

CHFP025

Declaration in relation to assistance for the acquisition of shares

155(6)a

Pursuant to section 155(6) of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

	-	+	-	+	-	-
			}			
-	+	-	+	-	-	

00234834

Note
Please read the notes
on page 3 before
completing this form

Name of company

* Littlewoods of Liverpool Limited

* insert full name
of company

XWe 9 See Schedule 1 attached

Ø insert name(s) and address(es) of all the directors

† delete as appropriate

~~THE XXXX XXXXX~~ [all the directors] † of the above company do solemnly and sincerely declare that

The business of the company is

§ delete whichever
is inappropriate

[illegible]

(c) something other than the above §

The company is proposing to give financial assistance in connection with the acquisition of shares in the

[illegible]

Promotions Limited (Company number 00545018)

The assistance is for the purpose of ~~reducing or discharging a liability incurred for the purpose of that acquisition~~ †

The number and class of the shares acquired or to be acquired is 40,501 ordinary shares of
£1 each

Presentor's name address and
reference (if any)

K&L Gates
110 Cannon Street
London
EC4N 6AR

58 London/Chancery Lane WC2

For official Use
General Section

WEDNESDAY



LVERXV8L

LD3

05/12/2007

37

COMPANIES HOUSE

The assistance is to be given to (note 2) Sportech PLC (company number SC069140)

249 West George Street

Glasgow

G2 4RB (the "**Borrower**")

Please do not
write in this
margin

Please complete
legibly, preferably
in black type, or
bold block
lettering

The assistance will take the form of

See Schedule 2 attached

The person who [has acquired] ~~00000000~~ † the shares is

† delete as
appropriate

the Borrower (though since the original acquisition, the Borrower has transferred such shares to its wholly owned subsidiary, Littlewoods Gaming Limited (Company no 04118085))

The principal terms on which the assistance will be given are

See Schedule 3 attached

The amount of cash to be transferred to the person assisted is £ up to £120,000,000

The value of any asset to be transferred to the person assisted is £ nil

The date on which the assistance is to be given is within 8 weeks of date hereof

**Please complete
gibly, preferably
black type, or
bold block lettering**

delete either (a) or
(b) as appropriate

~~X~~We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts (note 3)

(a) ~~X~~We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

[illegible]

And ~~X~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835

Declared at

Declarants to sign below

110 Cannon Street, London

on

Day	Month	Year
3 0	1 1	2 0 0 7

before me 8 July 1946

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths

Shuloff
Patricia -

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given, if a recipient is a company the registered office address should be shown
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form
- 5 The address for companies registered in England and Wales or Wales is -

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland -

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

**Littlewoods of Liverpool Limited
(Company Number: 00234834)
(the "Company")**

**SCHEDULE 1
(to Form 155(6)a)**

The Directors

Steven Paul Cunliffe

39 Chatburn Park Drive
Clitheroe
Lancashire
BB7 2AY

Ian Richard Penrose

Abbotswood
17 Hill Road
Penwortham
Preston
Lancashire
PR1 9XH

This is Schedule 1 referred to in the Form 155(6)a as declared by the directors of the Company
on **30 November** 2007

Signed

S. P. Cunliffe

Solicitor

Littlewoods of Liverpool Limited
(Company Number: 00234834)
(the "Company")

SCHEDULE 2
(to Form 155(6)a)

The Form of the Financial Assistance

1 DEFINITIONS

If not otherwise defined in the Form 155(6)a of which these Schedules form part, or in these Schedules 1, 2 and 3, the following expressions have the following meanings

"Accession Deed" means a document substantially in the form set out in Schedule 7 (Form of Accession Letter) of the Facilities Agreement,

"Acquisitions" means (1) the acquisition by the Parent of the pools business carried on by Vernons Pools Limited (Company Number 935350) under the name "Vernons Pools" and certain assets and rights existing or arising in connection with such business and (2) the acquisition of the entire issued share capital of the Targets,

"Acquisition Documents" means the documents relating to the Acquisitions as more particularly described in the Facilities Agreement,

"Additional Guarantor" means a company which becomes a Guarantor in accordance with Clause 28 (Changes to the Obligors) of the Facilities Agreement and includes the Company,

"Advance" means, unless the context otherwise requires, any advance made or to be made under the Intra-Group Loan Agreement by a Group Lender (and, for the purposes of paragraphs 4.4 and 4.5 shall include interest compounded with the amount outstanding in respect of an Advance in accordance with paragraph 4.4(b),

"Applicable Rate" means the highest rate of interest from time to time applicable under the Facilities Agreement,

"Bank" means the Bank of Scotland plc (formerly the Governor and Company of the Bank of Scotland) whose registered address is The Mound, Edinburgh EH1 1YZ,

"Borrower" means Sportech plc (a company registered in Scotland under company number SC69140) whose registered address is 249 West George Street, Glasgow G2 4RB,

"Charging Companies" means the Borrower, Littlewoods Gaming Limited (Company Number 04118085), the Parent, the Company and Littlewoods Lotteries Limited (Company Number 02884057),

"Composite Debenture" means the composite debenture to be entered into between, inter alia, the Borrower, the Parent, the Company and the Security Trustee under which the Borrower, the Parent and the Company (amongst others) are to provide security to the Bank by way of a fixed and floating charge over all or their respective assets,

"Enforcement Event" means the occurrence of an Event of Default which has caused the Agent to give notice under clause 26.20 (Acceleration) of the Facilities Agreement,

"Environmental Law" means any applicable law or regulation which relates to

- (a) the pollution or protection of the environment,
- (b) harm to or the protection of human health,
- (c) the conditions of the workplace, or
- (d) any emission or substance capable of causing harm to any living organism or the environment,

"Event of Default" means any event or circumstance specified as such in Clause 26 (Events of Default) of the Facilities Agreement,

"Expiry Date" means 31 December 2017 (or such later date as the parties to the Intra-Group Loan Agreement from time to time may agree),

"Facilities Agreement" means the facility agreement dated 7 November 2007 entered into between the Borrower, Littlewoods Gaming Limited, the Bank (as Agent (the **"Agent"**), Mandated Lead Arranger, Issuing Bank and Security Trustee (the **"Security Trustee"**) (as each such term is defined therein)) and the person listed therein as lenders (the **"Lenders"**) setting out the terms pursuant to which the Lenders will make available to the Borrower term loan, guarantee and additional facilities of up to an aggregate amount of £116,000,000,

"Finance Documents" means the Facilities Agreement, any Accession Deed, any Ancillary Document, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Security Trust Deed, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request (all as defined in the Facilities Agreement) and any other document designated as a **"Finance Document"** by the Bank and the Borrower,

"Finance Party" means the Agent, the Arranger, the Security Trustee, a Lender, the Issuing Bank, a Hedge Counterparty or any Ancillary Lender (all as defined in the Facilities Agreement),

"Floating Charge Property" means the property, assets or income of each Charging Company comprised within the floating charge created by Clause 41(k) of the Composite Debenture,

"Group" means the Borrower, the Parent, the Targets and each of their respective subsidiaries from time to time,

"Group Borrower" means the Parent, Littlewoods Gaming Limited (a company registered in England under company number 04118085), Littlewoods Lotteries Limited (a company registered in England under company number 02884057), the Company, LWL Management NV (a company registered in Curacao under number 92621(0)), Littlewoods Poker Limited (a company registered in Malta under number C42103), Littlewoods Casino Limited (a company registered in Malta under number C42102) and any company which becomes a borrower under the Intra-Group Loan Agreement in accordance with Clause 11 thereof,

"Group Facility" means a loan facility granted to a Group Borrower by a Group Lender pursuant to Clause 2 of the Intra-Group Loan Agreement,

"Group Lender" means the Borrower, the Parent, Littlewoods Gaming Limited (a company registered in England under company number 04118085), Littlewoods Lotteries Limited (a company registered in England under company number 02884057), the Company, LWL Management NV (a company registered in Curacao under number 92621(0)), Littlewoods Poker Limited (a company registered in Malta under number C45103), Littlewoods Casino Limited (a company registered in Malta under number C42102) and any company which becomes a lender under the Intra-Group Loan Agreement in accordance with Clause 11 thereof,

"Guarantor" means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 28 (Changes to Obligors) of the Facilities Agreement,

"Holding Account" has the meaning given to it in the Facilities Agreement,

"Insolvency Event" means, in respect of a Group Borrower or the Borrower, the presentation of a petition or application to, or the making of an order by, any court of competent jurisdiction for, or the passing of an effective resolution for, its liquidation, winding-up or dissolution or the levying of any distress or execution on or which affects any of its property or assets or the appointment of an administrator, administrative receiver or other receiver, trustee or similar officer of that Group Borrower (or, as the case may be, the Borrower) or any part of that Group Borrower's (or as the case may be, the Borrower's) assets or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of a Group Borrower or the Borrower or files such a notice with the court or the commencement of negotiations or a proposed voluntary arrangement by that Group Borrower (or, as the case may be, the Borrower) with its creditors or any analogous procedure or step is taken in any jurisdiction,

"Insurance Policies" means the insurance policies which the Company may have an interest (other than insurance in respect of employer's or public liability),

"Inter-Company Loan" means the loan facilities of up to £120,000,000 to be made to the Borrower by the Parent, the Company and the other lenders (save for the Borrower) pursuant to the Intra-Group Loan Agreement,

"Intra-Group Loan Agreement" means the intra-group loan agreement to be entered into between the Parent, the Company, Littlewoods Lotteries Limited, Littlewoods Gaming Limited, LWL Management NV, Littlewoods Poker Limited, Littlewoods Casino Limited and the Borrower setting out the terms (i) on which each of the parties thereto will make available revolving credit facilities to each other and (ii) of the Inter-Company Loan, each such loan facilities to be repayable on demand but, in relation to loans to the Borrower, demand for repayment cannot be made unless a demand for repayment has been made under the Facilities Agreement,

"Investment Interests" means all shares and stock in the capital of any company (other than the Shares), debentures, securities, certificates or deposits, interests in collective investment schemes, warrants, options and any other rights to subscribe for or acquire any such investments hereafter owned by any Charging Company or held for or on behalf of a Charging Company in any manner whatsoever or in which it otherwise has an interest together in all cases with all rights arising in relation thereto,

"Legally Mortgaged Property" means (i) all that leasehold land lying to the south west of Charnock Road, Aintree as the same is registered at the Land Registry with

good leasehold title under title number MS471485 and (ii) all that leasehold land lying to the south east of Charnock Road, Aintree as the same is registered at the Land Registry with good leasehold title under title number MS471486 (both under the ownership of the Company) together with the proceeds of sale thereof and all buildings and trade and other fixtures on any such property belonging to or charged to each Charging Company,

"Mandatory Prepayment Account" has the meaning given to it in the Facilities Agreement,

"Obligor" means the Borrower or a Guarantor,

"Original Guarantor" means the Borrower and Littlewoods Gaming Limited,

"Parent" means Littlewoods Promotions Limited (a company registered in England under company number 00545018) whose registered address is Walton House, 55 Charnock Road, Liverpool, Merseyside L67 1AA,

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or otherwise or as the equivalent obligor under the laws of any other jurisdiction) of each Charging Company or other Obligor to the Bank and the other Secured Parties (or any of them) under the Finance Documents together with

- (a) any refinancing, novation, refunding, deferral or extension of or increase in any of those obligations or liabilities,
- (b) any further advances and additional facilities which may be made by any Secured Party to any Charging Company or other Obligor under any agreement expressed to be supplemental to any of the Finance Documents and all interest, fees, and costs in connection therewith,
- (c) any claim for damages or restitution in the event of rescission of any of those obligations or liabilities or otherwise in connection with any of the Finance Documents,
- (d) any claim against any Charging Company or other Obligor flowing from the recovery by any Charging Company or other Obligor of a payment or discharge in respect of any of those liabilities on grounds of preference or otherwise,
- (e) any amounts which would be included in any of the foregoing but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings, and
- (f) all costs, charges and expenses incurred by the Bank or any other Secured Party in connection with the protection, preservation or enforcement of its rights against any Charging Company or other Obligor

"Secured Parties" means the Finance Parties or any of them as the context requires and **"Secured Party"** shall be construed accordingly,

"Shares" means the shares listed in Schedule 2 of the Composite Debenture together with all rights, including dividends and other distributions, arising in relation thereto in any manner whatsoever,

"Specified Accounts" means the Holding Account and the Mandatory Prepayment Account (and any renewal or redesignation thereof) and any current, deposit or other account with any bank, lender, financial institution or similar third party that may at any time be designated in writing as a Specified Account by the Security Trustee and the Charging Company in whose name the relevant account is maintained,

"Specified Intellectual Property Rights" means any and all intellectual property rights owned by a Charging Company as at the date of the Composite Debenture and detailed in Schedule 4 of the Composite Debenture (including (i) trade marks, service marks, designs, copyrights and applications therefor (ii) patents and patent applications, (iii) other intellectual properties) and any and all intellectual property rights owned by a Charging Company in future,

"Targets" means each of Vernons Games Limited (Company Number 01714462), Vernons Trustee Company Limited (Company Number SC121262) and Vernons Financial Services Limited (Company Number 02122895),

"Termination Date" means, in relation to a Group Borrower or the Borrower, the earlier of

- (a) the Expiry Date, and
- (b) the occurrence of an Insolvency Event in relation to the relevant Group Borrower or, as the case may be, the Borrower, and

"Trust Accounts" has the meaning given to it in the Facilities Agreement

2 THE FORM OF FINANCIAL ASSISTANCE

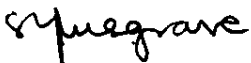
2.1 By way of security for all the obligations of all of the Obligors (including the Borrower) to the Secured Parties, the Company will enter into the following documents

- (a) the Accession Deed,
- (b) the Composite Debenture, and
- (c) the Intra-Group Loan Agreement

The documents being referred to in paragraph 2.1 above are defined in these Schedules as the **"Financial Assistance Documents"**

2.2 The financial assistance (the **"Financial Assistance"**) to be provided by the Company will take the form of (i) the execution, delivery and performance of the Financial Assistance Documents, the assumption of liabilities and obligations under each Financial Assistance Document in accordance with and subject to the terms of each such document and (ii) the making of the Inter-Company Loan by the Company to the Borrower pursuant to the terms of the Intra-Group Loan Agreement

This is Schedule 2 referred to in the Form 155(6)a as declared by the directors of the Company on **30 November** 2007

Signed  Solicitor

**Littlewoods of Liverpool Limited
(Company Number: 00234834)
(the "Company")**

**SCHEDULE 3
(to Form 155(6)a)**

The Principal Terms of Financial Assistance

1 GENERAL

The principal terms of each of the Financial Assistance Documents (Form of Financial Assistance) are summarised and separately described below in relation to each individual Financial Assistance Document

2 THE ACCESSION DEED

The Accession Deed provides that the Company will accede to the Facilities Agreement as a Guarantor. The principal terms of the guarantee and indemnity contained in the Facilities Agreement are as follows

2.1 Guarantee and indemnity

Subject to paragraph 2.8, each Guarantor irrevocably and unconditionally jointly and severally

- (a) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents,
- (b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor, and
- (c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover

2.2 Continuing Guarantee

The guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part

2.3 Reinstatement

If any payment by an Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event

- (a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred, and

- (b) each Finance Party shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred

2.4 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this paragraph 2. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

2.5 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same, and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this paragraph 2

2.6 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents

- (a) to be indemnified by an Obligor,
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents, and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 32 (Payment mechanics) of the Facilities Agreement.

2 7 Additional security

The guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party

2 8 Guarantee Limitations

The guarantee does not apply to any liability to the extent that it would result in the guarantee constituting unlawful financial assistance within the meaning of Section 151 of the Companies Act 1985 or any equivalent and applicable provisions under the laws of the jurisdiction of incorporation of the relevant Guarantor and, with respect to any Additional Guarantor, is subject to any limitations set out in the Accession Deed applicable to such Additional Guarantor

3 THE COMPOSITE DEBENTURE

The principal terms of the Composite Debenture are as follows

3 1 Covenant to Pay

Each Charging Company pursuant to the Composite Debenture, as principal debtor and not merely as surety, covenants with the Security Trustee for itself and on behalf of the other Secured Parties that it will pay or discharge the Secured Liabilities on the due date therefor in the manner provided in the relevant Finance Document

3 2 The Charge

Each Charging Company pursuant to the Composite Debenture charges with full title guarantee with the payment and discharge to the Security Trustee (as agent and trustee for the Secured Parties) of all the Secured Liabilities

- (a) by way of first legal mortgage all estates or interests owned by it in the Legally Mortgaged Property,
- (b) by way of first fixed charge all its estates and interests in any freehold or leasehold property now or at any time hereafter belonging to it (other than the Legally Mortgaged Property) together with all its present and future buildings and fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and therein,
- (c) by way of first fixed charge all its plant, machinery, vehicles and other equipment now or at any time hereafter owned by it together with the benefit of any obligations and warranties given to it by the manufacturer or supplier of such plant, machinery, vehicles or other equipment and the benefit of all maintenance agreements entered into between it and any other person in respect of such plant, machinery, vehicles and other equipment,
- (d) by way of first fixed charge the Shares owned by it,
- (e) by way of first fixed charge all its Investment Interests,
- (f) (to the extent capable of being charged), by way of first fixed charge all its licences and patents (including applications and the rights to apply therefor), copyrights, rights in trademarks whether registered or not, trade names, rights in service marks whether registered or not, registered designs, business names,

design rights, moral rights, inventions, know-how and rights in confidential information now or at any time belonging to it including, for the avoidance of any doubt, the Specified Intellectual Property Rights,

- (g) by way of first fixed charge its goodwill and uncalled capital both present and future,
- (h) by way of first fixed charge the book debts and monetary claims due or owing to it in any manner whatsoever both present and future,
- (i) by way of first fixed charge all balances standing to the credit of any of its current, deposit or other account with the Bank or any other Secured Party or with other banks, lenders, financial institutions or similar third parties and the debt or debts represented thereby, other than (i) any such balances to the extent effectively assigned to the Bank under the Composite Debenture and (ii) any balances standing to the credit of the Trust Accounts,
- (j) by way of first fixed charge all its benefits in respect of all contracts and policies of insurance (save in respect of employer's or public liability) which are from time to time taken out by it or (to the extent of such interest) in which it has an interest, other than any such benefits to the extent effectively assigned to the Bank under the Composite Debenture,
- (k) by way of first floating charge its undertaking and all its property and assets both present and future (including, without limitation, any property or assets situated in Scotland or governed by Scots law), other than (i) any property or assets effectively mortgaged, charged by way of fixed charge or assigned to the Bank under the Composite Debenture and (ii) any balances standing to the credit of the Trust Accounts

3 3 Assignments

- (a) The Company assigns with full title guarantee absolutely to the Security Trustee (as agent and trustee for the Secured Parties) as security for the payment and discharge of all the Secured Liabilities, all of its right, title and interest, present and future, in and to
 - (i) the Acquisition Documents,
 - (ii) the Insurance Policies, and
 - (iii) the Specified Accounts
- (b) To the extent (if any) that such right, title and/or interest is not assignable, such assignment will operate as an assignment of all proceeds received by the Company under the Acquisition Documents, the Insurance Policies, the Specified Accounts (as the case may be) as security for the Secured Liabilities

3 4 Conversion of Floating Charge

- (a) Conversion by notice

If, at any time, an Enforcement Event occurs or the Bank reasonably believes that any assets of any Charging Company are in danger of being seized or sold under any form of distress, execution or similar process or that it is desirable to

protect the priority of the security then, without prejudice to the provisions of paragraph 3 4(b) (Automatic Conversion) below, the Bank may, by notice in writing to that Charging Company, convert the floating charge created by the Composite Debenture into a fixed charge in relation to the assets specified in such notice

(b) **Automatic Conversion**

If any Charging Company charges, pledges or otherwise encumbers (whether by way of fixed or floating charge) any of the Floating Charge Property or attempts to do so without the prior written consent of the Bank, if any creditor or other person levies any distress, execution or other process against all or any of the Floating Charge Property, if a resolution is passed or an order is made for the winding up, dissolution, administration or re-organisation of any Charging Company, if an administrator is appointed to a Charging Company or if any person entitled to do so gives notices of its intention to appoint an administrator of any Charging Company or files such a notice with the court then, in the absence of any notice or other action by the Bank pursuant to paragraph 3 4(a) (Conversion by notice) above, the floating charge hereby created shall automatically operate as a fixed charge upon such affected property, assets or income forthwith upon the occurrence of such event

3 5 Set-Off

A Secured Party may set-off any matured obligation due from any Charging Company under the Finance Documents (to the extent beneficially owned by that Secured Party) against any matured obligation owed by that Secured Party to any Charging Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

3 6 Indemnity

The Charging Companies shall jointly and severally indemnify the Bank against any and all costs, losses, liabilities or expenses incurred by the Bank arising (directly or indirectly) out of, or in connection with

- (a) any actual or alleged breach of any Environmental Law by any member of the Group or affecting any freehold or leasehold property now or at any time hereafter owned or occupied by any member of the Group, or
- (b) any responsibility of the Bank in respect of any clean-up, repair or other corrective action in relation to any actual or alleged breach or liability in respect of the business or any freehold or leasehold property now or at any time hereafter owned or occupied by any member of the Group

4 THE INTRA-GROUP LOAN AGREEMENT

The principal terms of the Intra-Group Loan Agreement are as follows

4 1 The Facilities

- (a) Each Group Lender grants to each Group Borrower a revolving credit facility of up to such amount as agreed between the parties from time to time upon the terms, and subject to the conditions, of the Intra-Group Loan Agreement
- (b) Each Group Lender (other than the Borrower) grants to the Borrower a revolving credit facility (up to a maximum aggregate of £120,000,000) upon the terms, and subject to the conditions, of the Intra-Group Loan Agreement
- (c) Amounts may be drawn under each Group Facility by way of Advances, any of which may be repaid and reborrowed subject to the terms set out in the Intra-Group Loan Agreement

4 2 Purpose and Application of Facilities

- (a) Each Group Borrower may only utilise Advances drawn under the Intra-Group Loan Agreement in accordance with paragraph 4 1(b) The Borrower may only utilise Advances drawn under the Intra-Group Loan Agreement in accordance with paragraph 4 2(c)
- (b) Each Group Borrower may utilise Advances drawn under the Intra-Group Loan Agreement
 - (i) for its general commercial purposes (including, without limitation, in relation to the Parent, to pay costs and expenses incurred by it directly or indirectly in connection with the Acquisitions by it), and
 - (ii) for its general working capital requirements (including the refinancing of any indebtedness owed to third parties from time to time),and/or Littlewoods Promotions Limited may utilise Advances for the purposes of complying with clause 25 31 of the Facilities Agreement
- (c) The Borrower may apply any Advances drawn under the Intra-Group Loan Agreement
 - (i) for its general corporate purposes,
 - (ii) to meet its obligations to pay interest, principal, costs, fees, expenses, charges and any other sums from time to time falling due in connection with the Finance Documents,
 - (iii) to pay costs and expenses incurred by it or the Parent directly or indirectly in connection with the Acquisitions,
 - (iv) to pay any other liability incurred directly or otherwise in connection with the Finance Documents or the transactions contemplated thereby,
 - (v) to fund any dividend payments made in accordance with the terms of the Finance Documents, and/or
 - (vi) for the purposes of complying with clause 25 31 of the Facilities Agreement,

save that the Borrower shall apply no Advance made by Littlewoods Casino Limited or Littlewoods Poker Limited for the purposes specified in paragraphs (ii) and (iv) above unless the directors of Littlewoods Casino Limited or Littlewoods Poker Limited (as the case may be) have confirmed that they are satisfied that such application will not breach the condition set out in paragraph 4 3(a)(iv)

- (d) Subject to the terms of the Intra-Group Loan Agreement, and in particular Clause 3 thereof, Advances may be drawn by a Group Borrower and/or the Borrower at any time during the period commencing on the date of the Intra-Group Loan Agreement and ending on the Termination Date or, in relation to the revolving credit facility referred to in paragraph 4 1(a), the date on which a Group Lender informs the relevant Group Borrower that its facility from such Group Lender is terminated

4 3 Nature of Group Lender Obligations

- (a) A Group Lender will only be obliged to make an Advance to the extent that
 - (i) such Advance is permitted to be made by the terms of the Finance Documents,
 - (ii) in the case of an Advance to be made pursuant to the revolving credit facility referred to in paragraph 4 2(a), the aggregate amount of cash funds freely available to the relevant Group Lender exceeds the amount of such proposed Advance on the proposed date on which the relevant Group Borrower has requested an Advance be made to it (and, for these purposes, the aggregate amount of cash funds freely available to the Borrower (in its capacity as a Group Lender) shall only be such amounts as are not required (in the Borrower's opinion) to comply with its obligations under the Finance Documents),
 - (iii) the Group Borrower requires the proposed Advance for one of the purposes specified in paragraph 4 2(b) or, as the case may be, the Borrower requires the proposed Advance for any of the purposes set out in paragraph 4 2(c) (in the case of the proposed Advances from Littlewoods Casino Limited and Littlewoods Poker Limited excluding those purposes set out in paragraphs 4 2(c)(ii) and (iv) save where the directors of Littlewoods Casino Limited or Littlewoods Poker Limited (as they case may be) have confirmed that they are satisfied that their approval or making of the relevant Advance will not breach the condition set out in paragraph 4 3(a)(iv)),
 - (iv) the approval of, or the making of, the Advance does not give rise to any offence by any person under the Companies Act 1985, the Companies Act 2006 or the Insolvency Act 1986 is not otherwise illegal and would not result in the Advance constituting illegal financial assistance within the meaning of section 151 of the Companies Act 1985 or any equivalent and applicable provisions under the laws of the jurisdiction of the relevant Group Lender (it being acknowledged that the entry into the Intra-Group Loan Agreement was sanctioned pursuant to sections 155 to 158 by the Group Lenders (incorporated in England and Wales) party to or

acceding to the Intra-Group Loan Agreement on or about the date of the Intra-Group Loan Agreement),

- (v) in the case of an Advance to be made pursuant to the revolving credit facility referred to in paragraph 4 1(a), the Group Lender and the Group Borrower have agreed the amount of the revolving credit facility (the "**Available Amount**") and such Advance is an amount which does not cause the Available Amount to be exceeded, and
- (vi) no Insolvency Event has occurred in respect of the relevant Group Borrower or, as the case may be, the Borrower and the making of such Advance would not cause the relevant Group Lender to become insolvent,

provided that a Group Lender shall cease to have an obligation to make any Advance to a Group Borrower or the Borrower under the Intra-Group Loan Agreement from such time if such Group Borrower or the Borrower ceases to be a member of the Group

4 4 Interest

- (a) Advances will bear interest at such rate as may be agreed between the relevant Group Lender and the relevant Group Borrower, such rate not to exceed the Applicable Rate
- (b) Advances and interest (if any) accrued thereon shall remain outstanding on inter-company account with payment in accordance with paragraph 4 5 or may be compounded with the amount outstanding in respect of an Advance at such intervals as the relevant Group Lender and Group Borrower or the Borrower (as the case may be) may agree Interest shall accrue from day-to-day on the basis of a 365 day year or as otherwise agreed from time to time between the relevant Group Lender and Group Borrower or, as the case may be, between the relevant Group Lender and the Borrower

4 5 Repayment

- (a) Each Group Borrower shall repay all outstanding Advances made to it by a Group Lender on that Group Lender's demand, together with all interest accrued thereon (if any) and all other amounts owing by such Group Borrower under the Intra-Group Loan Agreement
- (b) The Borrower shall repay all outstanding Advances made to it by a Group Lender on that Group Lender's demand, together with all interest accrued thereon (if any) and all other amounts owing by it under the Intra-Group Loan Agreement provided that no Group Lender shall make such a demand unless a demand for repayment has been made by the agent under the Facilities Agreement or the relevant Lender ceases to be a member of the Group
- (c) A certificate from a Group Lender as to the amount at any time outstanding in respect of an Advance (or any part thereof) made by it to a Group Borrower or, as the case may be, the Borrower, shall, in the absence of manifest error, be conclusive

This is Schedule 3 referred to in the Form 155(6)(a) as declared by the directors of the Company on 30 November 2007

Signed *Sydney*

Solicitor

The Directors
Littlewoods of Liverpool Limited
Walton House
Charnock Road
Liverpool
L7 1AA

30 November 2007

Dear Sirs

Report of the Independent Auditor to the directors of Littlewoods of Liverpool Limited (the "Company") pursuant to Section 156(4) of the Companies Act 1985

We report on the attached statutory declaration dated 30 November 2007, prepared pursuant to the Companies Act 1985, in connection with the proposal that the Company should provide assistance to Sportech plc in order to reduce or discharge a liability incurred by Sportech plc on its acquisition of the entire issued share capital of the Company's holding company Littlewoods Promotions Limited. This report, including the opinion, has been prepared for and only for the Company and the Company's directors in accordance with Section 156 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion set out below, 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.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their Statutory declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors