

Sportscard Credit Card Company Limited

Report and Accounts

31 December 2001



Sportscard Credit Card Company Limited

Registered No. 03218753

DIRECTORS

P A D Dubens (Director)
E Semel (Director)

SECRETARY

C Kennedy

AUDITORS

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London SE1 7EU

REGISTERED OFFICE

14 Waterloo Place
London SW1Y 4AR

Sportscard Credit Card Company Limited

DIRECTORS' REPORT

The directors present their report and accounts for the 6 month period ended 31 December 2001.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is the promotion of a sports related credit card.

The loss for the period is shown in the profit and loss account on page 5.

DIRECTORS

The directors during the period under review were:

DA Banford - resigned 31 December 2001

PS Kapoor - resigned 31 December 2001

PAD Dubens - appointed 9 November 2001

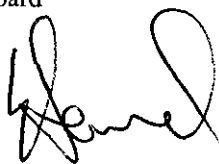
E Semel - appointed 9 November 2001

The directors have no interest in the ordinary share capital of the company. PAD Dubens and E Semel are also directors of the ultimate parent company ukbetting plc, and their interests in the share capital of that company are shown in its accounts.

AUDITORS

Ernst & Young LLP were appointed as auditors during the period. A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



28 JUN 2002

Sportscard Credit Card Company Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts 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.

Sportscard Credit Card Company Limited

INDEPENDENT AUDITORS' REPORT

to the members of Sportscard Credit Card Company Limited

We have audited the company's accounts for the period ended 31 December 2001, which comprise the profit and loss account, the balance sheet and related notes 1 to 22. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors' are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you as to whether the accounts 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 accounts, 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 Group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements in it.

Basis of audit 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP.

Ernst & Young LLP
Registered Auditor
London

28 JUN 2002

Sportscard Credit Card Company Limited

PROFIT AND LOSS ACCOUNT for the period ended 31 December 2001

		<i>6 months ended 31 Dec 2001 £</i>	<i>Year ended 30 Jun 2001 £</i>
	<i>Notes</i>		
TURNOVER	2	138,772	194,721
Cost of sales		(95,462)	2,474,644
Gross profit/(loss)		234,234	(2,279,923)
Administrative expenses		1,259,369	1,796,690
OPERATING LOSS	3	(1,025,135)	(4,076,613)
Interest receivable		667	251,793
Interest payable	6	(1,062)	(86,485)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,025,530)	(3,911,305)
Taxation	7	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(1,025,530)	(3,911,305)
Accumulated loss brought forward		(6,258,513)	(2,347,208)
LOSS ON ORDINARY ACTIVITIES FOR THE YEAR	16	(7,284,043)	(6,258,513)

There were no recognised gains or losses other than the loss for the period shown above.

Sportscard Credit Card Company Limited

BALANCE SHEET at 31 December 2001

	Notes	31 Dec 2001 £	30 Jun 2001 £
FIXED ASSETS			
Tangible assets	8	98,862	94,090
Investments	9	2	2
		<u>98,864</u>	<u>94,092</u>
CURRENT ASSETS			
Debtors	10	243,636	293,962
Cash at bank and in hand		735	5,209,734
		<u>244,371</u>	<u>5,503,696</u>
CREDITORS: amounts falling due within one year	11	6,355,427	1,357,729
		<u>(6,111,056)</u>	<u>4,145,967</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>6,012,192</u>	<u>4,240,059</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,012,192</u>	<u>4,240,059</u>
CREDITORS: amounts falling due after more than one year	12	7,000	9,380,240
PROVISIONS FOR LIABILITIES AND CHARGES	14	363,301	216,782
		<u>(6,382,493)</u>	<u>(5,356,963)</u>
CAPITAL AND RESERVES			
Called up share capital	15	5,000	5,000
Share premium account	16	896,550	896,550
Profit and loss account	17	(7,284,043)	(6,258,513)
Equity shareholders' funds	18	<u>(6,382,493)</u>	<u>(5,356,963)</u>

E Semel
Director



28 JUN 2002

Sportscard Credit Card Company Limited

NOTES TO THE ACCOUNTS at 31 December 2001

1. ACCOUNTING POLICIES

Accounting convention and basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable UK accounting standards.

The accounts have been prepared on a going concern basis as the ultimate parent undertaking has agreed to provide the necessary financial support for the company to meet its liabilities as they fall due.

Turnover

Turnover represents commission invoiced by the company through the promotion of a sports related credit card to customers.

Investments

Investments are held at cost less any provision for impairment in value. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Office furniture and equipment	-	3 years
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Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that taxation will be payable.

Pensions

Defined contribution scheme

The company operates a defined contribution pension scheme.

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Sports Points

Cardholders receive sports points based on their level of spend. The sports points liability is provided for in full. Any sports points that are unredeemed as at 31 December 2001 have been carried forward within the provision for liabilities and charges category.

Sportscard Credit Card Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

2. TURNOVER

Turnover is wholly attributable to the principle activity of the company and arises solely within the United Kingdom.

3. OPERATING LOSS

This is stated after charging:

	<i>6 months ended 31 Dec 2001 £</i>	<i>Year ended 30 Jun 2001 £</i>
Auditors' remuneration - audit services	10,361	7,850
- non - audit services	18,652	1,800
Operating leases - hire of assets other than plant and machinery	35,144	61,469
Depreciation	18,775	15,703
Loss on sale of fixed assets	-	1,095

4. DIRECTORS' EMOLUMENTS

	<i>6 months ended 31 Dec 2001 £</i>	<i>Year ended 30 Jun 2001 £</i>
Directors' emoluments	381,316	351,767
Payments to defined contribution pension scheme	16,775	6,500
	<u>398,091</u>	<u>358,267</u>
Emoluments of highest paid director:		
Remuneration	50,000	145,000
Compensation paid for loss of office	84,256	-
Payments to defined contribution pension scheme	8,603	-
	<u>142,859</u>	<u>145,000</u>

There were 2 directors in the defined contribution pension scheme during the period.

Sportscard Credit Card Company Limited

NOTES TO THE ACCOUNTS at 31 December 2001

5. STAFF COSTS

	<i>6 months ended 31 Dec 2001 £</i>	<i>Year ended 30 Jun 2001 £</i>
Wages and salaries	404,816	766,178
Social security costs	52,304	78,671
Other pension costs	13,766	12,533
	<u>643,460</u>	<u>857,382</u>

The average number of employees including directors during the 6 month period was as follows:

	<i>6 months ended 31 Dec 2001 No.</i>	<i>Year ended 30 Jun 2001 No.</i>
Sales	3	3
Operations and administration	9	9
	<u>12</u>	<u>12</u>

6. INTEREST PAYABLE

	<i>6 months ended 31 Dec 2001 £</i>	<i>Year ended 30 Jun 2001 £</i>
Hire purchase finance charges	1,000	-
Bank interest	62	14,713
Other interest	-	71,772
	<u>1,062</u>	<u>86,485</u>

7. TAXATION

	<i>6 months ended 31 Dec 2001 £</i>	<i>Year ended 30 Jun 2001 £</i>
Based on the loss for the period:	-	-
Corporation tax	-	-
	<u>-</u>	<u>-</u>

There is no tax charge for the period due to the accumulated losses of the company.

Sportscard Credit Card Company Limited

NOTES TO THE ACCOUNTS at 31 December 2001

8. TANGIBLE FIXED ASSETS

	Office furniture and Equipment £	Total £
<i>Cost or valuation:</i>		
At 1 July 2001	117,841	117,841
Additions	23,547	41,449
At 31 December 2001	141,388	159,290
<i>Depreciation:</i>		
At 1 July 2001	23,751	23,751
Charge for 6 month period	18,775	19,073
At 31 December 2001	42,526	42,824
<i>Net book value:</i>		
At 31 December 2001	98,862	98,862
At 1 July 2001	94,090	94,090

The net book value of tangible fixed assets includes £ 12,263 (30 June 2001 - £ 3,750) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

9. INVESTMENTS

	31 Dec 2001 £
<i>Cost and net book value</i>	
At 1 July 2001 and 31 December 2001	2

The following were subsidiary undertakings at the end of the year, the results of which have been included in the consolidated financial statements of the ultimate parent company:

NAME	COUNTRY OF REGISTRATION	PROPORTION OF VOTING RIGHTS HELD	NATURE OF BUSINESS
Sportscard Limited	England & Wales	100%	Sports related promotion
Sports Tickets Limited	England & Wales	100%	Dormant

Sportscard Credit Card Company Limited

NOTES TO THE ACCOUNTS at 31 December 2001

10. DEBTORS

	31 Dec 2001 £	30 Jun 2001 £
Trade debtors	-	51,083
Other debtors	86,040	3,188
Prepayments	111,802	239,691
Amount due from ultimate parent undertaking	45,794	-
	<u>243,636</u>	<u>293,962</u>

11. CREDITORS: amounts falling due within one year

	31 Dec 2001 £	30 Jun 2001 £
Trade creditors	117,830	770,678
Accruals and deferred income	95,031	529,932
Other taxation and social security	83,735	26,774
Other creditors	24,333	23,333
Amounts due to group undertakings	6,027,362	-
Finance leases	7,136	7,012
	<u>6,355,427</u>	<u>1,357,729</u>

12. CREDITORS: amounts falling due after more than one year

	31 Dec 2001 £	30 Jun 2001 £
Amounts due to group undertakings	-	9,028,931
Finance leases(note 13)	7,000	7,923
Other creditors	-	343,386
	<u>7,000</u>	<u>9,380,240</u>

13. OBLIGATIONS UNDER FINANCE LEASES

	31 Dec 2001 £	30 Jun 2001 £
Net obligations under finance leases are repayable as follows:		
Within one year	7,136	5,282
Within two to five years	7,000	2,641
	<u>14,136</u>	<u>7,923</u>

Sportscard Credit Card Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

14. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>31 Dec 2001 £</i>	<i>30 Jun 2001 £</i>
Sports points	<u>363,301</u>	<u>216,782</u>

15. SHARE CAPITAL

	<i>Authorised</i>			
	<i>31 Dec 2001 No.</i>	<i>30 Jun 2001 No.</i>	<i>31 Dec 2001 £</i>	<i>30 Jun 2001 £</i>
Ordinary shares of 1p each	<u>500,000</u>	<u>500,000</u>	<u>5,000</u>	<u>5,000</u>
	<i>Allotted and called up</i>			
	<i>31 Dec 2001 No.</i>	<i>30 Jun 2001 No.</i>	<i>31 Dec 2001 £</i>	<i>30 Jun 2001 £</i>
Ordinary shares of 1p each	<u>500,000</u>	<u>500,000</u>	<u>5,000</u>	<u>5,000</u>

16. SHARE PREMIUM ACCOUNT

	<i>31 Dec 2001 £</i>	<i>30 Jun 2001 £</i>
At 30 June 2001 and 31 December 2001	<u>896,550</u>	<u>896,550</u>

Sportscard Credit Card Company Limited

NOTES TO THE ACCOUNTS at 31 December 2001

17. RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>Period ended 31 Dec 2001 £</i>	<i>Period ended 30 Jun 2001 £</i>
Loss for the financial period	(1,025,530)	(3,911,305)
Net change in shareholders' funds	(1,025,530)	(3,911,305)
Opening shareholders' funds	(5,356,963)	(1,445,658)
Closing shareholders' funds	(6,328,493)	(5,356,963)

18. MOVEMENT ON RESERVES

	<i>Profit and loss account £</i>
At 1 July 2001	(6,258,513)
Retained loss for the period	(1,025,530)
At 31 December 2001	(7,284,043)

19. OTHER COMMITMENTS

Annual commitments under non –cancellable operating leases as follows:

	<i>Land and buildings Period ended 31 Dec 2001 £</i>	<i>Land and buildings Period ended 31 Jun 2001 £</i>
Operating leases which expire:		
Within one year	35,144	-
Between two and five years	-	66,424
After five years	-	-
	35,144	66,424

Sportscard Credit Card Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

20. CASH FLOW STATEMENT

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

21. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entries that are included in the consolidated financial statements of its ultimate parent company.

22. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking at the balance sheet date was ukbetting plc, a company registered in England and Wales.

The accounts of ukbetting plc are available from the Registered Office, 14 Waterloo Place, London SW1Y 4AR.