

REGISTRATION NO. 3936661

THE PEOPLE'S LOTTERY HOLDING COMPANY LIMITED
DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2005



THE PEOPLE'S LOTTERY HOLDING COMPANY LIMITED

COMPANY INFORMATION

Directors

R.C.N. Branson
J.E. Jackson

Secretary

D.J. Rutherford

Registration No.

3936661 - Registered in England and Wales

Registered office

Salisbury House, City Fields,
Tangmere,
Chichester, West Sussex,
PO20 2FP.

Accountants

Wilson Wright & Co.,
Chartered Accountants,
71 Kingsway,
London, WC2B 6ST.

THE PEOPLE'S LOTTERY HOLDING COMPANY LIMITED

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THE PEOPLE'S LOTTERY HOLDING COMPANY LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2005

The directors submit their annual report and financial statements for the year ended 31 July 2005.

Constitution

The company has no share capital and is limited by guarantee.

Principal Activity

The company is a holding company and does not trade.

Directors

The directors in office during the year were as follows:

R.C.N. Branson
J.E. Jackson

Directors' Responsibilities

The directors are obliged under company law to prepare financial statements for each financial year.

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the company at the end of the financial year, and of the profit or loss for that period, and they must comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements. The directors must 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 also responsible for the adoption of suitable accounting policies, their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The directors confirm that the above requirements have been complied with in the financial statements.

In addition, the directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the company and to prevent and detect fraud or any other irregularities.

Small Company Exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



D.J. Rutherford
SECRETARY

DATE: 3/3/06

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF THE PEOPLE'S LOTTERY HOLDING COMPANY LIMITED

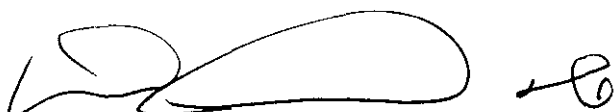
In accordance with the current engagement letter and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of The People's Lottery Holding Company Limited for the year ended 31 July 2005, set out on pages 3 and 4 from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 July 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Wilson Wright & Co.,
Chartered Accountants,
71 Kingsway,
London, WC2B 6ST.

DATE: 8 March 2006

THE PEOPLE'S LOTTERY HOLDING COMPANY LIMITED
BALANCE SHEET AT 31 JULY 2005

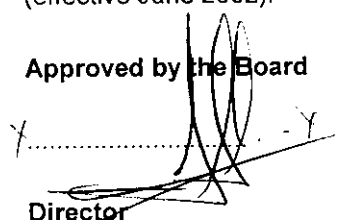
	Notes	2005 £	2004 £
Current Liabilities			
Creditors: amounts falling due within one year	3	1,000	1,000
Total Assets less Current Liabilities		<u>(1,000)</u>	<u>(1,000)</u>
Capital and Reserves			
Profit and loss account		(1,000)	(1,000)
		<u>(1,000)</u>	<u>(1,000)</u>

For the year ended 31 July 2005 the company was entitled to the exemption from audit under Section 249A(1) of the Companies Act 1985; and no notice has been deposited under Section 249B(2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records, which comply with Section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board


 Director

Date: 3/7/06

THE PEOPLE'S LOTTERY HOLDING COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2005

1 Accounting Policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

2 Fixed Asset Investments

	Shares in group undertaking £
2.1 Cost	
At 1 August 2004	1,000
Provision	
At 1 August 2004	1,000
Net book values	
At 31 July 2005	-
At 31 July 2004	-

2.2 The company has an interest in more than 10% of the ordinary share capital of the following companies:

Name of Company	Country of Registration or Incorporation	Class	Shares Held %
Group undertaking The People's Lottery Limited	England and Wales	ordinary	100

The aggregate amount of capital and reserves and the results of this undertaking from the last accounts for the relevant financial year were as follows:

	Capital and reserves	Loss for the financial year
The People's Lottery Limited	(3,212,463)	859

Group financial statements have not been prepared as the company has relied upon the exemption provided by section 248 of the Companies Act 1985.

3 Creditors	2005 £	2004 £
Amounts falling due within one year:		
Amount owed to subsidiary undertaking	1,000	1,000