

VINCENTO PAYMENT SOLUTIONS LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

Company Registration number: 06035209

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VINCENTO PAYMENT SOLUTIONS LIMITED

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VINCENTO PAYMENT SOLUTIONS LIMITED
COMPANY INFORMATION

Directors	A Patel A Quirke K Hedjri
Secretary	A Quirke
Registered office	2nd Floor Shropshire House 179 Tottenham Court Road London W1T 7NZ
Registration number	06035209

VINCENTO PAYMENT SOLUTIONS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and the financial statements of Vincento Payment Solutions Limited (the Company) for the year to 31 December 2008.

INCORPORATION

The Company was incorporated on 22 December 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was to set up as a prepaid card issuer.

The Company achieved this milestone in December 2008, and is currently in test mode with a view to a full launch in Spring 2009.

In reaching this milestone, the Company obtained, in March 2008, an Electronic Money Licence from the Financial Services Authority and in May 2008, became a principal member of Mastercard.

Results

Loss for the financial year after taxation of £780,303 (period ended 31 December 2007 : £736,013) will be transferred to reserves.

Going Concern

The Company is currently funded by its parent company, TC Invest AG. The Company's cash reserves at 31 December 2008 were £798,750 and the directors can report that there was a post balance sheet capital investment by TC Invest AG of £250,000 on 30 January 2009. The directors are therefore satisfied that the Company's financial statements can be prepared on a going concern basis.

Directors

All the directors held office during the whole of year.

All the directors who are eligible offer themselves for election at the forthcoming Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law & regulations.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. As required by Company law, the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK GAAP).

In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

VINCENTO PAYMENT SOLUTIONS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008

Directors' responsibility regarding disclosure of information to auditors

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

Auditors

KPMG Audit Plc will be reappointed in accordance with section 487 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



A Quirke
Director

Date:.....23/04/09

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VINCENTO PAYMENT SOLUTIONS LIMITED

Independent Auditors' report to the members of Vincento Payment Solutions Limited

We have audited the financial statements of Vincento Payment Solutions Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK 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 Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

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

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

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
VINCENTO PAYMENT SOLUTIONS LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
One Canada Square
London
E14 5AG

23 April 2009

VINCENTO PAYMENT SOLUTIONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	For the period 22 December 2006 to 31 December 2007 £
Turnover		-	-
Administrative expenses		(827,833)	(750,557)
Operating loss	2	<u>(827,833)</u>	<u>(750,557)</u>
Other interest receivable and similar income		47,530	14,544
Loss on ordinary activities before taxation		<u>(780,303)</u>	<u>(736,013)</u>
Tax on loss on ordinary activities	4	-	-
Loss for the financial year/ period	9	<u>(780,303)</u>	<u>(736,013)</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

VINCENTO PAYMENT SOLUTIONS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2008

		2008	2007
		£	£
Note			
Fixed assets			
Tangible assets	5	35,610	8,125
Current assets			
Stock	6	17,280	-
Debtors	7	205,146	5,301
Prepayments		129,508	8,813
Cash at bank and in hand		798,750	819,765
		<u>1,150,684</u>	<u>833,879</u>
Creditors:			
Amounts falling due within one year	8	(69,705)	(501,285)
Accruals and deferred income		(132,905)	(76,732)
Net current assets		<u>948,074</u>	<u>255,862</u>
Net assets		<u>983,684</u>	<u>263,987</u>
Capital and reserves			
Called up share capital	9	2,500,000	1,000,000
Profit and loss reserve	10	(1,516,316)	(736,013)
Shareholders' funds		<u>983,684</u>	<u>263,987</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 23/04/09 and were signed on its behalf

by:



A Quirke
 Director

VINCENTO PAYMENT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

The principal accounting policies adopted are set out below.

Tangible fixed assets

Depreciation is provided at the rate of 25% using the reducing balance method in order to write off the cost less the estimated residual value of each asset over its estimated useful life.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Taxation

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Foreign currency translations

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at market rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Profit and Loss account.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Retirement Benefits

The Company operates a defined contributions pension scheme. Contributions payable for the period are charged to the profit and loss account.

2 Operating loss

Operating loss is stated after charging:

	2008	For the period 22 December 2006 to 31 December 2007
	£	£
Pension costs	26,199	19,139
Auditors remuneration – statutory audit	17,500	10,000
Depreciation of owned assets	2,671	1,640
	<u> </u>	<u> </u>

VINCENTO PAYMENT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

3 Directors' emoluments

The directors' emoluments for the year are as follows:

		For the period 22 December 2006 to 31 December
	2008	2007
	£	£
Salary	278,700	213,337
Retirement benefits	22,624	17,839
Total	301,324	231,176

4 Taxation

	2008	For the period 22 December 2006 to 31 December
	£	2007
	£	£
Loss on ordinary activities	(780,303)	(736,013)
Current Tax on the above loss at 28.5% (2007:30%)	(222,386)	(220,804)
Disallowable expenses	1,357	738
Capital allowances in excess of depreciation	(7,795)	(982)
	(6,438)	(244)
 Tax losses for the year	 228,824	 221,048
 Current tax charge	 -	 -

Tax losses of £449,872 (2007: £221,048) have been carried forward. No deferred tax assets have been recognised by the Company due to uncertainty in relation to future profits.

VINCENTO PAYMENT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

5 Tangible fixed assets

	Plant & machinery £
Cost	
As at 1 January 2008	9,765
Additions	30,156
As at 31 December 2008	<u>39,921</u>
Depreciation	
As at 1 January 2008	1,640
Charge for the year	2,671
As at 31 December 2008	<u>4,311</u>
Net book value	
As at 31 December 2008	<u>35,610</u>
As at 31 December 2007	<u>8,125</u>

6 Stock

	2008 £	2007 £
Prepaid cards	<u>17,280</u>	<u>-</u>

7 Debtors

	2008 £	2007 £
Amounts owed by group undertakings	20,407	-
Security Deposits	184,739	5,301
	<u>205,146</u>	<u>5,301</u>

VINCENTO PAYMENT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

8 Creditors: Amounts falling due within one year

	2008	2007
	£	£
Trade creditors	52,963	33,470
Amounts owed to group undertakings	-	453,567
Taxation and social security	13,100	10,561
Other creditors	3,642	3,687
	<u>69,705</u>	<u>501,285</u>

9 Share capital

	2008	2007
	£	£
Authorised		
Equity		
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid		
Equity		
2,500,000 (2007 - 1,000,000) Ordinary shares of £1 each	<u>2,500,000</u>	<u>1,000,000</u>

10 Reserves

	Profit and loss reserve
	£
Balance at 1 January 2008	(736,013)
Transfer from profit and loss account for the year	(780,303)
Balance at 31 December 2008	<u>(1,516,316)</u>

VINCENTO PAYMENT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

11 Related parties

Related party transactions

The Company's related parties, the nature of the relationship and the extent of the transactions with them are summarised below:

Related party	Relationship	Services	2008 £	2007 £
Bwin International Marketing UK Limited	Group undertaking	Loan	20,407	-
Bwin Interactive Entertainment	Ultimate parent	Services	-	77,097
Bwin Interactive Entertainment	Ultimate parent	Loan	-	307,556
TC Invest AG	Immediate parent	Loan	-	68,914
Total			20,407	453,567

12 Ultimate parent company

Vincento Payment Solutions Limited is a wholly owned subsidiary of TC Invest AG, Austria. TC Invest AG is a wholly owned subsidiary of Bwin Interactive Entertainment AG, Austria which is the ultimate parent of the Company.

13 Post balance sheet event

On 30 January 2009, the Company issued 250,000 shares at par to TC Invest AG in consideration for cash.