

03003397

COMPANY REGISTRATION NUMBER

ADMIRAL SPORTS BETTING (UK) LTD
FINANCIAL STATEMENTS
31 DECEMBER 2013



BROWN & BATTS LLP
Chartered Accountants & Statutory Auditor
Berkeley Square House
Berkeley Square
Mayfair
London
W1J 6BD

ADMIRAL SPORTS BETTING (UK) LTD

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

| 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 Berkeley Square House Berkeley Square Mayfair London W1J 6BD |
| Solicitors | Mullis & Peake 8 - 10 Eastern Road Romford Essex RM1 3PJ |

ADMIRAL SPORTS BETTING (UK) LTD

THE DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2013

The director presents his report and the financial statements of the company for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the company until 30th June 2013 was the acceptance of bets over the internet. At which point the internet betting business was closed. However the company is still trading.

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 31 December 2013 | At 1 January 2013 |
| 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 year.

In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

ADMIRAL SPORTS BETTING (UK) LTD

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

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

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 28/01/2014

ADMIRAL SPORTS BETTING (UK) LTD

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

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.

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 . 28/01/2014

ADMIRAL SPORTS BETTING (UK) LTD
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ADMIRAL SPORTS BETTING (UK) LTD
YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of Admiral Sports Betting (UK) Ltd for the year ended 31 December 2013. 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 pages 2 to 3, 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its loss 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

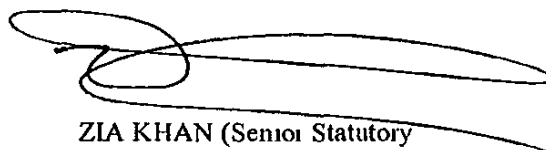
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADMIRAL SPORTS BETTING (UK) LTD *(continued)*

YEAR ENDED 31 DECEMBER 2013

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

Berkeley Square House
Berkeley Square
Mayfair
London
W1J 6BD

28 | 01 | 2014

ADMIRAL SPORTS BETTING (UK) LTD

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2013

| | Note | 2013 € | 2012 € |
|--|------|---------------------------|---------------------------|
| TURNOVER | | 3,621,315 | 11,739,745 |
| Cost of sales | | <u>3,585,297</u> | <u>11,460,797</u> |
| GROSS PROFIT | | 36,018 | 278,948 |
| Administrative expenses | | 1,475,651 | 1,651,109 |
| Other operating income | 2 | <u>(14,704)</u> | <u>(281,135)</u> |
| OPERATING LOSS | 4 | (1,424,929) | (1,091,026) |
| Interest receivable | | 75 | 97 |
| Interest payable and similar charges | | <u>(20,296)</u> | <u>(6,798)</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (1,445,150) | (1,097,727) |
| Tax on loss on ordinary activities | | — | — |
| LOSS FOR THE FINANCIAL YEAR | | (1,445,150) | (1,097,727) |
| Balance brought forward | | <u>(4,258,987)</u> | <u>(3,161,260)</u> |
| Balance carried forward | | <u>(5,704,137)</u> | <u>(4,258,987)</u> |

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

ADMIRAL SPORTS BETTING (UK) LTD

BALANCE SHEET

31 DECEMBER 2013

| | Note | 2013 € | 2012 € |
|--|------|-------------|-------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 107,452 | 196,082 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 35,044 | 173,195 |
| Cash at bank | | 43,648 | 133,601 |
| | | 78,692 | 306,796 |
| CREDITORS: Amounts falling due within one year | 8 | 136,329 | 539,179 |
| NET CURRENT LIABILITIES | | (57,637) | (232,383) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 49,815 | (36,301) |
| CREDITORS: Amounts falling due after more than one year | 9 | 2,098,056 | 566,790 |
| | | (2,048,241) | (603,091) |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 10 | 285,020 | 285,020 |
| Capital Contribution | 11 | 3,370,876 | 3,370,876 |
| Profit and loss account | | (5,704,137) | (4,258,987) |
| DEFICIT | | (2,048,241) | (603,091) |

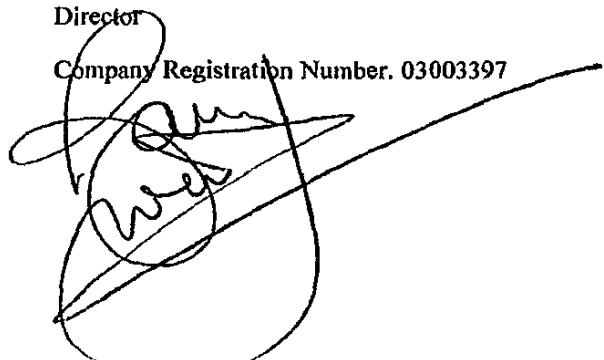
These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved and signed by the director and authorised for issue on 28/01/2014.

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 2013

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 Fixed assets

All fixed assets are initially recorded at cost

1.D 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.E 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.F 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

| | 2013 | 2012 |
|-----------------------|----------------------|-----------------------|
| | € | € |
| Commission receivable | <u>14,704</u> | <u>281,135</u> |

3. Interest payable and similar charges

| | 2013 | 2012 |
|---|----------------------|---------------------|
| | € | € |
| Interest payable on loan from group undertaking | <u>20,296</u> | <u>6,798</u> |

ADMIRAL SPORTS BETTING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

4. OPERATING LOSS

Operating loss is stated after charging/(crediting):

| | 2013 € | 2012 € |
|---|------------------|---------------|
| Depreciation of owned fixed assets | 88,937 | 82,159 |
| Auditor's fees | 10,500 | 10,500 |
| Net (profit)/loss on foreign currency translation | <u>(211,928)</u> | <u>47,511</u> |

5. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were

| | 2013 € | 2012 € |
|------------------------|---------------|---------------|
| Aggregate remuneration | <u>45,179</u> | <u>51,466</u> |

6. TANGIBLE FIXED ASSETS

| | Plant & Machinery € | Fixtures & Fittings € | Office equipment € | Computer equipment € | Total € |
|--------------------------|---------------------------|-----------------------------|--------------------------|----------------------------|----------------|
| COST OR VALUATION | | | | | |
| At 1 January 2013 | 39,400 | 3,572 | 4,758 | 346,187 | 393,917 |
| Additions | — | — | 41 | 266 | 307 |
| At 31 December 2013 | <u>39,400</u> | <u>3,572</u> | <u>4,799</u> | <u>346,453</u> | <u>394,224</u> |
| DEPRECIATION | | | | | |
| At 1 January 2013 | 35,296 | 1,307 | 2,338 | 158,894 | 197,835 |
| Charge for the year | 4,104 | 680 | 918 | 83,235 | 88,937 |
| At 31 December 2013 | <u>39,400</u> | <u>1,987</u> | <u>3,256</u> | <u>242,129</u> | <u>286,772</u> |
| NET BOOK VALUE | | | | | |
| At 31 December 2013 | <u>—</u> | <u>1,585</u> | <u>1,543</u> | <u>104,324</u> | <u>107,452</u> |
| At 31 December 2012 | <u>4,104</u> | <u>2,265</u> | <u>2,420</u> | <u>187,293</u> | <u>196,082</u> |

7. DEBTORS

| | 2013 € | 2012 € |
|---------------|---------------|----------------|
| Trade debtors | — | 10,801 |
| Other debtors | 35,044 | 162,394 |
| | <u>35,044</u> | <u>173,195</u> |

ADMIRAL SPORTS BETTING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

8. CREDITORS: Amounts falling due within one year

| | 2013 € | 2012 € |
|------------------------------------|----------------|----------------|
| Trade creditors | 22,058 | — |
| Other taxation and social security | 7,166 | 67,355 |
| Other creditors | 107,105 | 471,824 |
| | <u>136,329</u> | <u>539,179</u> |

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

| | 2013 € | 2012 € |
|-----------------|------------------|----------------|
| Other creditors | <u>2,098,056</u> | <u>566,790</u> |

10. SHARE CAPITAL

Authorised share capital:

| | 2013 € | 2012 € |
|---|----------------|----------------|
| 200,000 Ordinary shares of €1.4251 each | <u>285,020</u> | <u>285,020</u> |

Allotted, called up and fully paid:

| | 2013 No | € | 2012 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 | 3,370,876 | (4,258,987) |
| Loss for the year | — | (1,445,150) |
| Balance carried forward | <u>3,370,876</u> | <u>(5,704,137)</u> |

12. 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.

ADMIRAL SPORTS BETTING (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

13. GOING CONCERN

The company made a Loss before taxation of EUR1,445,150 (2012: Loss before taxation EUR1,097,727). The company also holds a negative balance sheet total of EUR2,048,241 (2012: £603,091).

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 2013

**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 2013

| | 2013 | 2012 |
|------------------------------------|---------------------------|---------------------------|
| | € | € |
| TURNOVER | 3,621,315 | 11,739,745 |
| COST OF SALES | | |
| Winning bets | 3,574,017 | 11,336,608 |
| Betting duty | <u>11,280</u> | <u>124,189</u> |
| | 3,585,297 | 11,460,797 |
| GROSS PROFIT | <u>36,018</u> | <u>278,948</u> |
| OVERHEADS | | |
| Administrative expenses | <u>1,475,651</u> | <u>1,651,109</u> |
| | (1,439,633) | (1,372,161) |
| OTHER OPERATING INCOME | | |
| Commissions receivable | <u>14,704</u> | <u>281,135</u> |
| OPERATING LOSS | (1,424,929) | (1,091,026) |
| Bank interest receivable | <u>75</u> | <u>97</u> |
| | (1,424,854) | (1,090,929) |
| Interest on other loans | <u>(20,296)</u> | <u>(6,798)</u> |
| LOSS ON ORDINARY ACTIVITIES | <u>(1,445,150)</u> | <u>(1,097,727)</u> |

ADMIRAL SPORTS BETTING (UK) LTD
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2013

| | 2013 | | 2012 |
|----------------------------------|------------------|------------------|------------------|
| | € | € | € |
| ADMINISTRATIVE EXPENSES | | | |
| Personnel costs | | | |
| Directors pensions | 3,535 | | 3,696 |
| Wages and salaries | <u>318,236</u> | | <u>391,956</u> |
| | | 321,771 | <u>395,652</u> |
| Establishment expenses | | | |
| Rent, rates and water | 155,395 | | 38,501 |
| Insurance | <u>1,482</u> | | <u>315</u> |
| | | 156,877 | <u>38,816</u> |
| General expenses | | | |
| Vehicle leasing | 10,770 | | 10,320 |
| Motor and travel | 5,516 | | 14,246 |
| Telephone | 35,422 | | 70,139 |
| Fees and royalties | 140,268 | | 174,488 |
| Medical insurance | 8,404 | | 7,233 |
| Repairs and renewals | 5,110 | | 9,840 |
| Vehicle Insurance | 2,065 | | 1,661 |
| Printing, stationery and postage | 832 | | 5,629 |
| Sundry expenses | 6,196 | | 10,069 |
| Donations | - | | 620 |
| Advertising | 710,551 | | 581,751 |
| Irrecoverable VAT | 39,429 | | 92,316 |
| Legal and professional fees | 36,651 | | 27,360 |
| Translation fees | 731 | | 2,569 |
| Audit and accountancy fees | 56,132 | | 30,943 |
| Depreciation | <u>88,937</u> | | <u>82,159</u> |
| | | 1,147,014 | <u>1,121,343</u> |
| Financial costs | | | |
| Bank charges | 61,917 | | 47,787 |
| Foreign currency gains/losses | <u>(211,928)</u> | | <u>47,511</u> |
| | | (150,011) | 95,298 |
| | | <u>1,475,651</u> | <u>1,651,109</u> |
| INTEREST RECEIVABLE | | | |
| Bank interest receivable | | <u>75</u> | <u>97</u> |