

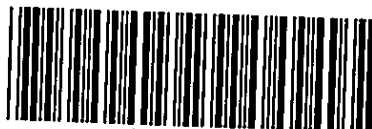
4482839

**Agentpiece Limited**

**Directors' Report and Financial Statements**

**Year Ended 30 September 2010**

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**DIRECTORS AND OTHER INFORMATION**

**Directors**

Mike Maloney  
Mary Turrell

**Solicitors**

McCann Fitzgerald  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2

**Secretary and Registered Office**

Brenda Hogan  
Davidson House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7TN

**Company Number:** 4482839

**Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1

## DIRECTORS' REPORT

The directors present their report together with financial statements for the year ended 30 September 2010. The comparative period is for the year ended 30 September 2009.

The company is a small company and has availed of the exemptions available to it under the Companies Act 2006.

### Principal activities, results and dividends

The profit and loss account and balance sheet for the year ended 30 September 2010 are set out on pages 8 and 9. The company is an investment holding company funded by borrowings from other group companies. Interest is paid on some of these loans.

On 9 April 2010 Payzone Ventures Limited completed the acquisition of 100% of the share capital of alphyra Holdings Limited, the parent of Agentpiece Limited, and 100% of the share capital of Cardpoint Limited. Prize Holdings 1 S á r l is an ultimate parent undertaking of the group.

### Interests of directors and secretary

The persons who acted as directors during the year are set out below.

Mike Maloney  
Mary Turrell

The directors and secretary who held office at 30 September 2010 had no interests in the shares in the company.

### Research and development

The company did not engage in any research and development during the year.

### Future developments

There are no future material changes anticipated in the business of the company at this time.

### Subsequent events

There have been no significant events subsequent to the year end which require disclosure.

### Statement of directors' responsibilities

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS' REPORT - continued**

**Auditors and 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 aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

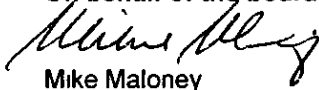
**Subsidiary companies**

Details of the company's subsidiaries are contained in note 6 of the financial statements

**Auditors**

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

On behalf of the board



Mike Maloney

14 January 2011

## **Independent auditors' report to the members of Agentpiece Limited**

We have audited the financial statements of Agentpiece Limited for the year ended 30 September 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. 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).

### **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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 30 September 2010 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.

**Independent auditors' report to the members of Agentpiece 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



**Damian Byrne (Senior Statutory Auditor)**  
**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Dublin**

**14 January 2011**

## STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the company's financial statements

### **Basis of preparation**

The financial statements have been prepared in accordance with accounting standards generally accepted in the United Kingdom and United Kingdom statute comprising the Companies Acts 2006. Accounting standards generally accepted in the United Kingdom in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in England and Wales and issued by the Accounting Standards Board.

The company has reviewed its functional currency and the company considers that the euro is the most appropriate currency to correctly reflect the underlying activities of the company.

The preparation of the financial statements requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts included in the profit and loss account for the period.

### **Consolidation**

The financial statements contain information about Agentpiece Limited as an individual company and do not contain consolidated financial information of its subsidiaries. The company is exempt under Sections 400-401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Prize Holdings 1 S a r l, a company incorporated in Luxembourg.

### **Investments**

Investments are shown at cost less provisions for impairments in value. Income from financial fixed assets, together with any related tax credit, is recognised in the profit and loss account in the period in which it is receivable.

### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

### **Taxation**

The charge for taxation is based on the results for the period as adjusted for group relief. Tax losses utilised for group relief are transferred between group members. Charges for group relief are determined on a case-by-case basis.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future (which is considered to be recoverable) have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

### **Cash flow statement**

The company has availed of the exemption contained in Financial Reporting Standard No 1, which exempts a company from preparing a cash flow statement if it is a small company.



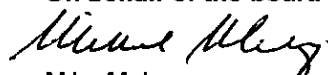
**PROFIT AND LOSS ACCOUNT**  
**Year Ended 30 September 2009**

	Notes	2010 €	2009 €
Other expenses		(118,865)	(117,757)
Exceptional operating expenses	2	<u>(27,556,686)</u>	<u>(75,749,714)</u>
<b>Loss on ordinary activities before interest and taxation</b>		(27,675,551)	(75,867,471)
Interest payable and similar charges	3	<u>(1,485,685)</u>	<u>(4,635,079)</u>
<b>Loss on ordinary activities before taxation</b>	4	(29,161,236)	(80,502,550)
Taxation on loss on ordinary activities	5	<u>-</u>	<u>-</u>
<b>Loss for the period</b>		(29,161,236)	(80,502,550)
Accumulated losses at start of year		<u>(229,507,503)</u>	<u>(149,004,953)</u>
<b>Accumulated losses at end of year</b>		<u>(258,668,739)</u>	<u>(229,507,503)</u>

There are no recognised gains or losses other than the loss for the above year. There is no difference between the loss on ordinary activities before taxation and the profit retained above and their historical cost equivalents.

All of the above amounts relate to continuing activities.

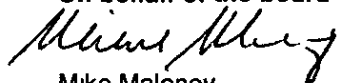
On behalf of the board

  
Mike Maloney

**BALANCE SHEET**  
As at 30 September 2010

	Notes	2010 €	2009 €
<b>Fixed assets</b>			
Financial assets	6	-	<u>27,556,686</u>
<b>Total assets less current liabilities</b>		-	27,556,686
<b>Creditors - amounts falling due after more than one year</b>	7	<u>(258,668,738)</u>	<u>(257,064,188)</u>
<b>Net liabilities</b>		<u>(258,668,738)</u>	<u>(229,507,502)</u>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account		<u>(258,668,739)</u>	<u>(229,507,503)</u>
<b>Equity shareholders' deficit</b>	9	<u>(258,668,738)</u>	<u>(229,507,502)</u>

On behalf of the board



Mike Maloney  
Director  
Agentpiece Limited  
Registered No 4482839

## NOTES TO THE FINANCIAL STATEMENTS

**1 Going concern**

The financial statements have been prepared on a going concern basis. The group is in a net liability situation due to large intercompany payables to other group companies. The parent company will not seek repayment of the balances until such time as the company has the resources to repay the debts. Additionally the parent will continue to provide financial support to the company. The directors are satisfied that Prize Holdings 1 S a r l and its subsidiary companies have sufficient financial resources to continue as a going concern. Therefore the group is able to provide financial support to the company as required.

**2 Exceptional operating expenses**

An indication of impairment arose in the year when the valuation (based on value-in-use) of subsidiary companies fell below the carrying value of the investment. Consequently an impairment review was carried out which gave rise to an impairment charge of €27,556,686 (2009: €75,749,714) (note 6).

**3 Interest payable and similar charges**

	2010 €	2009 €
Interest payable on intercompany loan	<u>(1,485,685)</u>	<u>(4,635,079)</u>

**4 Loss on ordinary activities before taxation**

	2010 €	2009 €
Loss on ordinary activities before taxation is stated after changing the following		
Foreign exchange loss	121,874	117,757
Directors' remuneration	<u>-</u>	<u>-</u>

Auditor's remuneration is borne by another group company

**5 Tax on loss on ordinary activities**

	2010 €	2009 €
<b>Corporation tax on the loss for the period on ordinary activities,</b>		
Corporation tax on loss for the year	<u>-</u>	<u>-</u>
Loss on ordinary activities before taxation	<u>(29,161,236)</u>	<u>(80,502,550)</u>
Tax on profit on ordinary activities 28% (2009: 28%)	(8,165,146)	(22,540,714)
Effects of		
Disallowable expenses	8,165,146	22,507,742
Losses surrendered to group companies	<u>-</u>	<u>32,972</u>
Corporation tax	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

6 Financial assets	2010 €	2009 €
<b>Shares in subsidiary undertakings:</b>		
Opening balance	27,556,686	106,206,400
Adjustment to deferred consideration	-	(2,900,000)
Impairment (note 2)	<u>(27,556,686)</u>	<u>(75,749,714)</u>
	<u>-</u>	<u>27,556,686</u>

At the 30 September 2010 the company held 100% of the equity of the following undertakings

	Country of incorporation	Class of share capital held	Proportion held	Principal activity
Payzone Group Holdings (UK) Limited	UK	Ordinary	100%	Investment and property holding company
Payzone Top Up Limited	UK	Ordinary	100%	Non-trading
Payzone Top Up Collection Services Limited	UK	Ordinary	100%	Non-trading
Moriaan Tobacco BV	Holland	Ordinary	100%	Non-trading
Payzone UK Limited	UK	Ordinary	100%	Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes and utility top up
Alphyra Payment Services Limited	UK	Ordinary	100%	Cash collection and management of trust accounts
Triton Payment Services Limited	UK	Ordinary	100%	Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes
ITG Payphones (UK) Limited	UK	Ordinary	100%	Non trading

7 Creditors - amounts falling due after more than one year	2010 €	2009 €
Loan note due to parent companies	164,303,823	164,502,715
Amounts due to group companies	<u>94,364,915</u>	<u>92,561,473</u>
	<u>258,668,738</u>	<u>257,064,188</u>

The loan note due to parent company is non-interest bearing and is redeemable by the holder under certain circumstances

The amount due to group companies is interest bearing and is repayable on 31 October 2014

## NOTES TO THE FINANCIAL STATEMENTS - continued

8 Share capital	2010 €	2009 €
<b>Authorised</b>		
1,000 ordinary shares of €1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
1 ordinary share of €1 each	<u>1</u>	<u>1</u>

The share capital of the company is pledged as security to the Prize Group's banking syndicate, led by RBS in return for the group's banking facilities extended to Prize Holdings 4 S á r l

9 Reconciliation of movement in equity shareholders' deficit	2010 €	2009 €
Loss for the year	<u>(29,161,236)</u>	<u>(80,502,550)</u>
Net movement in shareholders' deficit	(29,161,236)	(80,502,550)
Opening shareholders' deficit	<u>(229,507,502)</u>	<u>(149,004,952)</u>
Closing shareholders' deficit	<u>(258,668,738)</u>	<u>(229,507,502)</u>

**10 Related party transactions**

Agentpiece Limited is wholly owned within Prize Holdings 1 S a r l group. Transactions with Prize Holdings 1 S a r l and with other subsidiary companies of Prize Holdings 1 S a r l are not disclosed as the company has taken advantage of the exemption available under FRS 8 "Related Party Disclosures" from disclosing such transaction.

**11 Parent company**

The immediate parent undertaking is Payzone Group Limited, a company incorporated in Ireland.

The ultimate parent undertaking and controlling party is Prize Holdings 1 S a r l, a company incorporated in Luxembourg, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

**12 Subsequent events**

There have been no significant events subsequent to the year end which require disclosure.

**13 Approval of financial statements**

The board of directors approved these financial statements on 14 January 2011.