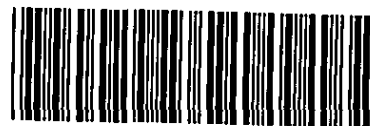


VINCENTO PAYMENT SOLUTIONS LIMITED  
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

Registration number 06035209

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# **VINCENTO PAYMENT SOLUTIONS LIMITED**

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**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**COMPANY INFORMATION**

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<b>Directors</b>	A Patel	(Resigned 6 January 2011)
	A Quirke	
	K Hedjri	
	D Hellicar-Bowman	(Appointed 15 January 2011)
	R Kainzbauer	(Appointed 10 February 2011)

<b>Secretary</b>	A Quirke
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<b>Registered office</b>	2nd Floor 179 Tottenham Court Road London W1T 7NZ
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## VINCENTO PAYMENT SOLUTIONS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

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The directors present their report and the audited financial statements for the year ended 31 December 2010

#### Principal activity

The principal activity of the Company is as an issuer of mastercard prepaid cards. In order to carry out this activity, the Company is authorised and regulated by the Financial Services Authority to issue electronic money and is a principal member of Mastercard as a prepaid card issuer.

The Company has strategic partners in place to help deliver the prepaid card proposition such as connectivity to the Mastercard Scheme and a card manufacturer.

The Company has created its own branded card called Kalixa which has been marketed in the UK, Germany and Italy in 2010.

During the year the Company issued 2,396,594 shares at par.

#### Results

Loss for the financial year after taxation of £2,131,511 (year ended 31 December 2009 £1,547,747) will be transferred to reserves.

#### Going Concern

The Company is currently funded by its parent company, TC Invest AG. The Company's free cash reserves at 31 December 2010 were £1,657,984 (2009 £726,505) and the directors can report that there was a post balance sheet capital investment by TC Invest AG of £425,440 on 25 February 2011. The directors are therefore satisfied that the Company's financial statements can be prepared on a going concern basis.

#### Directors

The directors who held office during the year were as follows:

- A Patel (Resigned 6 January 2011)
- A Quirke
- K Hedjri

All the above directors held office during the whole of year.

Subsequent to the year end the following directors have been appointed:

- D Hellicar-Bowman (Appointed on 15 January 2011)
- R Kainzbauer (Appointed on 10 February 2011)

#### Political and charitable donations

There were no political or charitable donations in the year (2009 none).

## **VINCENTO PAYMENT SOLUTIONS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

#### **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 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.

**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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**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 handwritten signature in black ink, appearing to read 'A. Quirke', with a stylized flourish at the end.

A Quirke  
Director

Date 28 March 2011

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

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We have audited the financial statements of Vincento Payment Solutions Limited for the year ended 31 December 2010 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

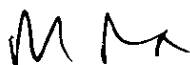
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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Paul Furneaux (Senior Statutory Auditor)**

**for and on behalf of KPMG Audit Plc, Statutory Auditor**

Chartered Accountants

15 Canada Square  
London  
E14 5GL

Date

*24 March 2011*



**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>Note</b>	<b>2010 £</b>	<b>2009 £</b>
Turnover		327,020	5,985
Cost of sales		(406,756)	(125,813)
<b>Gross loss</b>		<u>(79,736)</u>	<u>(119,828)</u>
Administrative expenses		(2,050,643)	(1,445,364)
Other operating income		-	28,000
<b>Operating loss</b>	<b>2</b>	<u>(2,130,379)</u>	<u>(1,537,192)</u>
Other interest receivable and similar income		224	2,057
Interest payable and similar charges		(1,356)	(306)
<b>Loss on ordinary activities before taxation</b>		<u>(2,131,511)</u>	<u>(1,535,441)</u>
Tax on loss on ordinary activities	<b>4</b>	-	(12,306)
<b>Loss for the financial year</b>	<b>12</b>	<u><u>(2,131,511)</u></u>	<u><u>(1,547,747)</u></u>

The notes on pages 9 to 15 form an integral part of these financial statements

All transactions are in respect of continuing operations

The Company has no recognised gains and losses other than the losses above and therefore no separate Statement of Total Recognised Gains and Losses has been prepared

**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2010**

		2010		2009	
	Note	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	5		307,817		-
Tangible assets	6		<u>38,487</u>		<u>55,371</u>
			346,304		55,371
<b>Current assets</b>					
Stocks	7	41,783		51,418	
Debtors	8	796,067		299,079	
Prepayments		108,676		389,447	
Cash at bank and in hand		<u>1,657,984</u>		<u>726,505</u>	
		2,604,510		1,466,449	
<b>Creditors: Amounts falling due within one year</b>	9	(1,154,955)		(354,966)	
<b>Accruals</b>					
Accruals		<u>(494,093)</u>		<u>(130,171)</u>	
<b>Net current assets</b>			<u>955,462</u>		<u>981,312</u>
<b>Net assets</b>			<u>1,301,766</u>		<u>1,036,683</u>
<b>Capital and reserves</b>					
Called up share capital	11		6,497,340		4,100,746
Profit and loss reserve	12		<u>(5,195,574)</u>		<u>(3,064,063)</u>
<b>Shareholders' funds</b>			<u>1,301,766</u>		<u>1,036,683</u>

The notes on pages 9 to 15 form an integral part of these financial statements

Approved by the Board on 28/03/11 and signed on its behalf by



A Quirke  
Director

# VINCENTO PAYMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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### 1 Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and other applicable accounting standards

The company has taken advantage of the exemption in Financial Reporting Standard 1 (Revised 1996) and not provided a cash flow statement as the company's ultimate parent includes a consolidated cashflow statement in its financial statements

#### Revenue recognition

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Income from the company's principal activities is recognised when a cardholder has executed a transaction and the associated fees can be charged in line with contractual arrangements

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows

Development costs	5 years
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#### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Fixtures, fittings and computer equipment	25% straight line basis
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#### Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed

#### 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

#### Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account

#### Taxation

Provision is made for corporation tax at the current rate on the profit/losses as adjusted for tax purposes

# VINCENTO PAYMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### Deferred taxation

Deferred tax is recognised in respect of all timing differences where transactions or events that have originated but not reversed at the balance sheet date result in an obligation to pay more tax in the future, or a right to pay less tax in the future

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 which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

### Retirement benefits

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

## 2 Operating loss

Operating loss is stated after charging

	2010 £	2009 £
Pension costs	50,216	34,910
Auditors remuneration	30,000	24,362
Depreciation of owned assets	19,815	17,870
Amortisation	53,970	-
	<u>153,990</u>	<u>77,142</u>

The average number of employees employed during the year was 7 (2009 8)

## 3 Directors' emoluments

The directors' emoluments for the year are as follows

	2010 £	2009 £
Salary	506,300	288,678
Retirement benefits	40,040	25,746
Total	<u>546,340</u>	<u>314,424</u>

The highest paid director received a salary of £380,500 and retirement benefits of £35,000 during the year

Compensation paid to directors for loss of office totalled £240,000 (2009 none)

## VINCENTO PAYMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2010

## 4 Taxation

## Analysis of current period tax charge

		2010 £	2009 £
<b>Current tax</b>			
Under provision in prior periods		-	12,306
<b>Tax reconciliation</b>			
	2010 £		2009 £
Loss on ordinary activities before taxation	(2,131,511)		(1,535,441)
Current tax on the above loss at 28% (2009 28%)	(596,823)		(429,923)
Disallowable expenses	1,581	2,385	
Capital allowances in excess of depreciation	-	(11,434)	
Depreciation in excess of capital allowances	3,672	-	
	5,253		(9,049)
 Tax losses carried forward	 591,570		 438,972
Under provision in prior periods	-		12,306
Current tax charge	-		12,306

Tax losses of £1,480,414 (2009 £888,844) have been carried forward. No deferred tax assets have been recognised by the Company due to uncertainty in relation to timings of future profits.

## VINCENTO PAYMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2010**5 Intangible assets**

	<b>Development costs £</b>
<b>Cost</b>	
Additions	<u>361,787</u>
<b>Amortisation</b>	
Charge for the year	<u>53,970</u>
<b>Net book value</b>	
As at 31 December 2010	<u>307,817</u>

**6 Tangible fixed assets**

	<b>Fixtures, fittings and computer equipment £</b>
<b>Cost</b>	
As at 1 January 2010	77,552
Additions	<u>2,931</u>
As at 31 December 2010	<u>80,483</u>
<b>Depreciation</b>	
As at 1 January 2010	22,181
Charge for the year	<u>19,815</u>
As at 31 December 2010	<u>41,996</u>
<b>Net book value</b>	
As at 31 December 2010	<u>38,487</u>
As at 31 December 2009	<u>55,371</u>

**7 Stock**

	<b>2010 £</b>	<b>2009 £</b>
Prepaid cards	<u>41,783</u>	<u>51,418</u>

## VINCENTO PAYMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2010**8 Debtors: Amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings (note 15)	503,954	24,695
Other debtors	18,000	11,453
Security deposit	274,113	262,931
	<u>796,067</u>	<u>299,079</u>

**9 Creditors: Amounts falling due within one year**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade creditors	225,967	297,437
Amounts owed to group undertakings (note 15)	182,999	2,490
Taxation and social security	28,875	26,863
Other creditors	717,114	28,176
	<u>1,154,955</u>	<u>354,966</u>

**10 Pension scheme****Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £50,216 (2009 - £34,910).

Contributions totalling £4,234 (2009 - £4,486) were payable to the scheme at the end of the year and are included in creditors.

**11 Share capital**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
6,497,340 (2009 - 4,100,746) Ordinary shares of £1 each	<u>6,497,340</u>	<u>4,100,746</u>

## VINCENTO PAYMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2010**12 Reserves**

	<b>Profit and loss reserve £</b>
Balance at 1 January 2010	(3,064,063)
Transferred from profit and loss account for the year	<u>(2,131,511)</u>
Balance at 31 December 2010	<u><u>(5,195,574)</u></u>

**13 Reconciliation of movement in shareholders' funds**

	<b>2010 £</b>	<b>2009 £</b>
Loss for the financial year	(2,131,511)	(1,547,747)
New share capital subscribed	<u>2,396,594</u>	<u>1,600,746</u>
Net addition to shareholders' funds	265,083	52,999
Opening shareholders' funds	1,036,683	983,684
Closing shareholders' funds	<u><u>1,301,766</u></u>	<u><u>1,036,683</u></u>

**14 Operating lease commitments**

As at 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	<b>2010 £</b>	<b>2009 £</b>
Operating leases which expire		
Within one year	-	-
In the second to fifth years inclusive	43,538	43,538
Over five years	-	-
Total	<u><u>43,538</u></u>	<u><u>43,538</u></u>



## VINCENTO PAYMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2010

## 15 Related parties

## Related party transactions

	2010 £	2009 £
<b>Charges from/(to) related parties</b>		
Bwin Interactive Marketing UK Limited	(8,250)	(28,000)
Bwin Italia SRL	(2,076)	-
Bwin International Limited	(86,266)	(129)
CQR UK Payment Solutions Limited	(67,000)	-
CQR UK Payment Solutions Limited	<u>90,627</u>	<u>1,879</u>
	<b>2010 £</b>	<b>2009 £</b>
<b>Balances with related parties</b>		
Due from Bwin Interactive Marketing UK Limited	2,350	16,073
Due to Bwin International Limited	(157,037)	(2,490)
Due from Bwin International Limited	12,124	-
Due to Bwin Italia S R L	(15,522)	-
Due from Bwin Italia S R L	2,087	-
Due to CQR UK Payment Solutions Limited	(10,440)	-
Due from CQR UK Payment Solutions Limited	<u>487,393</u>	<u>8,622</u>

## 16 Ultimate Parent Company

The Company is a subsidiary undertaking of Bwin Interactive Entertainment AG incorporated in Austria, which is the Company's ultimate holding company. The Company's immediate holding company is TC Invest AG incorporated in Austria.

The consolidated accounts of Bwin Interactive Entertainment AG are available to the public and may be obtained from Borsegasse 11, 1010 Vienna, Austria.