

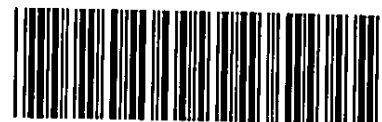
Registered number: 03607059

INTERCAPITAL BROKERAGE SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

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INTERCAPITAL BROKERAGE SERVICES LIMITED

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INTERCAPITAL BROKERAGE SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

M A Spencer
D M Gelber
D P Kelly
M T Y Wreford

COMPANY SECRETARY

B R Ally

COMPANY NUMBER

03607059

REGISTERED OFFICE

Park House
16 Finsbury Circus
London
England
EC2M 7EB

AUDITORS

Nexia Smith & Williamson
Chartered Accountants & Registered Auditors
Portwall Place
Portwall Lane
Bristol
BS1 6NA

INTERCAPITAL BROKERAGE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and the financial statements for the year ended 31 March 2010

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company during the year was that of an intermediate holding company

The company has made no new investments during the year

RESULTS

The profit for the year, after taxation, amounted to £6,966,160 (2009 - loss £11,607,183)

DIRECTORS

The directors who served during the year were

M A Spencer
D M Gelber
D P Kelly

M T Y Wreford was appointed as a director on 14 May 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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). Under company law the directors 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INTERCAPITAL BROKERAGE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

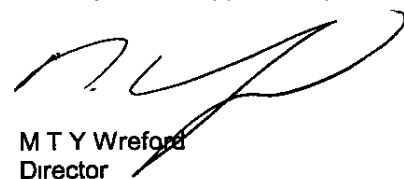
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

Nexia Smith & Williamson LLP resigned as auditors effective as of 30 April 2010. Nexia Smith & Williamson Audit Limited, which trades as Nexia Smith & Williamson, has been appointed as auditors.

Under section 487(2) of the Companies Act 2006, Nexia Smith & Williamson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the directors on 25 October 2010 and signed on their behalf



M T Y Wreford
Director

INTERCAPITAL BROKERAGE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERCAPITAL BROKERAGE SERVICES LIMITED

We have audited the financial statements of Intercapital Brokerage Services Limited for the year ended 31 March 2010, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of directors' responsibilities, the directors are 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 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/UKNP.

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INTERCAPITAL BROKERAGE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERCAPITAL BROKERAGE SERVICES LIMITED

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Carl Deane (Senior statutory auditor)

for and on behalf of

NEXIA SMITH & WILLIAMSON

Chartered Accountants
Registered Auditors

Portwall Place
Portwall Lane
Bristol
BS1 6NA

25 October 2010

INTERCAPITAL BROKERAGE SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

| | Note | 2010 £ | 2009 £ |
|---|-------------|-------------------|---------------------|
| Administrative expenses | | (47,000) | - |
| OPERATING LOSS | 2 | (47,000) | - |
| Dividends receivable | | 7,000,000 | - |
| Amounts due from Group undertakings written off | | - | (11,607,183) |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 6,953,000 | (11,607,183) |
| Tax on profit/(loss) on ordinary activities | 3 | 13,160 | - |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | 9 | 6,966,160 | (11,607,183) |

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

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

INTERCAPITAL BROKERAGE SERVICES LIMITED
REGISTERED NUMBER: 03607059

BALANCE SHEET
AS AT 31 MARCH 2010

| | Note | £ | 2010 £ | £ | 2009 £ |
|---|------|--------------|-------------------|--------------|--------------------|
| FIXED ASSETS | | | | | |
| Investments | 4 | | 88,577,324 | | 88,577,324 |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 6,966,160 | | - | |
| CREDITORS: amounts falling due within one year | 6 | (37,583,941) | | (37,583,941) | |
| NET CURRENT LIABILITIES | | | (30,617,781) | | (37,583,941) |
| NET ASSETS | | | <u>57,959,543</u> | | <u>50,993,383</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 8 | | 57,950,432 | | 57,950,432 |
| Profit and loss account | 9 | | <u>9,111</u> | | <u>(6,957,049)</u> |
| SHAREHOLDERS' FUNDS | 10 | | <u>57,959,543</u> | | <u>50,993,383</u> |

The financial statements were approved and authorised for issue by the directors and were signed on their behalf on 25 October 2010


M T Y Wreford
Director

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

INTERCAPITAL BROKERAGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

1.2 Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary of IPGL Limited and is included in the consolidated financial statements of that company

1.3 Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a company incorporated within the EEA

1.4 Investments

Investments in subsidiary undertakings are classified as such and included at cost within asset investments, less provisions for impairment

1.5 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 sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

INTERCAPITAL BROKERAGE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

2. OPERATING LOSS

The directors and auditors are remunerated through the parent company, IPGL Limited

No staff were directly employed by the company during the year

3. TAXATION

| | 2010 £ | 2009 £ |
|--|-----------|-----------|
| UK corporation tax credit on profit for the year | (13,160) | - |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2009 - higher than) the standard rate of corporation tax in the UK (28%). The differences are explained below

| | 2010 £ | 2009 £ |
|---|-----------------|--------------|
| Profit/loss on ordinary activities before tax | 6,953,000 | (11,607,183) |
| Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%) | 1,946,840 | (3,250,011) |
| Effects of. | | |
| Expenses not deductible for tax purposes | - | 3,250,011 |
| Non taxable income | (1,960,000) | - |
| Current tax (credit)/charge for the year (see note above) | (13,160) | - |

4. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|-----------------------------------|---|
| Cost | |
| At 1 April 2009 and 31 March 2010 | 88,577,324 |

The company's investments in the ordinary share capital of unlisted companies at the balance sheet date include the following

INTERCAPITAL BROKERAGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

FIXED ASSET INVESTMENTS (continued)

| Company | Country of incorporation | Holding | Nature of business |
|----------------------------------|--------------------------|---------|--------------------|
| Incap Netherlands (Holdings) B V | Netherlands | 66.5% | Holding Company |
| Incap Finance B V * | Netherlands | 66.5% | Holding Company |
| Incap Gaming B V * | Netherlands | 66.5% | Holding Company |

*Held through subsidiary undertakings in Incap Netherlands (Holdings) B V.

The aggregate reserves and the profit/(loss) for the subsidiaries are shown in the following table

| Company | Capital and reserves | | Results for the year | |
|----------------------------------|----------------------|-------------|----------------------|-------------|
| | 2010 | 2009 | 2010 | 2009 |
| | £ | £ | £ | £ |
| Incap Netherlands (Holdings) B V | 262,413,421 | 262,530,733 | 26,868,029 | (146,168) |
| Incap Finance B V | 247,194,301 | 165,606,871 | 108,572,770 | 18,432,526 |
| Incap Gaming B V | 92,503,856 | 92,743,515 | (239,660) | (1,006,091) |

5 DEBTORS

| | 2010 | 2009 |
|------------------------------------|------------------|----------|
| | £ | £ |
| Amounts owed by group undertakings | 6,953,000 | - |
| Corporation tax repayable | 13,160 | - |
| | <u>6,966,160</u> | <u>-</u> |

6. CREDITORS

Amounts falling due within one year

| | 2010 | 2009 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Amounts owed to group undertakings | <u>37,583,941</u> | <u>37,583,941</u> |

7. RELATED PARTY TRANSACTIONS

The remaining share capital of Incap Netherlands (Holdings) B V is owned by IPGL Limited, the immediate and ultimate parent company

The company has taken advantage of the exemption under Financial Reporting Standard 8 from disclosing transactions and balances with companies that are wholly-owned by the group

INTERCAPITAL BROKERAGE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

8. SHARE CAPITAL

| | 2010 £ | 2009 £ |
|---|-------------------|-------------------|
| Allotted, called up and fully paid | | |
| 231,801,723 (2009 - 231,801,723) Ordinary A shares of £0 25 each | 57,950,431 | 57,950,431 |
| 4 Ordinary B shares of £0 25 each | 1 | 1 |
| | <u>57,950,432</u> | <u>57,950,432</u> |

9 RESERVES

| | Profit and loss account £ |
|---------------------|--|
| At 1 April 2009 | (6,957,049) |
| Profit for the year | 6,966,160 |
| | <u>9,111</u> |
| At 31 March 2010 | |

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2010 £ | 2009 £ |
|-----------------------------|-------------------|-------------------|
| Opening shareholders' funds | 50,993,383 | 62,600,566 |
| Profit/(loss) for the year | 6,966,160 | (11,607,183) |
| | <u>57,959,543</u> | <u>50,993,383</u> |
| Closing shareholders' funds | | |

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent company is IPGL Limited, a company registered in England and Wales. Copies of the group financial statements of IPGL Limited are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate controlling party is M A Spencer by virtue of this majority shareholding and those closely related to him in the ultimate controlling company, IPGL Limited.