

**REGISTRAR OF
COMPANIES**

**Interactive Sports Limited
(formerly Sportingbet.com Limited)**

Report and Financial Statements

Ten months ended

31 March 2001



BDO Stoy Hayward
Chartered Accountants

INTERACTIVE SPORTS LIMITED

Annual report and financial statements for the ten months ended 31 March 2001

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Directors

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Directors

M Blandford
P Higgins

Secretary and registered office

D J Talisman, 6th Floor, Transworld House, 82-100 City Road, London, EC1Y 2BJ.

Company number

3776352

INTERACTIVE SPORTS LIMITED

Report of the directors for the 10 months ended 31 March 2001

The directors present their report together with the audited financial statements for the 10 months ended 31 March 2001.

Change of name

The company changed its name from Sportingbet.com Limited to Interactive Sports Limited on 13 June 2000.

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the period.

No dividends will be distributed for the period ended 31 March 2000.

Principal activities, trading review and future developments

The principal activity of the company in the period under review was that of offering interactive betting over the internet.

Directors

The directors of the company during the period were:

M Blandford
P Higgins (appointed 5 October 2000)
J W Blower (resigned 5 June 2000)
P H Goodmaker (resigned 5 June 2000)
P H Jay (resigned 1 May 2001)

No directors have had any beneficial interest in the issued share capital of the company.

The interests of M Blandford, P Higgins, J W Blower, P H Goodmaker and P H Jay, who are or have been directors of the company's ultimate parent company, Sportingbet Plc (formerly Sportingbet.com (UK) Plc), are disclosed in the financial statements of that company for the periods they were directors of it.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 directors are required to:

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

INTERACTIVE SPORTS LIMITED

Report of the directors for the 10 months ended 31 March 2001 (*Continued*)

Directors' responsibilities (*Continued*)

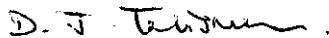
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

D J Talisman



Secretary

Date 31 August 2001

INTERACTIVE SPORTS LIMITED

Report of the independent auditors

To the shareholders of Interactive Sports Limited

We have audited the financial statements of Interactive Sports Limited for the year ended 31 March 2001 on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements 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.

INTERACTIVE SPORTS LIMITED

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*
London

31 August 2001

INTERACTIVE SPORTS LIMITED

Profit and loss account for the ten months ended 31 March 2001

	Note	10 months ended 31 March 2001 £
Turnover	2	400,643
Cost of sales		403,273
		<hr/>
Gross loss		(2,630)
Administrative expenses		302,826
		<hr/>
Loss on ordinary activities before and after taxation and retained		(305,456)
		<hr/>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The result for the period represents the movement on shareholders' funds.

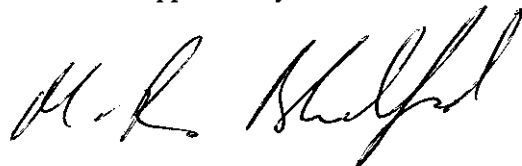
The company did not trade in the period ended 31 May 2000, and accordingly no profit and loss account has been produced for this period.

The notes on pages 7 and 8 form part of these financial statements.

INTERACTIVE SPORTS LIMITED**Balance sheet at 31 March 2001**

	Note	31 March 2001 £	31 May 2000 £
Current assets			
Debtors	3	897	1
Creditors: amounts falling due within one year	4	174,310	-
		<hr/>	<hr/>
Net current (liabilities)/assets		(173,413)	1
Creditors: amounts falling due after more than one year	5	(132,042)	-
		<hr/>	<hr/>
		(305,455)	1
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account		(305,456)	-
		<hr/>	<hr/>
Shareholders' funds - equity		(305,455)	1
		<hr/>	<hr/>

The financial statements were approved by the board on



M Blandford
Director

31 August 2001

The notes on pages 7 and 8 form part of these financial statements.

INTERACTIVE SPORTS LIMITED

Notes forming part of the financial statements for the ten months ended 31 March 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents amounts received in respect of bets placed on events which occurred by the year end and arises exclusively in the United Kingdom.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

2 Taxation

No liability to corporation tax arose on ordinary activities for the period.

3 Debtors

	31 March 2001 £	31 May 2000 £
Other debtors	897	1
	<hr/>	<hr/>

4 Creditors: amounts falling due within one year

	31 March 2001 £	31 May 2000 £
Bank loans and overdrafts	1,896	-
Trade creditors	68,917	-
Accruals and deferred expenses	103,497	-
	<hr/>	<hr/>
	174,310	-
	<hr/>	<hr/>

INTERACTIVE SPORTS LIMITED

Notes forming part of the financial statements for the ten months ended 31 March 2001 (*Continued*)

5 Creditors: amounts falling due after more than one year

	31 March 2001 £	31 May 2000 £
Amounts due to other subsidiary undertakings	132,042	-

The parent company has agreed to provide the company with such financial support as is necessary to enable the company to continue to trade and to meet its obligations to third party creditors as and when they fall due. There are no fixed repayment dates in respect of the above balances.

6 Share capital

	At 31 May 2000 and 31 March 2001 £
<i>Authorised</i> 10,000 ordinary shares of £1 each	10,000
<i>Allotted, issued and fully paid</i> 1 ordinary £1 share	1

7 Ultimate parent company

The ultimate parent company is Sportingbet Plc (formerly Sportingbet.com (UK) Plc), a company registered in England and Wales.