

COMPANY REGISTRATION NUMBER 03003397

ADMIRAL SPORTS BETTING (UK) LTD
FINANCIAL STATEMENTS
31 DECEMBER 2010



BROWN & BATTS LLP
Chartered Accountants & Statutory Auditor
25-29 Harper Road
London
SE1 6AW

ADMIRAL SPORTS BETTING (UK) LTD
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

CONTENTS	PAGE
Officers and professional advisers	1
The director's report	2
Independent auditor's report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed profit and loss account	13
Notes to the detailed profit and loss account	14

ADMIRAL SPORTS BETTING (UK) LTD
OFFICERS AND PROFESSIONAL ADVISERS

The director	Mr B E Wheeler
Company secretary	V Wheeler
Registered office	11 Allard Way Broxbourne Hertfordshire EN10 7ER
Auditor	Brown & Batts LLP Chartered Accountants & Statutory Auditor 25-29 Harper Road London SE1 6AW
Solicitors	Mullis & Peake 8 - 10 Eastern Road Romford Essex RM1 3PJ

ADMIRAL SPORTS BETTING (UK) LTD

THE DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2010

The director presents his report and the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of the acceptance of bets over the internet

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows

	Ordinary Shares of €1.4251 each	
	At	At
	31 December 2010	1 January 2010
Mr B E Wheeler	-	-

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

In so far as the director is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

ADMIRAL SPORTS BETTING (UK) LTD

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2010

AUDITOR

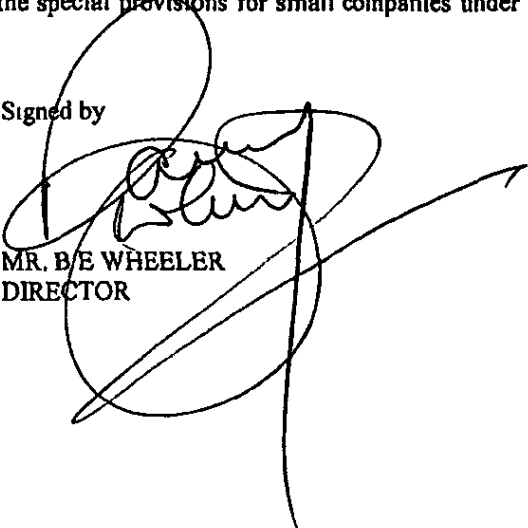
Brown & Batts LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
11 Allard Way
Broxbourne
Hertfordshire
EN10 7ER

Signed by


MR. B/E WHEELER
DIRECTOR

Approved by the director on 15 February 2011

ADMIRAL SPORTS BETTING (UK) LTD
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ADMIRAL SPORTS BETTING (UK) LTD
YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of Admiral Sports Betting (UK) Ltd for the year ended 31 December 2010. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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 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 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

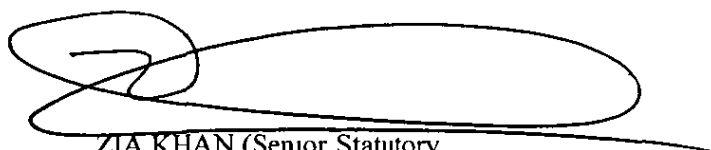
ADMIRAL SPORTS BETTING (UK) LTD
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ADMIRAL SPORTS BETTING (UK) LTD *(continued)*

YEAR ENDED 31 DECEMBER 2010

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report



ZIA KHAN (Senior Statutory Auditor)

For and on behalf of
BROWN & BATTS LLP
Chartered Accountants
& Statutory Auditor

25-29 Harper Road
London
SE1 6AW

15 February 2011

ADMIRAL SPORTS BETTING (UK) LTD

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2010

	Note	2010 €	2009 €
TURNOVER		49,468,938	31,472,451
Cost of sales		<u>47,579,537</u>	<u>30,049,295</u>
GROSS PROFIT		1,889,401	1,423,156
Administrative expenses		1,687,486	1,332,427
Other operating income	2	<u>(48,465)</u>	<u>(69,336)</u>
OPERATING PROFIT	4	250,380	160,065
Interest receivable		348	328
Interest payable and similar charges		<u>(13,307)</u>	<u>(21,963)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		237,421	138,430
Tax on profit on ordinary activities		—	—
PROFIT FOR THE FINANCIAL YEAR		237,421	138,430
Balance brought forward		<u>(3,249,810)</u>	<u>(3,388,240)</u>
Balance carried forward		<u>(3,012,389)</u>	<u>(3,249,810)</u>

The notes on pages 8 to 11 form part of these financial statements

ADMIRAL SPORTS BETTING (UK) LTD

BALANCE SHEET

31 DECEMBER 2010


	Note	2010 €	2009 €
FIXED ASSETS			
Intangible assets	5	357,457	417,034
Tangible assets	6	<u>112,874</u>	<u>41,484</u>
		<u>470,331</u>	<u>458,518</u>
CURRENT ASSETS			
Debtors	7	176,768	320,356
Cash at bank		<u>140,425</u>	<u>167,720</u>
		<u>317,193</u>	<u>488,076</u>
CREDITORS: Amounts falling due within one year	8	<u>959,036</u>	<u>1,022,470</u>
NET CURRENT LIABILITIES		<u>(641,843)</u>	<u>(534,394)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(171,512)</u>	<u>(75,876)</u>
CREDITORS: Amounts falling due after more than one year	9	<u>846,337</u>	<u>1,179,394</u>
		<u>(1,017,849)</u>	<u>(1,255,270)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	285,020	285,020
Capital Contribution	11	1,709,520	1,709,520
Profit and loss account		<u>(3,012,389)</u>	<u>(3,249,810)</u>
DEFICIT		<u>(1,017,849)</u>	<u>(1,255,270)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved and signed by the director and authorised for issue on 15 February 2011.

MR B E WHEELER
Director

Company Registration Number: 03003397



The notes on pages 8 to 11 form part of these financial statements.

ADMIRAL SPORTS BETTING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

1.A Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.B Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year

1.C Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill - Amortised equally to the profit and loss account over its estimated economic

1.D Fixed assets

All fixed assets are initially recorded at cost

1.E Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant & Machinery	- 25% reducing balance method basis
Fixtures & Fittings	- 25% reducing balance method basis
Computer Equipment	- 33% reducing balance method basis
Office Equipment	- 33% reducing balance method basis

1.F Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.G Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Euros at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OTHER OPERATING INCOME

	2010	2009
	€	€
Commission receivable	<u>48,465</u>	<u>69,336</u>

ADMIRAL SPORTS BETTING (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

3 Interest payable and similar charges

	2010	2009
	€	€
Bank interest payable	—	1,440
Interest payable on loan from group undertaking	13,307	20,523
	<u>13,307</u>	<u>21,963</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2010	2009
	€	€
Director's remuneration	—	—
Amortisation of intangible assets	59,577	59,576
Depreciation of owned fixed assets	35,004	7,942
Auditor's fees	10,500	10,500
Net loss/(profit) on foreign currency translation	<u>53,784</u>	<u>(13,007)</u>

5. INTANGIBLE FIXED ASSETS

	Goodwill
	€
COST	
At 1 January 2010 and 31 December 2010	<u>744,703</u>
AMORTISATION	
At 1 January 2010	327,669
Charge for the year	<u>59,577</u>
At 31 December 2010	<u>387,246</u>
NET BOOK VALUE	
At 31 December 2010	<u>357,457</u>
At 31 December 2009	<u>417,034</u>

ADMIRAL SPORTS BETTING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

6. TANGIBLE FIXED ASSETS

	Plant & Machinery €	Fixtures & Fittings €	Office equipment €	Computer equipment €	Total €
COST OR VALUATION					
At 1 January 2010	39,400	13,216	3,055	41,963	97,634
Additions	—	—	—	106,394	106,394
At 31 December 2010	39,400	13,216	3,055	148,357	204,028
DEPRECIATION					
At 1 January 2010	5,746	13,216	3,055	34,133	56,150
Charge for the year	9,850	—	—	25,154	35,004
At 31 December 2010	15,596	13,216	3,055	59,287	91,154
NET BOOK VALUE					
At 31 December 2010	23,804	—	—	89,070	112,874
At 31 December 2009	33,654	—	—	7,830	41,484

7. DEBTORS

	2010 €	2009 €
Other debtors	176,768	320,356

8. CREDITORS: Amounts falling due within one year

	2010 €	2009 €
Trade creditors	12,026	14,092
Other taxation and social security	54,130	160,634
Other creditors	892,880	847,744
	959,036	1,022,470

9. CREDITORS: Amounts falling due after more than one year

	2010 €	2009 €
Other creditors	846,337	1,179,394

ADMIRAL SPORTS BETTING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

10. SHARE CAPITAL

Authorised share capital:

	2010	2009
	€	€
200,000 Ordinary shares of €1 4251 each	<u>285,020</u>	<u>285,020</u>

Allotted, called up and fully paid:

	2010		2009	
	No	€	No	€
200,000 Ordinary shares of €1 4251 each	<u>200,000</u>	<u>285,020</u>	<u>200,000</u>	<u>285,020</u>

11. RESERVES

	Revaluation reserve	Profit and loss account
	€	€
Balance brought forward	1,709,520	(3,249,810)
Profit for the year	—	237,421
Balance carried forward	<u>1,709,520</u>	<u>(3,012,389)</u>

12. POST BALANCE SHEET EVENTS

Goodwill It was agreed that the sale of the the Company's goodwill should be accounted for in the financial statements on 1 January 2011 as it is effective from that date

13. CAPITAL CONTRIBUTIONS

Capital contributions have been made by the parent company in prior years by placing part of the loan provided to the company under Capital contributions arrangement There is no requirement for Admiral Sports Betting (UK) Limited to bear any servicing costs or to repay the capital contribution over the life of its operation

14. ULTIMATE PARENT COMPANY

The ultimate holding company is Novomatic AG (Austria) The immediate parent company is Admiral Sportwetten GmbH, a company incorporated and registered in Austria It holds 100% of the share capital in Admiral Sports Betting (UK) Limited

As revealed above the company is a fully-owned subsidiary of Admiral Sportwetten GmbH Therefore the company has taken advantage of the exemption allowed under Financial Reporting standard for Smaller Entities (effective April 2008) and no details are provided in respect of any inter-group transactions, where that subsidiary is controlled 100% by Novomatic AG (Austria)

ADMIRAL SPORTS BETTING (UK) LTD
MANAGEMENT INFORMATION
YEAR ENDED 31 DECEMBER 2010

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5**

ADMIRAL SPORTS BETTING (UK) LTD
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2010

	2010 €	2009 €
TURNOVER	49,468,938	31,472,451
COST OF SALES		
Winning bets	46,861,292	29,631,715
Betting duty	718,245	410,780
Rent	—	6,800
	<u>47,579,537</u>	<u>30,049,295</u>
GROSS PROFIT	<u>1,889,401</u>	<u>1,423,156</u>
OVERHEADS		
Administrative expenses	1,687,486	1,332,427
	<u>201,915</u>	<u>90,729</u>
OTHER OPERATING INCOME		
Commissions receivable	48,465	69,336
OPERATING PROFIT	<u>250,380</u>	<u>160,065</u>
Bank interest receivable	348	328
	<u>250,728</u>	<u>160,393</u>
Interest payable	(13,307)	(21,963)
PROFIT ON ORDINARY ACTIVITIES	<u>237,421</u>	<u>138,430</u>

ADMIRAL SPORTS BETTING (UK) LTD
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2010

	2010		2009
	€	€	€
ADMINISTRATIVE EXPENSES			
Personnel costs			
Directors pensions	3,487		3,367
Wages and salaries	<u>90,641</u>		<u>80,687</u>
		94,128	<u>84,054</u>
General expenses			
Vehicle leasing	12,329		7,270
Motor and travel	5,555		11,165
Telephone	28,724		14,190
Fees and royalties	160,317		160,500
Medical insurance	5,902		4,507
Repairs and renewals	59		587
Hire of equipment	–		2,850
Vehicle Insurance	1,469		1,706
Printing, stationery and postage	555		1,305
Sundry expenses	2,776		2,417
Advertising	877,502		506,171
Entertaining	–		81
Irrecoverable VAT	53,596		234,781
Legal and professional fees	44,686		17,544
Translation fees	1,619		–
Audit and accountancy fees	35,455		35,002
Amortisation	59,577		59,576
Depreciation	<u>35,004</u>		<u>7,942</u>
		1,325,125	<u>1,067,594</u>
Financial costs			
Bank charges	214,449		193,786
Foreign currency gains/losses	<u>53,784</u>		<u>(13,007)</u>
		268,233	<u>180,779</u>
		<u>1,687,486</u>	<u>1,332,427</u>
INTEREST RECEIVABLE			
Bank interest receivable		<u>348</u>	<u>328</u>
INTEREST PAYABLE			
Bank interest payable		–	1,440
Interest on other loans		<u>13,307</u>	<u>20,523</u>
		<u>13,307</u>	<u>21,963</u>