

Oddschecker Services Limited

**Directors' report and financial
statements**

Registered number 4047216

31 December 2004



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Company information

Company number: 4047216

Directors

DC Annat	(appointed 19 December 2003)
AM Galvin	(appointed 19 December 2003)
SIJ Vassie	(resigned 19 December 2003)
JT Leach	(resigned 19 December 2003)

Secretary

Bloomsbury Registrars Limited	(resigned 19 December 2003)
CL Kennedy	(appointed 19 December 2003 and resigned 13 January 2005)
AM Galvin	(appointed 13 January 2005)

Registered office

Apsley House
Wellington Street
Leeds
LS1 2EQ

Bankers

National Westminster Bank Plc
Southfields
200 Wimbledon Park Road
Southfields
London
SW19 6ZA

Solicitors

Addleshaw Goddard
Sovereign Street
Leeds LS1 1HQ

Auditors

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

Directors' report

The directors present their report with the audited financial statements of the company for the 18 month period to 31 December 2004.

Principal activities and business review

The principal activity of the company continued to be that of software consultancy services and market research.

The company has made a profit in the period. The directors are confident of continued profitability in the future.

Results and dividends

On 18 December 2003, the entire issued share capital of the company's immediate parent company, Oddschecker Limited, was acquired by Ukbetting plc.

	18 month period ended 31 December 2004 £	12 month period ended 30 June 2003 £
Profit after tax for the period	95,542	85,382
Dividends (£nil, 18 months ended 30 June 2003: £126,931 per share)	-	(126,931)
	<hr/>	<hr/>
Transfers to/(from) reserves	95,542	(41,549)
	<hr/>	<hr/>

Directors and their interests in shares

The directors who held office during the period, are listed below. No director had an interest in the shares of the company.

DC Annat
AM Galvin
JT Leach
SIJ Vassie

At 31 December 2004, AM Galvin and DC Annat were directors of the company's ultimate parent undertaking, ukbetting plc. Their interests in the shares of the ultimate parent company were disclosed in the annual report of that company.

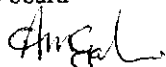
Auditors

During the period Frank Hirth & Co. resigned as auditors to the company and KPMG Audit Plc were appointed by the directors in their place to fill a causal vacancy.

A resolution for the reappointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board

AM Galvin
Director



31 January 2006

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or 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 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.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Report of the independent auditors to the members of Oddschecker Services Limited

We have audited the financial statements on pages 5 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

31 January 2006

Profit and loss account
for the period ended 31 December 2004

	Note	18 month period ended 31 December 2004 £	12 month period ended 30 June 2003 £
Turnover	2	1,474,861	799,644
Cost of sales		(182,656)	(102,755)
Gross profit		1,292,205	696,889
Administrative expenses		(1,142,677)	(598,534)
Profit on ordinary activities before taxation	4	149,528	98,355
Taxation	5	(53,986)	(12,973)
Profit on ordinary activities after taxation		95,542	85,382
Dividends	6	-	(126,931)
Retained profit/(loss)	13	95,542	(41,549)

The company had no recognised gains and losses other than the gains above and therefore, no separate statement of total recognised gains and losses has been presented.


There is no difference between the result on ordinary activities before taxation and the result for the period stated above and their historical cost equivalents.

All of the trading during the period related to continuing operations as defined by Financial Reporting Standard No. 3.

Balance sheet
at 31 December 2004

	<i>Note</i>	At 31 December 2004 £	At 30 June 2003 £
Fixed assets			
Tangible assets	7	78,730	44,010
Current assets			
Debtors	8	880,786	170,874
Cash at bank and in hand		13,083	27,491
		<hr/>	<hr/>
		893,869	198,365
Creditors: amounts falling due within one year	9	(877,055)	(242,373)
		<hr/>	<hr/>
Net current assets/(liabilities)		16,814	(44,008)
		<hr/>	<hr/>
Net assets		95,544	2
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		95,543	1
		<hr/>	<hr/>
Equity shareholders' funds	12	95,544	2
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 31 January 2006 and were signed on its behalf by:


AM Galvin
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

The exemption provided by FRS 1 has been adopted and therefore no cash flow statement has been provided.

Tangible fixed assets

Fixed assets are shown at historical cost.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Equipment - over 4 years at 25% per annum

Deferred taxation

Deferred tax is recognised, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Pension costs

The company contributes to employees' personal pension schemes. Contributions payable for the period are charged in the profit and loss account.

Research and development

Expenditure on research and development is charged to the profit and loss account in the period in which it is incurred.

Related party transactions

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with companies that are part of the ultimate holding company's group, on the grounds that the company is a wholly owned subsidiary and the ultimate parent holding company includes the company in its own published consolidated financial statements.

Turnover

Turnover represents the invoiced value of services in the normal course of business excluding VAT.

Notes (continued)

2 Turnover

The company has only one activity which is that of the provision of software consultancy services and market research.

3 Directors and employees

The average monthly number of persons (including directors) employed by the company during the period was:

	18 month period ended 31 December 2004	12 month period ended 30 June 2003
Consultants	13	13
	<u>13</u>	<u>13</u>
	18 month period ended 31 December 2004 £	12 month period ended 30 June 2003 £
Staff costs (for the above persons):		
Wages and salaries	827,192	441,492
Social security costs	91,752	47,426
Other pension costs	11,816	7,560
	<u>930,760</u>	<u>496,478</u>

The remuneration paid to directors and charged in the accounts was:

	18 month period ended 31 December 2004 £	12 month period ended 30 June 2003 £
Emoluments (including pension contributions and the estimated value of benefits)	<u>58,561</u>	<u>50,000</u>

Notes (continued)

4 Profit on ordinary activities before taxation

	18 month period ended 31 December 2004 £	12 month period ended 30 June 2003 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation	30,427	15,078
Auditors' remuneration		
Audit fee	9,000	3,500
Other remuneration	15,000	2,821
	<u> </u>	<u> </u>

5 Taxation

	18 month period ended 31 December 2004 £	12 month period ended 30 June 2003 £
Corporation tax at 30% (2003: 19%)	53,986	12,973
	<u> </u>	<u> </u>

Factors affecting the tax charge for the period

The current tax charge for the period is higher (2003: lower) than the standard rate of corporation tax in the U.K of 30% (2003: 19%). The differences are explained below.

Profit on ordinary activities before taxation	149,528	98,355
	<u> </u>	<u> </u>
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 30% (2003: 19%)	44,858	18,687
Effects of:		
Expenses not deductible for tax	6,128	2,865
Depreciation in excess of capital allowances	3,000	(8,579)
	<u> </u>	<u> </u>
Current tax charge	53,986	12,973
	<u> </u>	<u> </u>

6 Dividends

	18 month period ended 31 December 2004 £	12 month period ended 30 June 2003 £
Ordinary dividends:		
Final proposed £nil (2003: £126,931) per share	-	126,931
	<u> </u>	<u> </u>
	-	126,931
	<u> </u>	<u> </u>

Notes (continued)

7 Tangible fixed assets

	Equipment £
Cost	
At 1 July 2003	64,957
Additions	65,147
	<hr/>
At 31 December 2004	130,104
	<hr/>
Depreciation	
At 1 July 2003	20,947
Charge for the period	30,427
	<hr/>
At 31 December 2004	51,374
	<hr/>
Net book value	
At 31 December 2004	78,730
	<hr/>
At 1 July 2003	44,010
	<hr/>

8 Debtors

	At 31 December 2004 £	At 30 June 2003 £
Trade debtors	1,495	11,130
Amounts owed by group company	856,084	113,951
Other debtors	11,208	22,676
Prepayments and accrued income	11,999	23,117
	<hr/>	<hr/>
	880,786	170,874
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year

	At 31 December 2004 £	At 30 June 2003 £
Trade creditors	7,527	30,780
Other taxation and social security	569	17,895
Corporation tax	-	12,917
Other creditors	-	31,929
Accruals	27,748	1,455
Dividends payable	72,410	126,931
Amounts due to group companies	768,801	20,466
	<hr/>	<hr/>
	877,055	242,373
	<hr/>	<hr/>

Notes (continued)

10 Deferred tax

No deferred taxation is provided for in the financial statements. The unprovided deferred tax is as follows:

	Amount provided		Total potential (asset)/liability	
	At 31 December 2004 £	At 30 June 2003 £	At 31 December 2004 £	At 30 June 2003 £
Excess of tax allowances over depreciation	-	-	5,400	8,400
	<u>-</u>	<u>-</u>	<u>5,400</u>	<u>8,400</u>

11 Called up share capital

	At 31 December 2004 £	At 30 June 2003 £
<i>Authorised</i> 1,000 ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i> 1 ordinary shares of £1 each	1	1

12 Reserves

	Profit and loss account £
At 1 July 2003	1
Retained profit for the period	95,542
At 31 December 2004	95,543

Notes *(continued)*

13 Reconciliation of movement in shareholders' funds

	At 31 December 2004 £	At 30 June 2003 £
Profit on ordinary activities after taxation	95,542	85,382
Dividends	-	(126,931)
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	95,542	(41,549)
Opening shareholders' funds	2	41,551
	<hr/>	<hr/>
Closing shareholders' funds	95,544	2
	<hr/>	<hr/>

14 Ultimate parent undertaking

The company's ultimate parent undertaking is ukbetting plc, a company registered in England and Wales.

The accounts of ukbetting plc are available from the company's registered office at Apsley House, Wellington Street, Leeds, LS1 2EQ.