

VERNONS FINANCIAL SERVICES LIMITED
(Registered No 2122895)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2007

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VERNONS FINANCIAL SERVICES LIMITED
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

	Page
CONTENTS	
Report of the Directors	1 - 2
Independent Auditors Report	3
Profit and Loss Account	4
Balance Sheet	5
Statement of Accounting Policies	6
Notes to the Financial Statements	7-8

VERNONS FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors hereby submit their report, together with the financial statements of the company for the year ending 31 December 2007.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW, RESULTS AND DIVIDENDS

The Company markets a range of financial services products. Vernons Financial Services is an appointed introducer of a number of financial services suppliers, including AXA Sunlife and UNAT, and has a credit licence from the Office of Fair Trading. The company was purchased by Littlewoods Promotions on 3rd December 2007

The result for the year was a profit after tax of £86,000 (2006 £88,000). The Directors are satisfied with the results for the year and continue to look forward to future growth. A dividend of £702,000 has been paid during the year (2006 £Nil).

The Company's key financial performance during the year was as follows:-

	2007	2006	%
	£000	£000	Change
Operating profit	93	99	7 1

DIRECTORS

The Directors who held office during the year were;

S. H. Roberts	Resigned 3 rd December 2007
C. Bell	Resigned 3 rd December 2007
S. Cunliffe	Appointed 3 rd December 2007
I. Penrose	Appointed 3 rd December 2007

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 loss 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets

VERNONS FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS (continued)

of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

FINANCIAL RISK MANAGEMENT

The company's treasury arrangements for the provision of finance and management of liquidity are undertaken via the Sportech Group's centralised accounting unit. The company's principal financial instruments comprise bank overdrafts, and cash and term deposits as well as trade debtors and creditors including group inter-company balances that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's future operations.

The main risks arising from the company's operations are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks. The company does not trade in financial instruments.

POLICY ON PAYMENT OF CREDITORS

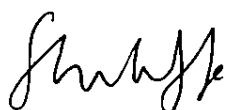
The company does not follow any code or standard on payment practices, and there is no fixed policy for payment of other goods and services. Payment is made promptly once authorisation of the invoice is obtained.

There were no trade creditors outstanding at 31 December 2007.

AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



S. P. Cunliffe
Secretary

21 October 2008

LIVERPOOL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VERNONS FINANCIAL SERVICES LIMITED

We have audited the financial statements of Vernons Financial Services Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the principal accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

The directors' responsibilities for preparing the annual report and 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). This report, including the opinion, has been prepared for and only for the company's member as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, 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.

OPINION

In our opinion,

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of the company's profit 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Liverpool 21 Oct 2008

VERNONS FINANCIAL SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
TURNOVER		92,746	98,637
Administrative expenses		(54)	(50)
OPERATING PROFIT		92,692	98,587
Interest Receivable		29,848	26,662
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1	122,540	125,249
Taxation	2	(36,763)	(37,000)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	6	85,777	88,249

All turnover and profit on ordinary activities is derived from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2007

There are no recognised gains and losses in the Company in either year, other than the profit for the year

VERNONS FINANCIAL SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Note	2007 £	2006 £
CURRENT ASSETS			
Prepayments and accrued income	3	15,000	667,377
Cash at bank		<u>53,544</u>	<u>2,627</u>
		68,544	670,004
CREDITORS:			
Amounts falling due within one year	4	<u>(51,763)</u>	<u>(37,000)</u>
NET ASSETS		<u>16,781</u>	<u>633,004</u>
CAPITAL AND RESERVES			
Called up share capital	5	2	2
Profit and loss account	6,7	<u>16,779</u>	<u>633,002</u>
EQUITY SHAREHOLDER'S FUNDS	7	<u>16,781</u>	<u>633,004</u>

The financial statements on pages 4 to 8 were approved by the Board of Directors on 21.10.2008 and signed on their behalf by



S. P. Cunliffe
Director

VERNONS FINANCIAL SERVICES LIMITED

STATEMENT OF ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

BASIS OF ACCOUNTING

The Company's accounting reference date is 31 December. Consistent with the normal monthly reporting process, the actual date to which the balance sheet has been drawn up is to 4 January 2008. For ease of reference in these financial statements all references to the results for the year are to 31 December 2007 and the financial position at 31 December 2007.

CASH FLOW

The company is a wholly owned subsidiary of Sportech Plc, a company registered in the UK, and the cash flows of the company are included in the publicly available consolidated cash flow statement of that company. Consequently, the company is exempt under the terms of FRS 1 "Cash flow Statements (revised 1996)" from publishing a cash flow statement.

GOING CONCERN

The financial statements have been prepared on a going-concern basis, as the parent company has committed to continuing to provide financial support to the company.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Profits and losses on foreign exchange transactions are taken through the profit and loss account in the period in which they arise.

RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Sportech Plc, whose accounts are publicly available.

VERNONS FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. OPERATING PROFIT

	2007 £	2006 £
Operating profit is after interest receivable of £29,848 (2006. £26,662).		
Audit fees have been borne by the ultimate Parent company		
There are no staff employed by Vernons Financial Services Limited	<u>122,540</u>	<u>125,249</u>

2. TAXATION

	2007 £	2006 £
Current year:		
Profit on ordinary activities before taxation	122,540	125,249
Less expenses not deductible for tax	<u>-</u>	<u>1,916</u>
	122,540	123,333
UK Corporation tax at 30%	<u>36,763</u>	<u>37,000</u>

3. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Amounts owed by group undertakings	-	666,628
Prepayments	<u>15,000</u>	<u>749</u>
	15,000	667,377

4. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Amounts owed to group undertakings	15,000	-
Taxation	<u>36,763</u>	<u>37,000</u>
	51,763	37,000

5. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised		
1000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

6. RESERVES

	Profit and loss reserve £000
1 January 2007	633,002
Retained profit for the financial year	<u>(616,223)</u>
31 December 2007	16,779

VERNONS FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2007**

7. EQUITY SHAREHOLDERS FUNDS

	2007 £	2006 £
At 1 January	633,004	544,755
Profit for the year	85,777	88,249
Dividends paid	(702,000)	-
At 31 December	<u>16,781</u>	<u>633,004</u>

8. ULTIMATE PARENT COMPANY

The Company is a subsidiary of Littlewoods Promotions Limited, incorporated in Great Britain.

The ultimate parent company is Sportech PLC. Copies of Sportech PLC consolidated financial statements can be obtained from the Company Secretary at Walton House, Charnock Road, Liverpool L67 1AA, United Kingdom.