ORDINARY SHARE

The computation of basic and diluted earnings per share is set out below:

	2007	2006
	€'000	*(restated)* €'000
Numerator		
Numerator for basic and diluted loss per ordinary share—loss for the financial year	(2,833)	(2,692)
Numerator for basic and diluted continued (loss) income per ordinary share—loss for the financial year	(1,666)	1,082
Numerator for basic and diluted discontinued loss per ordinary share—loss for the financial year	(1,167)	(3,774)
Denominator		
Denominator for basic and diluted loss per ordinary share—weighted average ordinary shares	30,646,534	30,997,352
Denominator for basic continued (loss) income per ordinary share—weighted average ordinary shares	30,646,534	30,997,352
Denominator for diluted continued (loss) income per ordinary share—weighted average ordinary shares	30,646,534	32,117,374
Denominator for basic and diluted discontinued loss per ordinary share—weighted average ordinary shares	30,646,534	30,997,352
Basic and diluted loss per ordinary share	(0.09)	(0.09)
Basic (loss) income for continued operations per ordinary share	(0.05)	0.03
Diluted (loss) income for continued operations per ordinary share	(0.05)	0.03
Basic and diluted loss for discontinued operations per ordinary share	(0.04)	(0.12)

10. INTANGIBLE ASSETS

	Trademarks	Technology	Goodwill	Total
	€'000	€'000	*(restated)* €'000	*(restated)* €'000
Cost				
At 1 February 2006	103	17,014	121,925	139,042
Additions	159	1,578	10,381	12,118
Disposals	—	(13,771)	(72,426)	(86,197)
At 31 January 2007	262	4,821	59,880	64,963
Amortisation and impairment				
At 1 February 2006	77	16,999	118,852	135,928
Amortised during the year	35	232	1,619	1,886
Disposals during the year	—	(13,771)	(72,426)	(86,197)
At 31 January 2007	112	3,460	48,045	51,617
Net book amounts				
At 31 January 2007	150	1,361	11,835	13,346
At 31 January 2006	26	15	3,073	3,114

Details of the group's acquisitions and disposals during the year ended 31 January 2007 are provided in note 24.

11. TANGIBLE ASSETS

	Motor Vehicles	Office Furniture and Fittings	Computer and Office Equipment	Project Equipment	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 February 2006	43	2,435	5,761	698	8,937
Additions during year	—	802	465	17	1,284
Disposals and amounts written off during year	(20)	(1,884)	(3,378)	(715)	(5,997)
Currency adjustment	(2)	(40)	(64)	—	(106)
At 31 January 2007	21	1,313	2,784	—	4,118
Depreciation					
At 1 February 2006	32	2,221	5,140	453	7,846
Charged in year	7	143	294	70	514
Disposals and amounts written off during year	(20)	(1,723)	(3,125)	(523)	(5,391)
Currency adjustment	(1)	(18)	(41)	—	(60)
At 31 January 2007	18	623	2,268	—	2,909
Net book amounts					
At 31 January 2007	3	690	516	—	1,209
At 31 January 2006	11	214	621	245	1,091

The Dallas facility lease expired in August 2006. The Company entered into a new lease agreement for space at the same premises in fiscal 2007. The new facility is under a 7.5 year lease and expires in January 2014. The lease agreement included a lease incentive for tenant improvements of €500,000 which was recorded in property and equipment, net as leasehold improvements and as a deferred rent liability. The deferred rent liability will be amortised over the lease term as a reduction of rent expense. At 31 January 2007, €66,000 was recorded as a current liability and €395,000 was recorded as a non-current liability.

FUTURE TANGIBLE ASSET PURCHASE COMMITMENTS

	2007	2006
	€'000	€'000
Authorised by the Directors but not contracted for	357	800

12. FINANCIAL ASSETS

	2007	2006 *(restated)*
	€'000	€'000
COMPANY		
Unlisted investments in ordinary shares, at cost		
Trintech GmbH	—	24
Trintech Group Finance Limited	145,317	145,317
Trintech Inc	11,399	11,015
Trintech Limited	2	2
Trintech Technologies Limited	—	540
Trintech Limited (formerly Checkline PLC)	—	—
Slan Limited	9,477	—
Exceptis Technologies Limited	—	—
	166,195	156,898

12. FINANCIAL ASSETS—(Continued)

	2007	2006
		(restated)
	€'000	€'000
Balance at 1 February	156,898	156,619
Additions	17,813	1,047
Disposals	(7,134)	—
Impairments	(1,382)	(768)
Balance at 31 January	166,195	156,898

The company made capital contributions to Trintech Limited (formerly Checkline PLC) and Exceptis Technologies Limited of €7.1 million. Subsequently, Trintech Limited and Exceptis Technologies Limited were sold to VeriFone Holdings, Inc. as part of the sale of the Payments business on 1 September 2006.

Slan Limited was incorporated in August 2006 as part of the restructuring of the group in advance of the sale of the Payments business to VeriFone.

Capital contributions to subsidiary companies were made during the year of €1.2 million (2006: €1 million) in connection with share-based payment transactions whereby options to subscribe for ordinary shares in the parent entity were granted to subsidiary company employees.

Following a review by the directors of the carrying value of the investments, an adjustment was recorded to write-down the investments to their recoverable amount.

At 31 January 2007, the Company had the following wholly owned subsidiary undertakings. All shareholdings are in ordinary shares.

Group companies	Registered office	Holding	Nature of business
Trintech GmbH	Block C, Central Park, Leopardstown, Dublin 18.	100%	Sale of specialised financial transaction processing systems.
Trintech Group Finance Limited	PO Box 309, Grand Cayman, Cayman Islands, British West Indies.	100%	Management of the group's surplus cash.
Trintech Inc	15851 Dallas Parkway, Suite 855, Addison, Texas 75001, United States of America.	100%	Sale of transaction process management solutions.
Trintech Limited	Block C, Central Park, Leopardstown, Dublin 18.	100%	Research and development and the licensing of patented technology.
Trintech Technologies Limited	Block C, Central Park, Leopardstown, Dublin 18.	100%	Sale of transaction process management software and the licensing of intellectual property to its subsidiaries.

12. FINANCIAL ASSETS—(Continued)

Group companies	Registered office	Holding	Nature of business
Trintech UK Limited	Highstone House, 165 High Street, Barnet, Hertfordshire, EN5 5SU, England.	100%	Sale of transaction process management solutions.
Slan Limited	PO Box 309, Grand Cayman, Cayman Islands, British West Indies.	100%	Investment holding company.
CW & Associates, Inc.	15851 Dallas Parkway, Suite 855, Addison, Texas 75001, United States of America.	100%	Provider of a data transaction network supporting customers' bank reconciliation processes by aggregating bank account statement data and delivering it to customers daily in electronic form.

In the opinion of the directors, the value to the company of the unlisted investments is not less than the book amounts shown above.

13. STOCKS

	2007 €'000	2006 €'000
GROUP		
Raw materials	—	522
Finished goods	—	1,693
	—	2,215

The difference between purchase price or production cost of stocks and their replacement cost is not material.

14. DEBTORS

	2007 €'000	2006 €'000
GROUP		
Amounts falling due within one year		
Trade debtors	5,182	6,955
Prepayments and accrued income	1,084	2,136
Amount receivable on legal settlements	—	2,239
Deferred tax (note 8)	306	363
Value added tax	40	334
	6,612	12,027
COMPANY		
Amounts falling due within one year		
Amounts receivable on legal settlement	—	2,239
Amounts falling due after more than one year		
Due from subsidiary undertakings, net of provision of €160.8 million (2006: €155.8 million) for uncollectible amounts	—	—
	—	2,239

15. TRADE AND OTHER CREDITORS

	2007 €'000	2006 €'000
GROUP		
Amounts falling due within one year		
Trade creditors	1,007	4,918
PAYE and PRSI	45	339
Value added tax	70	382
Accruals	3,236	2,948
Deferred income	6,148	6,861
	10,506	15,448

Revolving credit facility: Bank overdraft facility and overdrafts

The group has agreed an unsecured overdraft facility of €2.4 million with Bank of Ireland. Advances under this facility will bear interest at the Bank's prime overdraft rate, 4.08% as at 31 January 2007. As of 31 January 2007, there was € nil outstanding under the facility. The facility does not have a stated expiration date, but all amounts drawn thereunder are repayable on demand.

16. PROVISIONS FOR LIABILITIES

	2007 €'000	2006 €'000
GROUP		
Warranty reserve	82	3,150

16. PROVISIONS FOR LIABILITIES—(Continued)

Warranty reserve

	2007	2006
	€'000	€'000
Balance at beginning of year	3,150	303
Additional provision	38	4,393
Amount transferred on sale of payments business	(1,740)	—
Amount used to cover expenses	(1,366)	(1,546)
Balance at end of year	82	3,150

The group maintains reserves for future warranty claims arising from past sales of product. The group makes provision for such costs when revenue is recorded from product sales. The group re-evaluates its estimates to assess the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary. In the year ended 31 January 2006, the group increased its warranty reserve by an exceptional charge of €4.1 million relating to costs of a re-work programme and the extension of warranty periods for certain new and recently brought to market hardware products deployed in Europe that were found to fail intermittently. The provision was calculated using the actual number of units deployed in the market-place, supplier quotes for the required re-work to these units and the re-imbursement to customers of costs associated with the re-work programme.

The group completed the sale of the Payments business on 1 September 2006 to VeriFone Holdings, Inc. Under the terms of the agreement, VeriFone paid the group €9.4 million in cash for all the outstanding shares of a newly formed subsidiary which, prior to closing, held substantially all the assets and liabilities of the Payments business. This cash payment to VeriFone was adjusted by an amount equal to the remaining warranty provision (approximately €1.7 million) which was related to intermittent failures experienced with certain hardware products deployed in the marketplace.

The group had an undiscounted warranty reserve of €82,000 at 31 January 2007 to cover future warranty claims arising from past sales of product sold to German customers. The German part of the Payments business was not sold to VeriFone. This business was closed down in the quarter ended 31 October 2006.

17. SHARE CAPITAL

The Company's authorised share capital comprises 100,000,000 ordinary shares of US$0.0027 par value per share and 10,000,000 Series B redeemable convertible preference shares of US$0.0027 par value per share, which may be issued with such special, qualified, preferred, deferred or other rights or privileges or conditions as to capital, dividends, rights of voting or other matters as the directors may decide.

	2007	2006
	US$'000	US$'000
Authorised		
100,000,000 ordinary shares of US$0.0027 each	270	270
10,000,000 Series B redeemable convertible preference shares of US$0.0027 each	27	27
	297	297

	2007	2006
	€'000	€'000
Allotted, called up and fully paid		
Ordinary shares of US$0.0027 each		
At beginning of year		
31,290,027 (2006: 31,160,091) shares	79	79
Issued during the year		
For cash 585,192 (2006: 129,936) shares	0	0
At end of year 31,875,219 (2006: 31,290,027) shares	79	79

17. SHARE CAPITAL—(Continued)

In fiscal 2007 the Company issued a further 585,192 ordinary shares for cash with a nominal value of €1,251 and received net proceeds of €632,000. The proceeds were used for general working capital purposes. In fiscal 2006 the Company issued 129,936 ordinary shares for cash with a nominal value of €277 and received net proceeds of €200,000. These proceeds were also used for general working capital purposes.

The Company also reissued treasury shares as described in note 19.

18. SHARE-BASED PAYMENTS

Share Option Schemes

The Company has the following active stock option and purchase plans: the Trintech Group PLC 1997 Share Option Scheme, the Trintech Group PLC Directors and Consultants Share Option Scheme, the 1999 Employee Savings Related Share Option Scheme and the 1999 Employee Share Purchase Plan (the "Stock Plans"). An aggregate of 8,900,000 ordinary shares has been allocated for issue collectively under the Stock Plans. 828,314 ordinary shares remain available for option grants collectively under the Stock Plans. If an option expires or is cancelled for any reason without having been fully exercised or vested, the unvested or cancelled options will continue to be available for future grant under the Stock Plans.

The Trintech Group PLC 1997 Share Option Scheme (the "1997 Plan"), which provides for the grant of options to purchase ordinary shares of the Company, was approved by the Company's Board of Directors and was subsequently amended. Under the 1997 Plan, non-temporary employees and executive directors holding salaried employment or office with the Company or any subsidiary companies are eligible to participate in the 1997 Plan. All options granted have a seven-year term and generally commence vesting at a rate of one twelfth of the total per quarter for each of the quarters in the three years commencing on the anniversary date of the grant. The exercise price of each share option is the fair market value of the share on the date of grant.

During 1998, the Company's Board of Directors and shareholders approved the Directors and Consultants Share Option Scheme which provides for the grant of options to purchase ordinary shares of the Company to non-employee directors and consultants of the Company. All options granted have a seven-year term and are generally exercisable at date of the grant. The exercise price of each share option is the fair market value of the share on the date of grant.

In August 1999, the Company obtained shareholder approval for the establishment of the Trintech 1999 Employee Savings Related Share Option Scheme for the Company's Irish employees. The 1999 savings related scheme applies to all of the Company's qualifying Irish employees and is intended to be an approved scheme under Schedule 12A to the Taxes Consolidation Act 1997 of the Republic of Ireland. The eligible employees may apply for an option to purchase ordinary shares of the Company at a discount of 15% to the market value of ordinary shares on the last day on which the ordinary shares were traded before grant. Participants must enter into approved savings arrangements the purpose of which is to fund the cost of the exercise of the option.

As of 31 January 2006, no shares had been issued under this scheme. Also in August 1999, the Company obtained shareholder approval for the establishment of the Trintech 1999 Employee Share Purchase Plan for the group's U.S. employees. The 1999 share purchase plan is intended to qualify under Section 423 of the Code and contains consecutive, overlapping, twenty-four month offering periods. Each offering period includes four six-month purchase periods. The offering periods generally start on the first trading day on or after 1 March and 1 September of each year.

The 1999 Share Purchase Plan permits participants to purchase ordinary shares of the Company at 85% of the lower of the fair market value on the first day of the applicable offering period or on the last day of the six-month purchase period, through payroll deductions of up to 15% of the participant's compensation. As of 31 January 2007, 499,838 ordinary shares had been issued under this plan, of which 72,698 ordinary shares were issued for a total consideration of approximately €81,000 during the year ended 31 January 2007.

18. SHARE-BASED PAYMENTS—(Continued)

The expense recognised for share-based payments arising from equity-settled transactions in respect of employee services received during the year to 31 January 2007 is €1.5 million (2006: €1.3 million).

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year.

	31 January 2007		31 January 2006	
	Options	WAEP	Options	WAEP
Outstanding at beginning of year (1)	5,251,234	€ 2.41	4,825,222	€ 2.39
Granted	1,227,050	1.35	791,180	1.55
Cancelled	(371,354)	12.16	(13,332)	19.78
Forfeited	(114,426)	1.75	(225,836)	2.94
Exercised (2)	(585,192)	0.97	(126,000)	0.70
Outstanding at end of year (3)	5,407,312	€ 1.53	5,251,234	€ 2.41
Exercisable at end of year	3,472,114	€ 1.54	3,359,028	€ 2.74

(1) Included within this balance are options over 2,356,796 shares that have not been recognised in accordance with FRS 20 as the options are granted on or before 7 November 2002 or were fully vested as of 31 January 2006. These options have not been subsequently modified and therefore do not need to be accounted for in accordance with FRS 20.

(2) The weighted average share price at the date of exercise for the options exercised is €1.31 for the current year (2006: €1.58).

For the share options outstanding as at 31 January 2007, the weighted average remaining contractual life is 4.25 years (2006: 4.67 years).

The weighted average fair value of options granted during the year was €0.72 (2006: €0.98). The range of exercise prices for options outstanding at the end of the year was €0.39—€38.21. (2006: €0.41—€40.85).

The fair value of the equity-settled options granted is estimated as at the date of grant using the Black-Scholes method, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the method used for the years ended 31 January 2007 and 31 January 2006.

	2007	2006
Expected dividend yield (%)	0.00	0.00
Expected share price volatility (%)	0.62	0.74
Historical share price volatility (%)	0.62	0.74
Risk-free interest rate (%)	4.78	3.99
Expected life of option (years)	6.16	5.98
Weighted average share price (€)	1.35	1.55
Weighted average exercise price (€)	1.35	1.55

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other features of options grant were incorporated into the measurement of fair value.

19. REPURCHASE OF ORDINARY SHARE CAPITAL, NET

	2007	2006
	€'000	€'000
Repurchase of ordinary share capital	740	135
Reissue of ordinary share capital	(101)	(105)
Repurchase of ordinary share capital, net	639	30

During the years ended 31 January 2007 and 2006, Trintech Limited, a subsidiary company, purchased in the market 533,720 and 80,600 of Trintech Group PLC's ordinary shares of US$0.0027 each, at a total cost of €740,000 and €135,000 respectively, as part of its share buy-back programme. In fiscal 2007 the Company reissued 72,698 ordinary shares for cash and received total proceeds of €81,000 (refer to note 18 above). The discount of €20,000 on the reissue of treasury shares has been deducted from the premium recorded in prior years. Purchased ordinary shares net of reissued ordinary shares, represent some 2.25% of the issued ordinary share capital at 31 January 2007.

At 31 January 2007, Trintech Limited held 716,126 treasury shares with a nominal value of US$0.0027 each at an average price of €1.49. The total amount of ordinary shares repurchased through 31 January 2007 under the share buy-back programme is 1,367,716 at a total cost of €1.8 million and an average price of €1.28. The amount of ordinary shares reissued through 31 January 2007 is 651,590 with total proceeds arising of €691,000 and an average price of €1.06.

At 31 January 2007, the subsidiary has an unexpired authority to repurchase further shares up to a maximum value of €2.2 million.

20. RESERVES

	Share premium	Other reserves	Treasury shares-premium on reissue	Profit and loss account
	€'000	€'000	€'000	€'000
GROUP				
At beginning of year as previously reported	253,749	230	142	(227,728)
Prior year adjustments	—	2,322	—	(1,426)
At beginning of year as restated	253,749	2,552	142	(229,154)
Retained loss for the financial year	—	—	—	(2,833)
Premium on shares issued, net of expenses	550	—	—	—
Translation adjustments on foreign currency net investments	—	—	—	(1,764)
Purchase of ordinary share capital, net	—	—	—	(639)
Share-based payments	—	1,488	—	—
Discount on treasury shares reissued	—	—	(20)	—
At end of year	254,299	4,040	122	(234,390)
COMPANY				
At beginning of year as previously reported	253,749	215	142	(222,314)
Prior year adjustments	—	2,322	—	(1,712)
At beginning of year as restated	253,749	2,537	142	(224,026)
Retained loss for the financial year	—	—	—	(10,890)
Premium on shares issued, net of expenses	550	—	—	—
Translation adjustments on foreign currency net investments	—	—	—	(222)
Share-based payments	—	1,488	—	—
Discount on treasury shares reissued	—	—	(20)	—
At end of year	254,299	4,025	122	(235,138)

20. RESERVES—(Continued)

The parent company has availed of the exemptions in section 148(8) of the Companies Act, 1963 from laying its individual profit and loss account before the annual general meeting and the exemption in section 7(1A) of the Companies (Amendment) Act, 1986 from filing its individual profit and loss account with the Registrar of Companies.

21. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2007	2006
		(restated)
	€'000	€'000
Operating loss	(5,209)	(3,079)
Exceptional item – restructuring	(2,232)	(548)
Adjustment to impairment loss on goodwill	—	(3,298)
Depreciation	514	437
Loss on disposal of tangible fixed assets	6	9
Amortisation and adjustment of acquisition liabilities	1,886	892
Share-based payments	1,488	1,327
Decrease (increase) in stocks	427	(1,306)
Decrease (increase) in debtors	42	(114)
(Decrease) increase in creditors	(2,069)	2,781
Effects of changes in foreign currency exchange rates	(532)	513
Net cash outflow from operating activities	(5,679)	(2,386)

22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007	2006
	€'000	€'000
Decrease in cash	(7,533)	(3,649)
Payments from bank loans and overdrafts	158	278
Capital element of finance leases repaid	—	64
Change in net funds resulting from cash flow	(7,375)	(3,307)
Exchange movement	(1,588)	2,088
Movement in net funds in the year	(8,963)	(1,219)
Net funds at beginning of year	28,854	30,073
Net funds at end of year	19,891	28,854

23. ANALYSIS OF NET FUNDS

	At 1 February 2006	Cash flow	Exchange movement	At 31 January 2007
	€'000	€'000	€'000	€'000
Cash and cash equivalents	29,012	(7,533)	(1,588)	19,891
Bank loans and overdrafts	(158)	158	—	—
	28,854	(7,375)	(1,588)	19,891

At 31 January 2007 the group had no restricted cash balances.

Cash and cash equivalents consist primarily of highly liquid investments with maturities of less than three months.

24. ACQUISITIONS AND DIVESTURES

An analysis of the net liabilities of the new businesses acquired during the year is shown below:

	Book value acquired	Fair value adjustments	Fair value acquired
		€'000	
Tangible assets	423	(231)	192
Current assets	886	(140)	746
Creditors	(1,042)	175	(867)
Deferred income	(1,663)	1,092	(571)
Net liabilities acquired at fair value	(1,396)	896	(500)
Goodwill arising on acquisition			10,381
Purchased technology			1,578
Trademarks			159
			11,618
Satisfied by:			
Cash payments			5,694
Promissory note			123
Deferred consideration			5,609
Transaction costs			192
			11,618

The acquisition of the Concuity and Assurity businesses have been deemed to be material transactions and separate disclosure of the profit and loss account and statement of recognised gains and losses of the acquired businesses has therefore been made below.

	Concuity		Assurity	
	11 months ended 30 November 2006	12 months ended 31 December 2005	1 month ended 31 January 2006	12 months ended 31 December 2005
	€'000	€'000	€'000	€'000
Turnover	3,579	3,893	20	402
Operating loss	(2,938)	(4,863)	(28)	(54)
Loss before tax	(3,485)	(5,363)	(28)	(54)
Total recognised losses	(3,485)	(5,363)	(28)	(54)

The above unaudited pro forma financial information has been prepared using United States generally accepted accounting principles.

On 1 February 2006, the Company acquired substantially all the assets of Assurity Technologies, Inc., a privately held company in the U.S., for an initial total consideration of €4.1 million subject to final adjustment relating to performance related consideration, of which €2.4 million has been accrued at the year ended 31 January 2007. The initial purchase costs comprised €1.7 million in cash (including a promissory note of €123,000 payable over two years), additional performance related payments of €2.4 million and transaction costs of €36,000. The group will be required to pay performance related contingent cash consideration equal to 30% of net income plus 10% of gross revenues, as defined in the purchase agreement, earned by the acquired business for fiscal 2007, fiscal 2008 and fiscal 2009. The fiscal 2007 performance related consideration of €535,000 was paid in the quarter ended April 30, 2007.

The initial total purchase costs of €4.1 million has been allocated, based on their respective fair values, to goodwill of €3.6 million, purchased technology of €464,000, fixed assets acquired of €33,000 and net liabilities assumed of €73,000. The acquisition was accounted for in accordance with Financial Reporting Standard No.6 ("FRS 6"). Accordingly, goodwill is amortised over six years and purchased technology is amortised over three years on a straight-line basis and in accordance with the group's accounting policy. The assets, liabilities, and operating results of the acquired business have been included in the accompanying financial statements from the date of acquisition.

24. ACQUISITIONS AND DIVESTURES—(Continued)

On 1 December 2006, the group acquired all of the assets and assumption of certain liabilities of Concuity, Inc., a private company specialising in technology solutions for the healthcare industry, for an expected total cash consideration of up to €7.6 million.

The consideration comprised the initial cash consideration paid on closing of €4.2 million subject to final adjustment relating to performance related consideration, of which €3.2 million has been accrued at the year ended 31 January 2007 (of which €1.5 million is guaranteed). The total purchase costs comprised €4.2 million in cash, performance related payments of €3.2 million and transaction costs of €156,000.

The initial total purchase costs of €7.6 million, comprising the cash paid and related transaction costs, has been allocated, based on their respective fair values, to goodwill of €6.7 million, purchased technology of €1.1 million, trademarks of €159,000, fixed assets acquired of €159,000 and net liabilities assumed of €619,000. The acquisition was accounted for in accordance with FRS 6. Accordingly, goodwill is amortised over six years and purchased technology is amortised over three years on a straight-line basis and in accordance with group's accounting policy. The assets, liabilities, and operating results of the acquired business have been included in the accompanying financial statements from the date of acquisition.

In connection with the acquisition of Concuity, the group assumed Concuity's contractual obligations related to its deferred revenue. Concuity's deferred revenue was derived from ASP services. The group estimated its obligation related to the Concuity deferred revenue using the cost build-up approach. The cost build-up approach determines fair value by estimating the costs relating to fulfilling the obligation plus a normal profit margin. The sum of the costs and operating profit approximates, in theory, the amount that we would be required to pay a third party to assume the support obligation. The estimated costs to fulfill the support obligation were based on the historical direct costs related to providing the support. As a result, the group recorded an adjustment to reduce the carrying value of deferred revenue from €1.6 million to €498,000, which represents our estimate of the fair value of the contractual obligations assumed.

The Company completed the sale of its Payments business on 1 September 2006 to VeriFone Holdings, Inc. Under the terms of the agreement, VeriFone paid the Company €9.4 million in cash for all the outstanding shares of a newly formed subsidiary which, prior to closing, held substantially all the assets and liabilities of the Payments business. The purchase price is subject to the following adjustments:

- an escrow amount of €1.6 million which is being held for a period of 18 months following the closing to cover claims that might arise under representations and warranties and certain other obligations provided in the share purchase agreement.
- the cash payment to VeriFone of an amount equal to the remaining warranty provision (approximately €1.7 million) which was related to intermittent failures experienced with certain hardware products deployed in the marketplace.
- a working capital adjustment of €245,000.

On 1 November 2003, the group acquired the outstanding shares of CW & Associates, Inc., trading as DataFlow Services, a privately held company in the U.S., for an initial consideration of approximately €4.9 million subject to final adjustment relating to performance related contingent consideration. The total initial purchase costs comprised approximately €3.3 million in cash and transaction costs of €112,000. In addition, the group was required to pay additional performance related contingent consideration equal to 50% of profits, as defined in the purchase agreement, earned by the acquired business for fiscal 2005 and fiscal 2006. The fiscal 2005 performance related consideration of €900,000 was paid in the quarter ended 30 April 2005. The fiscal 2006 performance related consideration of €1.25 million was paid in the quarter ended 31 July, 2006.

25. COMMITMENTS

Operating leases

The group has commitments under operating leases to make payments in the next year on leases, which expire as follows:

	2007 €'000	2006 €'000
Within one year:		
Buildings	52	833
Between two and five years:		
Buildings	320	1,133
After more than five years:		
Buildings	505	—
	877	1,966

26. CONTINGENCIES

There are no contingencies outstanding at the end of January 2007. Under agreements between the group and the Industrial Development Authority and the Irish Trade Board, the group has certain grants received or receivable amounting to €0 (fiscal 2006: €955,000), which may be revoked, cancelled or abated in certain circumstances: principally the disposal by the group of intellectual property arising from the grant aided research and development. The group transferred its obligations under these agreements to Verifone, when it sold the Payments business on 1 September 2006.

27. GUARANTEES

Pursuant to the provisions of Section 17 of the Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of Trintech Technologies Limited and Trintech Limited, two of its subsidiary undertakings in the Republic of Ireland for the financial year ended 31 January 2007 and, as a result, such subsidiary undertakings have been exempted from the filing provisions of Section 7 of the Companies (Amendment) Act, 1986.

28. FAIR VALUE OF FINANCIAL INSTRUMENTS

The group uses forward exchange contracts to hedge certain operational cash flow exposures resulting from changes in foreign currency exchange rates expected to occur within the next 12 months. The group enters into these foreign exchange contracts to hedge anticipated sales or purchase transactions in the normal course of business for which there is a firm commitment from a customer or to a supplier. The terms of these contracts are consistent with the timing of the transactions being hedged. The group does not use such instruments for trading or speculative purposes.

Furthermore, the group manages the currency exposure of certain receivables and payables using derivative instruments, such as currency options. The gains or losses on these instruments provide an offset to the gains or losses recorded on the foreign currency receivables and payables.

As of 31 January 2007, the group had three forward exchange contracts maturing in fiscal 2008 to sell US$846,000 and receive €650,000 in return. These derivative instruments are recorded at fair value and changes in fair value are recorded under exchange gain (loss) in the group profit and loss account. The aggregate fair value of the contracts as of 31 January 2007 was a loss of €3,000 (2006: €12,000).

28. FAIR VALUE OF FINANCIAL INSTRUMENTS—(Continued)

As of 31 January 2007, the group had no currency options outstanding.

	Year ended 31 January			
	2007		2006	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(€'000)			
Non-Derivatives				
Cash and cash equivalents	19,891	19,891	29,012	29,012
Derivatives				
Foreign exchange forward contracts	(3)	(3)	(12)	(12)

The fair value of the contracts was calculated as the present value of the settlement amount less the current valuation based on the 31 January 2007 spot rate.

29. RELATED PARTY TRANSACTIONS

The Company had entered into lease agreements relating to its two Dublin facilities with its Chief Executive Officer, Cyril McGuire, the owner of these facilities. These agreements were reached in 1998 in relation to the Phase 1 facility and in 2001 in relation to the Phase 2 facility. These lease agreements have been terminated in accordance with their contractual terms with effect from 1 September 2006 and 31 October 2006 respectively resulting in a payment of €1.8 million, which the Company recorded as a restructuring charge in fiscal 2007.

30. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to current year presentation.

31. IMPORTANT EVENTS SINCE THE YEAR-END

The group's sub-tenant at its Hayward, California facility defaulted on its contractual lease obligation and vacated the building without notice in April 2007. Subsequently, the group created an additional provision for abandonment of €215,000 in the quarter ended 30 April 2007 which forms part of a purchase accounting adjustment for the Concuity acquisition.

32. APPROVAL OF SHAREHOLDERS' FINANCIAL STATEMENTS

The shareholders' financial statements were approved and authorised for issue by the directors on 28 June 2007.