Company Registration No 5310821 (England and Wales)

BETTING SHOP SERVICES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 MAY 2011

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BETTING SHOP SERVICES LIMITED

DIRECTORS AND ADVISERS

Directors	M A Pears D A Pears G R Knight J W Knight
Secretary	M I Bundhun
Company number	5310821
Registered office	4 Simon Campion Court 232 234 High Street Epping Essex CM16 4AU
Registered auditors	Arram Berlyn Gardner 30 City Road London EC1Y 2AB

BETTING SHOP SERVICES LIMITED

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BETTING SHOP SERVICES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 1 MAY 2011

The directors present their report and financial statements for the period ended 1 May 2011

Principal activities and review of the business
The principal activity of the Group continued to be provision of betting services

The Group's turnover for the period was £20,722,571 (2010 £21,073,883) which resulted in an operating loss of £1,558,656 (2010 £6,784,101)

The management of the business and the execution of the Group's strategy are subject to a number of risks The principal risks are as follows

Gaming and Regulatory Risk

The Group is exposed to varying degrees of earnings volatility primarily due to the uncertainty inherent in bookmaking Wherever possible this risk is sought to be limited by clear policies on the size of individual bets taken and the aggregate potential exposure to any one particular result through sophisticated back office systems which allow management to constantly monitor liabilities and also through the use of various hedging accounts as deemed appropriate by the directors The Group is also at risk to regulatory restrictions imposed on it by the Government and to changes in specific taxation provisions particular to the bookmaking industry

Interest Rate Risk

The Group's trading income and operating cash flows are not directly linked to changes or movements in interest rates The Group primarily finances its operations through a variety of borrowing facilities The Group's loan borrowings are denominated in sterling and are borrowed principally at floating interest rates The Group utilises interest rate swaps to manage its exposure to any ensuing interest rate fluctuations

Liquidity Risk

Liquidity is the risk that cash may not be available to pay obligations when they fall due Cash forecasts identifying the liquidity requirements of the Group are produced regularly and are reviewed in detail to ensure that sufficient headroom exists for at least the forthcoming twelve month period

Results and dividends
The consolidated profit and loss account for the period is set out on page 6

Directors
The following directors have held office since 3 May 2010

M A Pears
D A Pears
G R Knight
J W Knight

BETTING SHOP SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 1 MAY 2011

	2011 £	2010 £
During the period the group made the following payments		
Charitable donations	25,137	6,236

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the group's performance

Disabled persons

The group's policy is to recruit disabled workers for those vacancies that they are able to fill All necessary assistance with initial training courses is given Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities

Auditors

In accordance with the company's articles, a resolution proposing that Arram Berlyn Gardner be reappointed as auditors of the company will be put at a General Meeting

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 group and of the profit or loss of the group for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

BETTING SHOP SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 1 MAY 2011

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information

On behalf of the board

J W Knight
Director
30 September 2011

BETTING SHOP SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BETTING SHOP SERVICES LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Betting Shop Services Limited for the period ended 1 May 2011 set out on pages 6 to 25 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 members, 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 members 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 members 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 Directors' Responsibilities Statement set out on pages 1 - 3, 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 and express an opinion on 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 1 May 2011 and of the group's loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BETTING SHOP 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Julie Piper (Senior Statutory Auditor)
for and on behalf of Arram Berlyn Gardner

21 September 2011

Chartered Accountants
Statutory Auditor

30 City Road
London
EC1Y 2AB

BETTING SHOP SERVICES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 1 MAY 2011

	Notes	2011 £	2010 £
Turnover	2	20,722,571	21,073,883
Cost of sales		(3,547,914)	(3,598,952)
Gross profit		17,174,657	17,474,931
Administrative expenses		(18,948,988)	(23,671,522)
Other operating income		215,675	59,778
Exceptional cost of merger		-	(647,288)
Operating loss	3	(1,558,656)	(6,784,101)
Loss on disposal of tangible fixed assets		(943,569)	(1,857,620)
Loss on ordinary activities before interest		(2,502,225)	(8,641,721)
Other interest receivable and similar income		10,517	1,949
Amounts written off investments	4	-	(25,125)
Interest payable and similar charges	5	(1,946,464)	(1,381,437)
Loss on ordinary activities before taxation		(4,438,172)	(10,046,334)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation		(4,438,172)	(10,046,334)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

BETTING SHOP SERVICES LIMITED

BALANCE SHEETS

AS AT 1 MAY 2011

	Notes	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Fixed assets					
Intangible assets	8	2,312,241	2,633,051	-	-
Tangible assets	9	9,927,353	11,749,377	5,990,516	7,206,074
Investments	10	-	-	1,004	1,004
		12,239,594	14,382,428	5,991,520	7,207,078
Current assets					
Debtors	11	1,420,539	1,627,745	40,715,510	39,181,178
Cash at bank and in hand		6,477,084	6,318,820	5,813,767	5,724,821
		7,897,623	7,946,565	46,529,277	44,905,999
Creditors: amounts falling due within one year	12	(4,386,533)	(3,550,094)	(2,210,073)	(1,140,994)
Net current assets		3,511,090	4,396,471	44,319,204	43,765,005
Total assets less current liabilities		15,750,684	18,778,899	50,310,724	50,972,083
Creditors: amounts falling due after more than one year	13	55,048,433	53,269,418	55,048,433	53,269,418
Provisions for liabilities	14	336,246	705,304	128,500	437,558
Capital and reserves					
Called up share capital	16	100,001	100,001	100,001	100,001
Profit and loss account	17	(39,733,996)	(35,295,824)	(4,966,210)	(2,834,894)
Shareholders' deficits	18	(39,633,995)	(35,195,823)	(4,866,209)	(2,734,893)
		15,750,684	18,778,899	50,310,724	50,972,083

Approved by the Board and authorised for issue on 20 September 2011

G R Knight
Director

D A Pears
Director

Company Registration No. 5310821

BETTING SHOP SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 1 MAY 2011

	£	2011 £	£	2010 £
Net cash outflow from operating activities		(323,298)		(2,779,761)
Returns on investments and servicing of finance				
Interest received	10,517		1,949	
Interest paid	(589,166)		(542,552)	
Net cash outflow for returns on investments and servicing of finance		(578,649)		(540,603)
Capital expenditure				
Payments to acquire tangible assets	(637,465)		(1,620,299)	
Receipts from sales of intangible assets	-		12,837	
Receipts from sales of tangible assets	-		199,626	
Net cash inflow for capital expenditure		(637,465)		(1,407,836)
Net cash outflow before management of liquid resources and financing		(1,539,412)		(4,728,200)
New long term bank loan	-		5,050,000	
Other new long term loans	2,075,000		5,158,771	
Repayment of long term bank loan	(375,000)		(4,589,000)	
Capital element of hire purchase contracts	(2,324)		(14,792)	
Increase in debt	1,697,676		5,604,979	
Net cash inflow from financing		1,697,676		5,604,979
Increase in cash in the period		158,264		876,779

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 1 MAY 2011

1 Reconciliation of operating loss to net cash outflow from operating activities

	2011	2010
	£	£
Operating loss	(1,558,656)	(6,784,101)
Depreciation of tangible assets	1,917,942	1,922,575
Amortisation of intangible assets	316,307	1,039,293
Loss on disposal of tangible fixed assets	(866,577)	-
Decrease in debtors	207,206	806,772
(Decrease) in creditors within one year	(439,520)	(469,604)
Provision for onerous contracts	100,000	705,304
Net cash outflow from operating activities	(323,298)	(2,779,761)

2 Analysis of net debt

	3 May 2010	Cash flow	Other non-cash changes	1 May 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	6,318,820	158,264	-	6,477,084
	6,318,820	158,264	-	6,477,084
Finance leases	(2,324)	2,324	-	-
Debts falling due within one year	(375,000)	375,000	(750,000)	(750,000)
Debts falling due after one year	(53,269,418)	(2,075,000)	295,985	(55,048,433)
	(53,646,742)	(1,697,676)	(454,015)	(55,798,433)
Net debt	(47,327,922)	(1,539,412)	(454,015)	(49,321,349)

3 Reconciliation of net cash flow to movement in net debt

	2011	2010
	£	£
Increase in cash in the period	158,264	876,779
Cash inflow from increase in debt	(1,697,676)	(5,604,979)
Other non cash changes	(454,015)	(838,445)
Movement in net debt in the period	(1,993,427)	(5,566,645)
Opening net debt	(47,327,922)	(41,761,277)
Closing net debt	(49,321,349)	(47,327,922)

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 MAY 2011

1 Accounting policies

1 1 Accounting convention

The financial statements are prepared under the historical cost convention

The accounts have been prepared on a going concern basis even though the group has net liabilities of £39,633,995 (2010 £35,195,823) The validity of the going concern concept is dependent upon the continuing support of its creditors The directors are not aware of any intentions of this being withdrawn and have received confirmation from the principal creditors of their continued support for 12 months from the date of signing of these accounts

Accordingly the directors are confident that the company will continue to remain a going concern for the forseeable future and the accounts have therefore been prepared on the going concern basis

1 2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 1 May 2011 Intra-group sales and profits are eliminated fully on consolidation

Under United Kingdom Generally Accepted Accounting Practice, merger accounting principles are used whereby assets and liabilities are not restated to fair value

See note 10 for companies included in the group

1 4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1 5 Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities It is amortised on a straight line basis over its estimated economic life of 20 years

Licenses represents the capitalisation of costs incurred in obtaining licenses for betting shops less any provision for impairment These are amortised on the straight line basis over 10 years

1 6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	5% straight line/over the length of the lease
Plant and machinery	3-7 years (straight line)
Fixtures, fittings & equipment	3-7 years (straight line)
Motor vehicles	3-5 years (straight line)

1 Accounting policies **(continued)**

1 7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.9 Pensions

The Group operates a defined contribution scheme for the benefit of its employees Contributions payable are charged to the profit and loss account in the period they are payable

1 10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

1 11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction All differences are taken to profit and loss account

1 12 Onerous contracts

In accordance with FRS12 provision has been made against those leases where the property is either vacant or is sub-leased or partially tenanted and the unavoidable cost under the lease exceeds the economic benefit expected to be derived from the sub-letting arrangements

2 Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 MAY 2011

3	**Operating loss**	**2011**	**2010**
		£	**£**
	Operating loss is stated after charging		
	Amortisation of intangible assets	316,307	1,039,293
	Depreciation of tangible assets	1,917,942	1,922,575
	Operating lease rentals		
	- Other assets	2,920,754	922,986

Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £13,000, 2010 £12,250)	41,337	35,110
Other services	-	6,750
	41,337	41,860

4	**Amounts written off investments**	**2011**	**2010**
		£	**£**
	Amounts written off fixed asset investments		
	- permanent diminution in value	-	25,125

5	**Interest payable**	**2011**	**2010**
		£	**£**
	On bank loans and overdrafts	547,350	522,388
	On other loans wholly repayable within five years	740,197	590,578
	Hire purchase interest	20,879	4,818
	Other interest	638,038	263,653
		1,946,464	1,381,437

6 Taxation	2011	2010
Total current tax	-	-
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(4,438,172)	(10,046,334)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2010 - 28 00%)	(1,242,688)	(2,812,974)
Effects of		
Non deductible expenses	242,912	872,773
Depreciation add back	537,024	539,287
Capital allowances	(291,036)	(333,637)
Creation of tax losses	641,552	2,067,726
Tax losses utilised	(60,676)	(472,984)
Other tax adjustments	172,912	139,809
	1,242,688	2,812,974
Current tax charge for the period	-	-

7 Loss for the financial period

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements The loss for the financial period is made up as follows

	2011	2010
	£	£
Holding company's loss for the financial period	(2,131,316)	(892,828)

8 Intangible fixed assets

Group

	Licenses £	Goodwill £	Total £
Cost			
At 3 May 2010	75,071	4,173,033	4,248,104
Disposals	(5,835)	-	(5,835)
At 1 May 2011	69,236	4,173,033	4,242,269
Amortisation			
At 3 May 2010	17,824	1,597,229	1,615,053
Amortisation on disposals	(1,332)	-	(1,332)
Charge for the period	4,287	312,020	316,307
At 1 May 2011	20,779	1,909,249	1,930,028
Net book value			
At 1 May 2011	48,457	2,263,784	2,312,241
At 2 May 2010	57,247	2,575,804	2,633,051

9 Tangible fixed assets

Group

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 3 May 2010	9,711,099	5,749,883	143,143	127,358	15,731,483
Additions	286,008	345,519	-	5,938	637,465
Disposals	(578,340)	(335,131)	-	-	(913,471)
At 1 May 2011	9,418,767	5,760,271	143,143	133,296	15,455,477
Depreciation					
At 3 May 2010	1,507,840	2,374,409	28,629	71,228	3,982,106
On disposals	(142,528)	(229,396)	-	-	(371,924)
Charge for the period	675,224	1,189,028	9,543	44,147	1,917,942
At 1 May 2011	2,040,536	3,334,041	38,172	115,375	5,528,124
Net book value					
At 1 May 2011	7,378,231	2,426,230	104,971	17,921	9,927,353
At 2 May 2010	8,203,259	3,375,474	114,514	56,130	11,749,377

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 1 May 2011	-	-	-	-
At 2 May 2010	-	-	3,462	3,462
Depreciation charge for the period				
1 May 2011	-	-	-	-
2 May 2010	-	-	8,385	8,385

Tangible fixed assets

Company

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 3 May 2010	6,821,007	3,249,317	143,143	54,025	10,267,492
Additions	163,664	43,847	-	-	207,511
Disposals	(401,442)	(220,541)	-	-	(621,983)
At 1 May 2011	6,583,229	3,072,623	143,143	54,025	9,853,020
Depreciation					
At 3 May 2010	1,264,024	1,734,826	28,629	33,939	3,061,418
On disposals	(122,597)	(184,993)	-	-	(307,590)
Charge for the period	451,957	629,683	9,543	17,493	1,108,676
At 1 May 2011	1,593,384	2,179,516	38,172	51,432	3,862,504
Net book value					
At 1 May 2011	4,989,845	893,107	104,971	2,593	5,990,516
At 2 May 2010	5,556,983	1,514,491	114,514	20,086	7,206,074

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 1 May 2011	-	-	-	-
At 2 May 2010	-	-	3,462	3,462
Depreciation charge for the period				
1 May 2011	-	-	-	-
2 May 2010	-	-	8,385	8,385

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 3 May 2010 & at 1 May 2011	26,129
Provisions for diminution in value	
At 3 May 2010 & at 1 May 2011	25,125
Net book value	
At 1 May 2011	1,004
At 2 May 2010	1,004

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Betting Shop Operations Limited	England and Wales	Ordinary	100
Jennings Racing Limited	England and Wales	Ordinary	100
Jennings Racing (2006) Limited	England and Wales	Ordinary	100

The principal activity of all of the above undertakings is the provision of betting services

11 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	21,265	18,620	-	-
Amounts owed by group undertakings	-	-	39,943,022	38,211,262
Other debtors	957,587	1,096,271	607,594	725,944
Prepayments and accrued income	441,687	512,854	164,894	243,972
	1,420,539	1,627,745	40,715,510	39,181,178

Amounts falling due after more than one year and included in the debtors above are

	2011	2010	2011	2010
	£	£	£	£
Amounts owed by group undertakings	-	-	39,943,022	38,211,262

12 Creditors : amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	750,000	375,000	750,000	375,000
Net obligations under finance lease and hire purchase contracts	-	2,324	-	2,324
Trade creditors	672,217	1,276,273	405,444	508,578
Taxes and social security costs	1,169,035	785,448	3,314	34,512
Other creditors	406,329	396,740	3,101	2,306
Accruals and deferred income	1,388,952	714,309	1,048,214	218,274
	4,386,533	3,550,094	2,210,073	1,140,994
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	-	2,324	-	2,324
	-	2,324	-	2,324

13 Creditors : amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	13,925,000	14,675,000	13,925,000	14,675,000
Other loans	41,123,433	38,594,418	41,123,433	38,594,418
	55,048,433	53,269,418	55,048,433	53,269,418
Analysis of loans				
Not wholly repayable within five years by instalments	14,675,000	15,050,000	14,675,000	15,050,000
Not wholly repayable within five years other than by instalments	41,123,433	38,713,874	41,123,433	38,594,418
	55,841,736	53,763,874	55,798,433	53,644,418
Included in current liabilities	(793,303)	(494,456)	(750,000)	(375,000)
	55,048,433	53,269,418	55,048,433	53,269,418
Loan maturity analysis				
In more than five years	55,048,433	53,269,418	55,048,433	53,269,418

14 Provisions for liabilities

Group

	Other £
Balance at 3 May 2010	705,304
Onerous contracts	(369,058)
Balance at 1 May 2011	336,246

During the period the group made a provision of £100,000 (2010 £705,304) and released a provision of £469,058 (2010 £Nil) relating to onerous contracts in respect of rental leases for shops that are vacant

Company

Balance at 3 May 2010	437,558
Onerous contracts	(309,058)
Balance at 1 May 2011	128,500

In the period the company made a provision of £100,000 (2010 £437,558) and released a provsion of £409,058 (2010 £Nil) relating to onerous contracts in respect of rental leases for shops that are vacant

15 Pension and other post-retirement benefit commitments

Defined contribution

	2011 £	2010 £
Contributions payable by the group for the period	73,722	73,112

16 Share capital

	2011	2010
	£	£
Allotted, called up and fully paid		
100,000 A Ordinary shares of 0 001p each	1	1
100,000 B Ordinary shares of 0 001p each	1	1
99,999 Deferred shares of £1 each	99,999	99,999
	100,001	100,001

The B Ordinary shares rank pari passu in all respects with the A ordinary Shares of 0 001p each and the Deferred Shares do not confer any right to dividends, profits or assets and are only entitled to receive the amount paid up of each share on liquidation prior to any distribution to the Ordinary shareholders

17 Statement of movements on profit and loss account

Group

	Profit and loss account £
Balance at 3 May 2010	(35,295,824)
Loss for the period	(4,438,172)
Balance at 1 May 2011	(39,733,996)

Company

	Profit and loss account £
Balance at 3 May 2010	(2,834,894)
Loss for the period	(2,131,316)
Balance at 1 May 2011	(4,966,210)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 MAY 2011

18 Reconciliation of movements in shareholders' funds	2011	2010
Group	£	£
Loss for the financial period	(4,438,172)	(10,046,334)
Proceeds from issue of shares	-	1
Net depletion in shareholders' funds	(4,438,172)	(10,046,333)
Opening shareholders' funds	(35,195,823)	(25,149,490)
Closing shareholders' funds	(39,633,995)	(35,195,823)

	2011	2010
Company	£	£
Loss for the financial period	(2,131,316)	(892,828)
Proceeds from issue of shares	-	1
Net depletion in shareholders' funds	(2,131,316)	(892,827)
Opening shareholders' funds	(2,734,893)	(1,842,066)
Closing shareholders' funds	(4,866,209)	(2,734,893)

19 Contingent liabilities

Group

The group has a cross guarantee across its parent and subsidiaries in respect of bank overdraft and loan facilities All companies have a joint and several liability for the total indebtedness in Betting Shop Services Limited, which at the period end amounted to £14,675,000 (2010 £15,050,000), and is secured by a fixed and floating charge over the assets of the companies

The group also has a cross guarantee across its parent and subsidiaries in respect of loans from The William Pears Group of Companies Limited, a company in which the directors Messrs M A Pears and D A Pears have an interest, for the total indebtedness in Betting Shop Services Limited of £32,909,730 This is secured by a fixed and floating charge over the assets of the companies

The group has a cross guarantee across its parent and subsidiaries in respect of loans from G Knight, J Knight and C Boxall, shareholders in the company All companies have a joint and several liability for the total indebtedness in Betting Shop Services Limited, which at the period end amounted to £9,117,429, and is secured by a fixed and floating charge over the assets of the companies

Company

The group has a cross guarantee across its parent and subsidiaries in respect of bank overdraft and loan facilities All companies have a joint and several liability for the total indebtedness in Betting Shop Services Limited, which at the period end amounted to £14,675,000 (2010 £15,050,000), and is secured by a fixed and floating charge over the assets of the companies

The group also has a cross guarantee across its parent and subsidiaries in respect of loans from The William Pears Group of Companies Limited, a company in which the directors Messrs M A Pears and D A Pears have an interest, for the total indebtedness in Betting Shop Services Limited of £32,909,730 (2010 £30,344,532) This is secured by a fixed and floating charge over the assets of the companies

The group has a cross guarantee across its parent and subsidiaries in respect of loans from G Knight, J Knight and C Boxall, shareholders in the company All companies have a joint and several liability for the total indebtedness in Betting Shop Services Limited, which at the period end amounted to £9,117,429 (2010 £8,249,886), and is secured by a fixed and floating charge over the assets of the companies

20 Financial commitments

At 1 May 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
Expiry date		
Within one year	54,000	178,000
Between two and five years	290,000	464,119
In over five years	2,641,750	3,724,550
	2,985,750	4,366,669

At 1 May 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
Expiry date		
Within one year	32,000	44,000
Between two and five years	-	238,019
In over five years	1,760,000	2,692,150
	1,792,000	2,974,169

21 Directors' remuneration

	2011	2010
	£	£
Remuneration for qualifying services	221,370	68,833
Company pension contributions to defined contribution schemes	3,600	-
	224,970	68,833

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2010 - 2)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	110,685	68,833
Company pension contributions to defined contribution schemes	3,600	-

22 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2011 Number	2010 Number
Directors	4	4
Head office	25	36
Shop staff	351	294
	380	334

Employment costs	2011 £	2010 £
Wages and salaries	6,679,203	7,878,740
Social security costs	600,351	722,193
Other pension costs	73,722	73,112
	7,353,276	8,674,045

23 Related party transactions

Group and Company

The group and company has the following related party transactions

	Loans £	Accrued Interest £	Management Charges £	Interest Charge for the year £
Betting Shop Operations Limited	-	-	6,614,907	-
The William Pears Group of Companies Limited	29,323,170	3,586,560	-	740,197
G and J Knight and C Boxall	8,252,770	864,659	-	617,543
At 1 May 2011	£37,575,940	£4,451,219	£6,614,907	£1,357,740
At 3 May 2010	£35,500,940	£3,093,478	£10,685,233	£800,917

The William Pears Group of Companies Limited is a related party as M A Pears and D A Pears are Directors of that company