

VINCENTO PAYMENT SOLUTIONS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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 179 Tottenham Court Road London W1T 7NZ

VINCENTO PAYMENT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

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 will be marketed in the UK, Germany and Italy in 2010 with other European countries to follow.

During the year the Company issued 1,600,746 shares at par.

Results

Loss for the financial year after taxation of £1,547,747 (year ended 31 December 2008 £780,303) 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 2009 were £726,505 (2008 £798,750) and the directors can report that there was a post balance sheet capital investment by TC Invest AG of £633,534 on 24 February 2010. 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
- A Quirke
- K Hedjri

All the directors held office during the whole of year.

Political and charitable donations

There were no political or charitable donations in the year (2008 none).

VINCENTO PAYMENT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

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.

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.

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 2009**

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 21/03/10

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

We have audited the financial statements of Vincenzo Payment Solutions Limited for the year ended 31 December 2009 set out on pages 7 to 14. 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 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/UKNP.

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 2009 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**

continued

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

1 Canada Square
London
E14 5AG

31 March 2010

VINCENTO PAYMENT SOLUTIONS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
Turnover		5,985	-
Cost of sales		(125,813)	-
Gross loss		<u>(119,828)</u>	<u>-</u>
Administrative expenses		(1,445,364)	(827,833)
Other operating income		28,000	-
Operating loss	2	<u>(1,537,192)</u>	<u>(827,833)</u>
Other interest receivable and similar income		2,057	47,530
Interest payable and similar charges		(306)	-
Loss on ordinary activities before taxation		<u>(1,535,441)</u>	<u>(780,303)</u>
Tax on loss on ordinary activities	4	(12,306)	-
Loss for the financial year	11	<u><u>(1,547,747)</u></u>	<u><u>(780,303)</u></u>

The notes on pages 9 to 14 form an integral part of these financial statements

All transactions are in respect of continued 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 2009

		2009		2008	
	Note	£	£	£	£
Fixed assets					
Tangible assets	5		55,371		35,610
Current assets					
Stocks	6	51,418		17,280	
Debtors	7	299,079		205,146	
Prepayments		389,447		129,509	
Cash at bank and in hand		<u>726,505</u>		<u>798,749</u>	
		1,466,449		1,150,684	
Creditors: Amounts falling due within one year	8	(354,966)		(69,705)	
Accruals					
Accruals		<u>(130,171)</u>		<u>(132,905)</u>	
Net current assets			<u>981,312</u>		<u>948,074</u>
Net assets			<u>1,036,683</u>		<u>983,684</u>
Capital and reserves					
Called up share capital	10		4,100,746		2,500,000
Profit and loss reserve	11		<u>(3,064,063)</u>		<u>(1,516,316)</u>
Shareholders' funds			<u>1,036,683</u>		<u>983,684</u>

The notes on pages 9 to 14 form an integral part of these financial statements

Approved by the Board on 31/03/10 and signed on its behalf by



A Quirke
Director

VINCENTO PAYMENT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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

Turnover

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

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
-------------------------------------------	-------------------------

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 current rate on the losses as adjusted for tax purposes

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

VINCENTO PAYMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**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

	2009 £	2008 £
Pension costs	34,910	26,200
Auditors remuneration	24,362	17,500
Depreciation of owned assets	<u>17,870</u>	<u>2,671</u>

3 Directors' emoluments

The directors' emoluments for the year are as follows

	2009 £	2008 £
Salary	288,678	278,700
Retirement benefits	<u>25,746</u>	<u>22,624</u>
Total	<u>314,424</u>	<u>301,324</u>

4 Taxation**Analysis of current period tax charge**

	2009 £	2008 £
Current tax		
Under provision in prior periods	<u>12,306</u>	<u>-</u>

Tax Reconciliation

	2009 £	2008 £
Loss on ordinary activities before taxation	<u>(1,535,441)</u>	<u>(780,303)</u>
Current tax on the above loss at 28% (2008 28.5%)	(429,923)	(222,386)
Disallowable expenses	2,385	1,357
Capital allowances in excess of depreciation	<u>(11,434)</u>	<u>(7,795)</u>
	(9,049)	(6,438)

VINCENTO PAYMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Tax losses carried forward	438,972	228,824
Under provision in prior periods	12,306	-
Current tax charge	<u>12,306</u>	<u>-</u>

Tax losses of £888,844 (2008 £449,872) have been carried forward. No deferred tax assets have been recognised by the Company due to uncertainty in relation to timings of future profits.

5 Tangible fixed assets

	Fixtures, fittings and computer equipment £
Cost	
As at 1 January 2009	39,921
Additions	<u>37,631</u>
As at 31 December 2009	<u>77,552</u>
Depreciation	
As at 1 January 2009	4,311
Charge for the year	<u>17,870</u>
As at 31 December 2009	<u>22,181</u>
Net book value	
As at 31 December 2009	<u>55,371</u>
As at 31 December 2008	<u>35,610</u>

The depreciation method has been changed in the year from 25% reducing balance basis to 25% straight line basis to accord with the depreciation method adopted by the other companies in the group headed by the Company's ultimate holding company and to consequently give a fairer presentation of the Company's results and financial position.

The directors do not consider this to have a material effect on the amount of depreciation charged for the year.

6 Stock

	2009 £	2008 £
Prepaid cards	<u>51,418</u>	<u>17,280</u>

VINCENTO PAYMENT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

7 Debtors

	2009	2008
	£	£
Amounts owed by group undertakings (note 13)	24,695	20,406
Other debtors	11,453	-
Security deposit	262,931	184,740
	<u>299,079</u>	<u>205,146</u>

8 Creditors: Amounts falling due within one year

	2009	2008
	£	£
Trade creditors	297,437	52,963
Amounts owed to group undertakings (note 13)	2,490	-
Taxation and social security	26,863	13,100
Other creditors	28,176	3,642
	<u>354,966</u>	<u>69,705</u>

9 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 £34,910 (2008 - £26,200).

Contributions totalling £4,486 (2008 - £3,642) were payable to the scheme at the end of the year and are included in creditors.

10 Share capital

	2009	2008
	£	£
Allotted, called up and fully paid		
Equity		
4,100,746 (2008 - 2,500,000) Ordinary shares shares of £1 each	<u>4,100,746</u>	<u>2,500,000</u>

VINCENTO PAYMENT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

11 Reserves

	Profit and loss reserve £
Balance at 1 January 2009	(1,516,316)
Transfer from profit and loss account for the year	<u>(1,547,747)</u>
Balance at 31 December 2009	<u><u>(3,064,063)</u></u>

12 Operating lease commitments

As at 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2009 £	2008 £
Within two and five years	43,538	-
Over five years	<u>-</u>	<u>43,538</u>
	<u><u>43,538</u></u>	<u><u>43,538</u></u>

13 Related parties

Related party transactions

	2009 £	2008 £
Charges from/(to) related parties		
Bwin Interactive Marketing UK Limited	(28,000)	-
Bwin International Limited	(129)	-
CQR UK Payment Solutions Limited	<u>1,879</u>	<u>-</u>

	2009 £	2008 £
Balances with related parties		
Due from Bwin Interactive Marketing UK Limited	16,073	20,407
Due to Bwin International Limited	2,490	-
Due from CQR UK Payment Solutions Limited	<u>8,622</u>	<u>-</u>

VINCENTO PAYMENT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

14 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.