

Company Registration No. 05831827

Tuxedo Moneyplus Limited

Report and Financial Statements

31 March 2009

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Tuxedo Moneyplus Limited

Report and financial statements 2009

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Tuxedo Moneyplus Limited

Report and financial statements 2009

Officers and professional advisers

Directors

Mark Simon (resigned 1 October 2008)
Marcus Raithatha (appointed 30 April 2008)
Niels Nielsen (appointed 1 October 2008)

Secretary

Marcus Raithatha

Registered Office

5th Floor
93 Wigmores Street
London
W1U 1HJ

Bankers

Barclays Bank PLC

Solicitors

SJ Berwin LLP
Salans

Auditors

Deloitte LLP
Chartered Accountants
London

Tuxedo Moneyplus Limited

Directors' report

The directors present their annual report on the affairs of Tuxedo MoneyPlus Limited ('the Company'), together with the financial statements and independent auditors' report, for the year ended 31 March 2009. The comparative information stated in the financial statements covers the year ended 31 March 2008.

The directors' report has been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

Principal activities

Tuxedo MoneyPlus Limited is a wholly owned subsidiary company of Tuxedo Money Solutions Limited.

Tuxedo MoneyPlus Limited is a pre-paid solutions provider.

The Company market focus is the provision of network-branded prepaid payment cards and related offerings to customers in Europe, especially those who are under-served by existing banks and credit and debit card providers.

The Company outsources many of its operations and works with partners to deliver co-branded and business-to-business programmes. It focuses on marketing and customer service delivery, investing significant funds in its proprietary technology platform.

Results and dividends

The Company made a loss on ordinary activities before tax of £5,452,874 for the year ended 31 March 2009 (2008 £7,162,223), all of which will be transferred to reserves. The Company does not propose to pay any dividend for the year ended 31 March 2009 (2008 £nil).

Going concern

The directors have formed a judgement, at the time of approving the financial statements, that there is reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the directors have considered the uncertainties highlighted in note 1 to the financial statements.

Directors

The directors, who served throughout the year except as noted, were as follows:

Mr Andre Bischoff resigned on 30 April 2008. Mr Mark Simon resigned on 01 October 2008. Mr Marcus Raithatha was appointed as a director on 30 April 2008. Mr Niels Nielsen was appointed as a director on 01 October 2008.

Tuxedo Moneyplus Limited

Directors' report (continued)

Directors' indemnities

Pursuant to the Articles of Association and subject to the provisions of the Companies Act, the directors and officers of the Company shall be indemnified by the Company, against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation thereto

In addition the Company has purchased and maintains directors' and officers' insurance cover against certain legal liabilities and costs for claims incurred in respect of any act or omission in the execution of their duties

Disclosure of information to auditors

In the case of each of the persons who are directors of the Company at the date when this report was approved

- as far as each of the directors is aware, there is no relevant audit information (as defined in s234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and,
- each of the directors has taken all steps that he ought to have taken as director to make himself aware of any relevant audit information (as defined in s234ZA of the Companies Act 1985) and to establish that the company's auditors are aware of that information

Auditors

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte LLP shall be deemed to be reappointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985

By order of the Board



Marcus Raithatha
Director

Registered Office
5th Floor
93 Wigmores Street
London
W1U 1HJ

12 March 2010

Tuxedo Moneyplus Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 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, 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 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 1985. 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.

Independent auditors' report to the members of Tuxedo Moneyplus Limited

We have audited the financial statements of Tuxedo MoneyPlus Limited for the year ended 31 March 2009, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 2007).

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 opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, 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.

Independent auditors' report to the members of Tuxedo Moneyplus Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Company's affairs as at 31 March 2009 and of its loss for the year 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

Emphasis of matter- Going concern

In forming our opinion on the financial statements, which is not qualified, we draw attention to Note 1 in the financial statements which indicates that the Company incurred a net loss of £5,452,874 during the year ended 31 March 2009 and, as of that date, the Company's total liabilities exceeded its total assets by £15,173,674. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern as it is not practicable to determine or quantify them.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

12 March 2010

Tuxedo Moneyplus Limited

Profit and loss account Year ended 31 March 2009

	Notes	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Turnover	2	2,785,473	723,426
Administrative expenses		<u>(8,238,347)</u>	<u>(7,885,649)</u>
Loss on ordinary activities before taxation	3	(5,452,874)	(7,162,223)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	10	<u>(5,452,874)</u>	<u>(7,162,223)</u>

All transactions in the current year are derived from continuing operations

There are no recognised gains or losses in the current year or previous period other than the loss for each year, as stated above. Therefore, no statement of total recognised gains and losses is required

Tuxedo Moneyplus Limited

Balance sheet 31 March 2009

	Notes	31 March 2009 £	31 March 2008 £
Current assets			
Cash		508,972	219,246
Debtors	5	582,296	417,708
Stock	6	106,964	102,604
		<u>1,198,232</u>	<u>739,558</u>
Creditors: Amounts falling due within one year	7	<u>(344,618)</u>	<u>(503,886)</u>
Net current assets		853,614	235,672
Creditors: Amounts falling due after one year	8	<u>(16,027,288)</u>	<u>(9,956,472)</u>
Net liabilities		<u>(15,173,674)</u>	<u>(9,720,800)</u>
Capital and reserves			
Called up share capital	9	1	1
Retained earnings		<u>(15,173,675)</u>	<u>(9,720,801)</u>
Total shareholders' deficit	10	<u>(15,173,675)</u>	<u>(9,720,801)</u>

These accounts have been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies

These accounts were approved and authorised for issue by the Board of Directors on 12 March 2010

Signed on behalf of the Board of Directors



Marcus Raithatha
Director

Tuxedo Moneyplus Limited

Notes to the accounts Year ended 31 March 2009

1. Accounting policies

The principal accounting policies are summarised below. These have all been applied consistently throughout the year and the preceding period.

Basis of preparation

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

Going concern

The Company incurred a net loss of £5,452,874 (2008: £7,162,233) during the year ended 31 March 2009 and continued to do so at the date of signing the accounts. As at the balance sheet date, the Company's total liabilities exceeded its total assets by £15,173,674. The Company is dependent on future profitability or injections of further capital to eliminate the current net deficit in shareholders' equity. This indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. This judgement is based on negotiations successfully concluded at the beginning of December 2009 by the parent company, Tuxedo Money Solutions Limited, with existing investors to provide additional funding of £600,000 to that company, the future funding plans of that company and the willingness of Tuxedo Money Solutions Limited to support the Company. The directors of Tuxedo Money Solutions Limited have confirmed their commitment to providing the necessary level of financial support to the Company and have confirmed that repayment of the funds due from the Company of £16.037m (2008: £9.956m) will not be demanded within the next 12 months. The directors have prepared cash flow forecasts to March 2011. Based on their assessment of business performance to date, the directors expect the business to achieve profitability in 2010, and sufficient funds will be available in the business during the period. The directors are also confident that the new funding received by Tuxedo Money Solutions Limited and the future funding plans of that company will be sufficient to support the activities of Tuxedo MoneyPlus Limited. The business grew significantly during the year with major KPI's such as the total amount loaded to cards and the volume of transactions increasing by over 400%. As a result, revenue increased by 285% to £2.785m during the year ended 31 March, 2009. Following the year end, a number of new contracts were signed which will ensure continued revenue growth in the year ending 31 March 2010. For these reasons, the directors continue to adopt the going concern basis in preparing the financial statements.

This position will be regularly reviewed by the directors and necessary actions will be taken if the funding outlook for the Company deteriorates. Such actions may include a combination of raising additional capital, and reappraisal of the operating expenditure plans so as to reduce or defer planned expenditure.

Exemption from obligation to prepare group financial statements

Tuxedo MoneyPlus Limited is a wholly owned subsidiary company of Tuxedo Money Solutions Limited. In accordance with the special provisions of s248 Companies Act 1985, Tuxedo Money Solutions Limited is exempt from the requirement to prepare group accounts, as the group, of which it is the parent, qualifies as a small or medium-sized group and that group is not an ineligible group. Therefore, the accounts of Tuxedo MoneyPlus Limited have not been included in accounts for the group.

Tuxedo Moneyplus Limited

Notes to the accounts Year ended 31 March 2009

Turnover

Turnover comprises fee income and pack sales. Fee income represents the charges made to customers for using the services provided. Pack sales represents income from the sale of Tuxedo packs via various distribution channels. Revenue is measured at the fair value of the consideration receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales-related taxes.

Stocks

Stock comprises finished packs and work in progress. Packs consist of a number of elements and those individual elements are held in stock at various stages of completeness. Stock is stated at the lower of cost or net realisable value.

Tuxedo Moneyplus Limited

Notes to the accounts Year ended 31 March 2009

1. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Interest income and expense

Interest income and expense is recognised on an accruals basis in the profit and loss account

2. Turnover

An analysis of the Company's turnover is as follows

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Pack sales	277,940	289,458
Fee income	2,424,047	433,968
Other income	83,486	-
	<u>2,785,473</u>	<u>723,426</u>

All income is generated in the United Kingdom

3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Auditors' remuneration – fees for audit of Company's annual accounts	17,500	17,500
Stock write-off	109,498	72,356

Tuxedo Moneyplus Limited

Notes to the accounts Year ended 31 March 2009

4. Tax on loss on ordinary activities

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Tax on loss on ordinary activities		
Tax credit on loss for the year/period	-	-
	<u>-</u>	<u>-</u>
	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Reconciliation of profit and loss tax charge		
Loss on ordinary activities before tax	(5,452,874)	(7,162,223)
Tax charge at 19% thereon	1,036,046	1,360,822
Group loss relief brought forward	1,758,268	466,385
Group loss relief utilised in the year/period	(59,776)	(68,939)
Group loss relief carried forward	2,734,538	1,758,268
	<u>-</u>	<u>-</u>
Current tax charge for the year/period	-	-

Group loss relief in the sum of £59,776 has been utilised in the period by Tuxedo Money Solutions Limited, the parent company

A deferred tax asset amounting to £2,734,538 (2008 £1,758,268) for trading losses has not been recognised because in the opinion of the directors there will be no suitable taxable gains available in the foreseeable future

5. Debtors

	31 March 2009 £	31 March 2008 £
Trade debtors	487,697	356,644
Prepayments and accrued income	71,218	37,788
VAT debtor	23,381	23,276
	<u>582,296</u>	<u>417,708</u>

Tuxedo Moneyplus Limited

Notes to the accounts Year ended 31 March 2009

6. Stock

	31 March 2009 £	31 March 2008 £
Work in progress	-	-
Finished packs	106,964	102,604
	<u>106,964</u>	<u>102,604</u>

7. Creditors – amounts falling due within one year

	31 March 2009 £	31 March 2008 £
Trade creditors	240,836	307,923
Other creditors	22,209	-
Accruals and deferred income	81,573	195,963
	<u>344,618</u>	<u>503,886</u>

8. Creditors – amounts falling due after one year

	31 March 2009 £	31 March 2008 £
Amounts owed to group undertakings	16,027,288	9,956,472

9. Called up share capital

	31 March 2009 £	31 March 2008 £
Authorised:		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Allotted called up and fully paid:		
1 ordinary shares of £1 each	1	1

Tuxedo Moneyplus Limited

Notes to the accounts Year ended 31 March 2009

10. Reconciliation of movement in shareholders' funds

	Share capital £	Retained earnings £	Total £
At 1 April 2008	1	(9,720,801)	(9,720,800)
Loss for the financial year	-	(5,452,874)	(5,452,874)
At 31 March 2009	<u>1</u>	<u>(15,173,675)</u>	<u>(15,173,675)</u>

11. Controlling party

As at 31 March 2009, Tuxedo Money Solutions Limited owns 100% of the issued share capital of Tuxedo Moneyplus Limited

12. Related party transactions

Transactions between the Company and its parent company, which are related parties, are disclosed below

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Tuxedo Money Solutions Limited		
- Inter company recharges to the Company from Tuxedo Money Solutions Limited (at market rates)	6,006,578	5,028,607
- Payments made by Tuxedo Money Solutions Limited on behalf of the Company	<u>64,237</u>	<u>2,363,321</u>

13. Related party balances

The balance owed by the Company to its parent company, is disclosed below

	31 March 2009 £	31 March 2008 £
Tuxedo Money Solutions Limited		
- Inter company balance with the Company	<u>16,027,288</u>	<u>9,956,472</u>

14. Post balance sheet events

On 5 March 2010 Tuxedo Money Solutions Limited waived without reservation and by way of a capital contribution the inter-company loan of £16,027,288 that had been made to the Company. The Company has converted this waived inter-company loan to a retained reserve within Shareholders Equity.