

VINCENTO PAYMENT SOLUTIONS LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

Registration number 06035209

THURSDAY



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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>	K Hedjri
	D Hellicar-Bowman
	R Kainzbauer
	A Quirke
<b>Company secretary</b>	A Quirke
<b>Registered office</b>	2nd Floor 179 Tottenham Court Road London W1T 7NZ

# **VINCENTO PAYMENT SOLUTIONS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors present their report and the financial statements for the year ended 31 December 2011

### **Directors of the company**

The directors who held office during the year were as follows

A Patel (Resigned 6 January 2011)

K Hedjri

D Hellicar-Bowman (appointed 15 January 2011)

R Kainzbauer (appointed 10 February 2011)

A Quirke

### **Principal activity**

The principal activity of the Company is to issue electronic money via an electronic wallet and prepaid card. 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, providing services such as connectivity to the Mastercard Scheme, payment processing and customer services.

The Company has created its own branded card called Kalixa which is sold in the UK, Germany and Italy.

During the year the Company issued 425,440 shares at par.

### **Results**

There was a loss for the financial year after taxation of £1,120,176 (year ended 31 December 2010: £2,131,511).

### **Going Concern**

The Company is loss making and currently funded by its parent company, TC Invest AG. The Company's ultimate parent has confirmed continuing support for the next twelve month period and the directors can report that there was a post balance sheet capital investment by TC Invest AG of £502,800 on 28 February 2012. The directors are therefore satisfied that the Company's financial statements can be prepared on a going concern basis.

### **Disclosure of information to the auditors**

Each director who was a member of the board at the time of approving the director's report, having made enquiries of fellow directors and of the Company's auditors, confirm that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of this report of which the Company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

### **Political and charitable donations**

There were no political or charitable donations during the year (2010: nil).

**VINCENTO PAYMENT SOLUTIONS LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

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**Supplier payment policy**

The Company subscribes to the Better Payment Practice Code, the four principles of which are to agree payment terms at the outset and stick to them, to explain payment procedures to suppliers, to pay bills in accordance with any contract agreed with the supplier or as required by law, and to tell suppliers without delay when an invoice is contested and settle disputes quickly. Copies of, and information about, the Code is available from The Department of Trade and Industry, No 1 Victoria Street, London SW1H 0ET.

The Company's suppliers are paid to agreed contractual terms and no later than 45 days after transaction or invoice date.

**Reappointment of auditors**

The auditors KPMG Audit Plc are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**  
**..... CONTINUED**

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**Statement of Directors' Responsibilities in respect of the Directors' Report and Financial Statements**

The directors are responsible for preparing the Directors' 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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 25/4/12 and signed on its behalf by

  
A Quirke  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS 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 2011, set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 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**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.

### **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.



Zaffarali S Khakoo (Senior Statutory Auditor)  
For and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants

15 Canada Square  
London  
E14 5AG

Date 25/11/12

**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Turnover</b>	2	970,075	327,020
Cost of sales		<u>(747,112)</u>	<u>(406,756)</u>
<b>Gross profit/(loss)</b>		222,963	(79,736)
Administrative expenses		<u>(1,333,029)</u>	<u>(2,050,643)</u>
<b>Operating loss</b>	3	(1,110,066)	(2,130,379)
Other interest receivable and similar income	5	2,564	224
Interest payable and similar charges	6	<u>(12,674)</u>	<u>(1,356)</u>
<b>Loss on ordinary activities before taxation</b>		(1,120,176)	(2,131,511)
Tax on loss on ordinary activities	7	-	-
<b>Loss for the financial year</b>	13	<u>(1,120,176)</u>	<u>(2,131,511)</u>

Turnover and operating profit derive wholly from continuing operations

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




**VINCENTO PAYMENT SOLUTIONS LIMITED (REGISTRATION NUMBER:  
06035209)**  
**BALANCE SHEET AT 31 DECEMBER 2011**

		2011		2010	
	Note	£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	8		135,716		307,817
Tangible fixed assets	9		<u>19,414</u>		<u>38,487</u>
			155,130		346,304
<b>Current assets</b>					
Stocks		12,835		41,783	
Debtors	10	1,002,638		904,743	
Cash at bank and in hand		<u>2,882,323</u>		<u>1,657,984</u>	
		3,897,796		2,604,510	
<b>Creditors: Amounts falling due within one year</b>	11	<u>(3,445,896)</u>		<u>(1,649,048)</u>	
<b>Net current assets</b>			<u>451,900</u>		<u>955,462</u>
<b>Net assets</b>			<u>607,030</u>		<u>1,301,766</u>
<b>Capital and reserves</b>					
Called up share capital	12	6,922,780		6,497,340	
Profit and loss account	13	<u>(6,315,750)</u>		<u>(5,195,574)</u>	
<b>Shareholders' funds</b>	14		<u>607,030</u>		<u>1,301,766</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board on 25/4/12 and signed on its behalf by

  
A Quirke  
Director

**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2011**

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**1 Accounting policies**

**Basis of preparation**

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

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement as a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of bwin party Digital Entertainment PLC, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as below

The financial statements have been prepared on the going concern basis, notwithstanding continued losses during the year of £1,120,176, which the directors believe appropriate for the following reasons

The Company is dependent for its working capital on funds provided by bwin party Digital Entertainment PLC, the company's ultimate parent Bwin party Digital Entertainment PLC has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available funds as are needed by the Company

The directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis

**Turnover**

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 fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life on a straight line basis as follows

<b>Asset class</b>	<b>Amortisation rate</b>
Development costs	20% straight line basis

**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 on a straight line basis as follows

<b>Asset class</b>	<b>Depreciation rate</b>
Fixtures, fittings and computer equipment	25% straight line basis

**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

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## **VINCENTO PAYMENT SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**

**DECEMBER 2011**

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#### **Deferred tax**

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

#### **Foreign currency**

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 rate at the balance sheet date and the exchange differences are included in the profit and loss account

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account

#### **Pensions**

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

**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2011**

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**2 Turnover**

An analysis of turnover by geographical location is given below

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
UK	380,560	121,218
Continental Europe	589,515	205,802
	<u>970,075</u>	<u>327,020</u>

**3 Operating loss**

Operating loss is stated after charging

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration - The statutory audit of the company's annual accounts	33,800	30,000
Foreign currency gains	(30,224)	(40,599)
Depreciation of owned assets	19,073	19,815
Amortisation	55,232	53,970
Salaries and wages	415,474	922,998
Other personnel costs	<u>26,805</u>	<u>63,158</u>

The number of staff employed at the end of the year was 5 (2010 7)

**4 Directors' remuneration**

The directors' remuneration for the year was as follows

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Salary	184,259	506,300
Company contributions to Money Purchase Pension Scheme	10,437	40,040
Other benefits in kind	<u>6,342</u>	<u>4,609</u>

The total remuneration of the highest paid director was £116,758 (2010 £446,684)

**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2011**

**5 Other interest receivable and similar income**

	2011 £	2010 £
Bank interest receivable	2,564	224
	<u>2,564</u>	<u>224</u>

**6 Interest payable and similar charges**

	2011 £	2010 £
Interest on bank borrowings	12,674	1,356
	<u>12,674</u>	<u>1,356</u>

**7 Taxation**

**Factors affecting current tax charge for the year**

Tax on loss on ordinary activities for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%)

The differences are reconciled below

	2011 £	2010 £
Loss on ordinary activities before taxation	(1,120,176)	(2,131,511)
Corporation tax at standard rate	(296,847)	(596,823)
Disallowable expenses	(325)	1,581
Depreciation in excess of capital allowances	4,255	3,672
Losses surrendered as group relief	93,940	-
Tax losses carried forward (deferred tax asset not recognised)	198,977	591,570
Total current tax	<u>-</u>	<u>-</u>

The Company has an unrecognised deferred tax asset in relation to operating losses carried forward by the Company

The estimated deferred tax asset at the current tax rate is £1,496,000 (2010 £1,465,290)

No deferred tax assets have been recognised by the Company due to the uncertainty around timing and the extent of future taxable profits available

The Company surrendered tax losses of £354,488 (tax equivalent of £93,940) to a Group company during the year for nil consideration

**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2011**

**8 Intangible fixed assets**

	<b>Development costs £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2011	361,787	361,787
Disposals	(155,826)	(155,826)
At 31 December 2011	205,961	205,961
<b>Amortisation</b>		
At 1 January 2011	53,970	53,970
Charge for the year	55,232	55,232
Disposals	(38,957)	(38,957)
At 31 December 2011	70,245	70,245
<b>Net book value</b>		
At 31 December 2011	135,716	135,716
At 31 December 2010	307,817	307,817

The development costs relate to software development on the Company's branded website and acquired licences

**9 Tangible fixed assets**

	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2011	80,483	80,483
Additions	-	-
At 31 December 2011	80,483	80,483
<b>Depreciation</b>		
At 1 January 2011	41,996	41,996
Charge for the year	19,073	19,073
At 31 December 2011	61,069	61,069
<b>Net book value</b>		
At 31 December 2011	19,414	19,414
At 31 December 2010	38,487	38,487

**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2011**

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**10 Debtors**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	457,332	503,954
Security deposit	463,986	274,113
Prepayments	80,550	108,676
Other debtors	770	18,000
	<u>1,002,638</u>	<u>904,743</u>
Prepayments include £46,640 (2010 nil) greater than one year		

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	249,039	225,967
Amounts owed to group undertakings	576,454	182,999
Other taxes and social security	16,201	28,875
Other creditors	323,558	26,842
Client money held	2,148,419	690,272
Accruals and deferred income	132,225	494,093
	<u>3,445,896</u>	<u>1,649,048</u>

As required by the Electronic Money Regulations 2011, client money is safeguarded in segregated client bank accounts and included as part of the balance of cash at bank

**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2011**

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**12 Share capital**

**Allotted, called up and fully paid shares**

	<b>2011</b>		<b>2010</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>6,922,780</u>	<u>6,922,780</u>	<u>6,497,340</u>	<u>6,497,340</u>

**New shares allotted**

During the year 425,440 Ordinary shares having an aggregate nominal value of £425,440 were allotted for an aggregate consideration of £425,440

**13 Reserves**

	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2011	(5,195,574)	(5,195,574)
Loss for the year	<u>(1,120,176)</u>	<u>(1,120,176)</u>
At 31 December 2011	<u><u>(6,315,750)</u></u>	<u><u>(6,315,750)</u></u>

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

	<b>2011 £</b>	<b>2010 £</b>
Loss attributable to the members of the company	(1,120,176)	(2,131,511)
New share capital subscribed	<u>425,440</u>	<u>2,396,594</u>
Net (reduction)/addition to shareholders' funds	(694,736)	265,083
Shareholders' funds at 1 January	<u>1,301,766</u>	<u>1,036,683</u>
Shareholders' funds at 31 December	<u><u>607,030</u></u>	<u><u>1,301,766</u></u>



**VINCENTO PAYMENT SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2011**

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**15 Pension schemes**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £15,270 (2010 - £50,216)

Contributions totalling £2,081 (2010 - £4,234) were payable to the scheme at the end of the year and are included in creditors

**16 Operating lease commitments**

As at 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2011 £	2010 £
<b>Land and buildings</b>		
Within two and five years	<u>43,538</u>	<u>43,538</u>

**17 Post balance sheet events**

The Company issued at par 502,800 shares in TC Invest AG on 28 February 2012

**18 Related party disclosure**

The Company is a subsidiary undertaking of bwin party Digital Entertainment PLC incorporated in eNH, 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 party Digital Entertainment PLC are available to the public and may be obtained from the Company website - [www.bwinparty.com](http://www.bwinparty.com) or at the Company address which is 711 Europort, Gibraltar.