

VINCENTO PAYMENT SOLUTIONS LIMITED

Company Registration Number 06035209

Report of the Directors and

Financial Statements

for the Period

22 December 2006 to 31 December 2007

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VINCENTO PAYMENT SOLUTIONS LIMITED

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for the Period 22 December 2006 to 31 December 2007

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VINCENTO PAYMENT SOLUTIONS LIMITED

Company Information
for the Period 22 December 2006 to 31 December 2007

DIRECTORS.

A Patel
A Quirke
K Hedjri

SECRETARY

A Quirke

REGISTERED OFFICE:

85 Tottenham Court Road
London
W1T 4TQ

REGISTERED NUMBER:

06035209 (England and Wales)

VINCENTO PAYMENT SOLUTIONS LIMITED

Report of the Directors **for the Period 22 December 2006 to 31 December 2007**

The directors present their report and the financial statements of the company for the period 22 December 2006 to 31 December 2007

INCORPORATION

The company was incorporated on 22 December 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was the preparation of an application for an Electronic Money Issuer Licence with the Financial Services Authority in order to become an issuer of prepaid debit cards

RESULTS

Loss for the financial period after taxation of £ 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 2007 were in excess of £800,000 and the Directors can report that there was post balance sheet capital investment by TC Invest AG of €900,000 on 12 February 2008. The Directors are therefore satisfied that the Company's financial statements can be prepared on a going concern basis.

DIRECTORS

A Patel has held office during the whole of the period from 22 December 2006 to the date of this report.

Changes in directors holding office were as follows:

A Quirke - appointed 9 July 2007

K Hedjri – appointed 20 July 2007

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 Directors' Report 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

DIRECTORS' INTERESTS

None of the Directors had an interest in the share capital of the Company during the period. None of the Directors had any material interest in the shares or debentures of any UK group undertaking at the end of the period, or were granted or exercised any right to subscribe for shares in, or debentures of, any UK group undertaking during the period.

DIRECTORS' RESPONSIBILITY REGARDING DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

Pursuant to section 379A of the Companies Act 1985 the Company has elected to dispense with the annual appointment of Auditors and KPMG Audit Plc will, therefore, continue in office.

ON BEHALF OF THE BOARD:



Director

Date

26/02/2008

VINCENTO PAYMENT SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VINCENTO PAYMENT SOLUTIONS LIMITED

We have audited the financial statements of Vincento Payment Solutions Limited for the period ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2005).

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 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 opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing 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.

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 applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its loss for the period 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
London

26 February 2008

VINCENTO PAYMENT SOLUTIONS LIMITED

Profit and Loss Account
for the Period 22 December 2006 to 31 December 2007

	Notes	£
TURNOVER		-
Administrative expenses		<u>750,557</u>
OPERATING LOSS	2	(750,557)
Interest receivable and similar income		<u>14,544</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(736,013)
Tax on loss on ordinary activities	3	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>(736,013)</u>

The notes on pages 8 to 10 form an integral part of these financial statements

VINCENTO PAYMENT SOLUTIONS LIMITED

Balance Sheet
31 December 2007

	Notes	£	£
FIXED ASSETS			
Tangible assets	4		8,125
CURRENT ASSETS			
Debtors		5,301	
Prepayments		8,813	
Cash at bank and in hand		<u>819,765</u>	
		833,879	
CREDITORS			
Amounts falling due within one year	5	501,285	
Accruals and deferred income		<u>76,732</u>	
		578,017	
NET CURRENT ASSETS			<u>255,862</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>263,987</u>
NET ASSETS			<u>263,987</u>
CAPITAL AND RESERVES			
Called up share capital	6		1,000,000
Profit and loss account	7		<u>(736,013)</u>
SHAREHOLDERS' FUNDS			<u>263,987</u>

The notes on pages 8 to 10 form an integral part of these financial statements

The financial statements were approved by the Board of Directors on
behalf by

26/02/2008

and were signed on its



Director

VINCENTO PAYMENT SOLUTIONS LIMITED

Notes to the Financial Statements **for the Period 22 December 2006 to 31 December 2007**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and under the Financial Reporting Standard for Smaller Entities (effective January 2007)

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

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 contribution pension scheme. Contributions payable for the period are charged to the profit and loss account

2 OPERATING LOSS

The operating loss is stated after charging

	£
Depreciation - owned assets	1,640
Pension costs	19,139
Auditors remuneration	<u>10,000</u>

VINCENTO PAYMENT SOLUTIONS LIMITED

Notes to the Financial Statements - continued
for the Period 22 December 2006 to 31 December 2007

3 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period

Factors affecting the tax charge for the period

	£	£
Loss on ordinary activities before taxation		(736,013)
Current Tax on the above loss at 30%		(220,804)
Disallowable expenses	738	
Capital allowances in excess of depreciation	(982)	
		(244)
Tax losses carried forward	221,048	
Current Tax Charge		<u>0</u>

Tax losses of £221,048 have been carried forward. No deferred tax asset has been recognised by the Company due to uncertainty in relation to future profits.

4 TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
Additions	<u>9,765</u>
At 31 December 2007	<u>9,765</u>
DEPRECIATION	
Charge for period	<u>1,640</u>
At 31 December 2007	<u>1,640</u>
NET BOOK VALUE	
At 31 December 2007	<u>8,125</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	33,470
Amounts owing to group undertakings	453,567
Taxation and social security	10,561
Other creditors	<u>3,687</u>
	<u>501,285</u>

VINCENTO PAYMENT SOLUTIONS LIMITED
Notes to the Financial Statements - continued
for the Period 22 December 2006 to 31 December 2007

6 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

Class	Authorised	Issued and Fully paid	Nominal value	£
Ordinary	5,000,000	1,000,000	£1	<u>1,000,000</u>

7 RESERVES

Profit and Loss
Account
£

Loss for the period (736,013)

At 31 December 2007 (736,013)

8 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 Vincento Payment Solutions Ltd.

9 REMUNERATION OF DIRECTORS

The directors were remunerated in 2007 as follows –

	£
Salary	213,337
Retirement Benefits	17,839
Total	<u>231,176</u>

10 RELATED PARTY TRANSACTIONS

During 2007, Vincento Payment Solutions Limited had the following related party transactions –

Related Party	Relationship	Services Provided	£
Bwin Interactive Entertainment	Ultimate Parent	Payment of services provided	77,097
Bwin Interactive Entertainment	Ultimate Parent	Loan	307,556
TC Invest AG	Immediate Parent	Loan	68,914
			<u>453,567</u>

11. POST BALANCE SHEET EVENT

On 12 February 2008, the Company issued 670,000 shares at par to TC Invest AG in consideration for cash.