

Company Registration No 05310821 (England and Wales)

BETTING SHOP SERVICES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2012

WEDNESDAY



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COMPANIES HOUSE

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

05310821

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

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9
Notes to the financial statements	10 - 26

BETTING SHOP SERVICES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 29 APRIL 2012

The directors present their report and financial statements for the period ended 29 April 2012

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 £22,662,222 (2011 £20,722,571) which resulted in an operating loss of £3,612,772 (2011 £1,558,656)

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 2 May 2011

M A Pears

D A Pears

G R Knight

J W Knight

BETTING SHOP SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2012

	2012 £	2011 £
During the period the group made the following payments		
Charitable donations	16,315	25,137

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

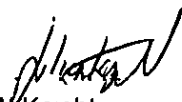
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2012

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
3/12/12

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 29 April 2012 set out on pages 6 to 26. 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 29 April 2012 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.

BETTING SHOP SERVICES LIMITED

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

7 December 2012

Chartered Accountants
Statutory Auditor

30 City Road
London
EC1Y 2AB

BETTING SHOP SERVICES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 29 APRIL 2012

	Notes	2012 £	2011 £
Turnover	2		
Continuing operations		19,982,409	20,722,571
Acquisitions		<u>2,679,813</u>	<u>-</u>
		22,662,222	20,722,571
Cost of sales		<u>(4,158,336)</u>	<u>(3,547,914)</u>
Gross profit		18,503,886	17,174,657
Administrative expenses		(22,344,579)	(18,948,988)
Other operating income		<u>227,921</u>	<u>215,675</u>
Operating loss	4	(3,612,772)	(1,558,656)
Continuing operations		(3,362,993)	(1,558,656)
Acquisitions		<u>(249,779)</u>	<u>-</u>
		(3,612,772)	(1,558,656)
Loss on disposal of tangible fixed assets		(1,180,490)	(943,569)
Loss on ordinary activities before interest		<u>(4,793,262)</u>	<u>(2,502,225)</u>
Other interest receivable and similar income		5,200	10,517
Interest payable and similar charges	5	<u>(2,279,151)</u>	<u>(1,946,464)</u>
Loss on ordinary activities before taxation		(7,067,213)	(4,438,172)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		<u>(7,067,213)</u>	<u>(4,438,172)</u>

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

BETTING SHOP SERVICES LIMITED

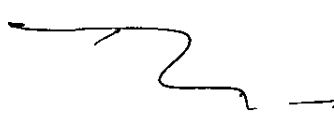
BALANCE SHEETS

AS AT 29 APRIL 2012

	Notes	Group 2012 £	2011 £	Company 2012 £	2011 £
Fixed assets					
Intangible assets	8	6,403,219	2,312,241	-	-
Tangible assets	9	10,340,267	9,927,353	4,569,736	5,990,516
Investments	10	-	-	1,005	1,004
		<u>16,743,486</u>	<u>12,239,594</u>	<u>4,570,741</u>	<u>5,991,520</u>
Current assets					
Debtors	11	1,352,472	1,420,539	48,755,107	40,715,510
Cash at bank and in hand		<u>6,651,679</u>	<u>6,477,084</u>	<u>5,939,793</u>	<u>5,813,767</u>
		8,004,151	7,897,623	54,694,900	46,529,277
Creditors' amounts falling due within one year	12	<u>(5,980,706)</u>	<u>(4,386,533)</u>	<u>(2,454,711)</u>	<u>(2,210,073)</u>
Net current assets		<u>2,023,445</u>	<u>3,511,090</u>	<u>52,240,189</u>	<u>44,319,204</u>
Total assets less current liabilities		<u>18,766,931</u>	<u>15,750,684</u>	<u>56,810,930</u>	<u>50,310,724</u>
Creditors' amounts falling due after more than one year	13	64,880,769	55,048,433	63,815,902	55,048,433
Provisions for liabilities	14	587,370	336,246	167,291	128,500
Capital and reserves					
Called up share capital	16	100,001	100,001	100,001	100,001
Profit and loss account	17	<u>(46,801,209)</u>	<u>(39,733,996)</u>	<u>(7,272,264)</u>	<u>(4,966,210)</u>
Shareholders' deficits	18	<u>(46,701,208)</u>	<u>(39,633,995)</u>	<u>(7,172,263)</u>	<u>(4,866,209)</u>
		<u>18,766,931</u>	<u>15,750,684</u>	<u>56,810,930</u>	<u>50,310,724</u>

Approved by the Board and authorised for issue on 31/2/12


G R Knight
Director


D A Pears
Director

Company Registration No 5310821

BETTING SHOP SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 29 APRIL 2012

	£	2012 £	£	2011 £
Net cash outflow from operating activities		1,618,956		(323,298)
Returns on investments and servicing of finance				
Interest received	5,200		10,517	
Interest paid	(588,087)		(589,166)	
Net cash outflow for returns on investments and servicing of finance		(582,887)		(578,649)
Capital expenditure				
Payments to acquire intangible assets	(4,623,000)		-	
Payments to acquire tangible assets	(3,434,736)		(637,465)	
Net cash inflow for capital expenditure		(8,057,736)		(637,465)
Net cash inflow/(outflow) before management of liquid resources and financing		(7,021,667)		(1,539,412)
Other new long term loans	7,200,000		2,075,000	
Repayment of long term bank loan	-		(375,000)	
Capital element of hire purchase contracts	(3,738)		(2,324)	
Increase in debt	7,196,262		1,697,676	
Net cash inflow from financing		7,196,262		1,697,676
Increase in cash in the period		174,595		158,264

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 29 APRIL 2012

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2012		2011	
		£		£	
	Operating loss	(3,612,772)		(1,558,656)	
	Depreciation of tangible assets	1,885,532		1,917,942	
	Amortisation of intangible assets	530,244		316,307	
	Loss on disposal of tangible fixed assets	1,779		(866,577)	
	Decrease in debtors	68,066		207,206	
	(Decrease) in creditors within one year	2,494,983		(439,520)	
	Provision for onerous contracts	251,124		100,000	
	Net cash inflow/(outflow) from operating activities	1,618,956		(323,298)	
2	Analysis of net debt	2 May 2011		29 April 2012	
		Cash flow		Other non-cash changes	
		£	£	£	£
	Net cash				
	Cash at bank and in hand	6,477,084	174,595	-	6,651,679
		6,477,084	174,595	-	6,651,679
	Finance leases	-	3,738	(44,200)	(40,462)
	Debts falling due within one year	(750,000)	-	562,500	(187,500)
	Debts falling due after one year	(55,048,433)	(7,200,000)	(2,606,915)	(64,855,348)
		(55,798,433)	(7,196,262)	(2,088,615)	(65,083,310)
	Net debt	(49,321,349)	(7,021,667)	(2,088,615)	(58,431,631)
3	Reconciliation of net cash flow to movement in net debt	2012		2011	
		£		£	
	Increase in cash in the period	174,595		158,264	
	Cash inflow from increase in debt	(7,196,262)		(1,697,676)	
	Other non cash changes	(2,088,615)		(454,015)	
	Movement in net debt in the period	(9,110,282)		(1,993,427)	
	Opening net debt	(49,321,349)		(47,327,922)	
	Closing net debt	(58,431,631)		(49,321,349)	

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 APRIL 2012

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 £46,701,208 (2011 £39,633,995). 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 foreseeable 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 29 April 2012. 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)

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2012

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.

3 Cost of sales and net operating expenses

The total figures for continuing operations in 2012 include the following amounts relating to acquisitions: cost of sales £470,595, administrative expenses £2,458,997 and other operating income £nil.

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2012

4	Operating loss	2012	2011
		£	£
	Operating loss is stated after charging		
	Amortisation of intangible assets	530,244	316,307
	Depreciation of tangible assets	1,885,532	1,917,942
	Operating lease rentals		
	- Other assets	3,694,564	2,920,754
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £13,000, 2011 £13,000)	41,575	41,337
	and after crediting		
	Profit on disposal of tangible assets	(3,000)	-
		<u> </u>	<u> </u>
5	Interest payable	2012	2011
		£	£
	On bank loans and overdrafts	508,402	547,321
	On loans repayable after five years	1,045,610	740,197
	Hire purchase interest	2,360	-
	Other financing interest	77,325	41,403
	Other interest	645,454	617,543
		<u> </u>	<u> </u>
		2,279,151	1,946,464
		<u> </u>	<u> </u>

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2012

6	Taxation	2012	2011
	Total current tax	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	(7,067,213)	(4,438,172)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	(1,837,475)	(1,242,688)
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	432,600	242,912
	Depreciation add back	476,311	537,024
	Capital allowances	(257,959)	(291,036)
	Creation of tax losses	986,334	641,552
	Tax losses utilised	11,647	(60,676)
	Other tax adjustments	188,542	172,912
		<u> </u>	<u> </u>
		1,837,475	1,242,688
		<u> </u>	<u> </u>
	Current tax charge for the period	-	-
		<u> </u>	<u> </u>

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:

	2012	2011
	£	£
Holding company's loss for the financial period	(2,306,054)	(2,131,316)
	<u> </u>	<u> </u>

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2012

8 Intangible fixed assets

Group

	Licenses £	Goodwill £	Total £
Cost			
At 2 May 2011	69,236	4,173,033	4,242,269
Additions	3,001	4,620,000	4,623,001
Disposals	(2,217)	-	(2,217)
At 29 April 2012	70,020	8,793,033	8,863,053
Amortisation			
At 2 May 2011	20,779	1,909,249	1,930,028
Amortisation on disposals	(438)	-	(438)
Charge for the period	4,113	526,131	530,244
At 29 April 2012	24,454	2,435,380	2,459,834
Net book value			
At 29 April 2012	45,566	6,357,653	6,403,219
At 1 May 2011	48,457	2,263,784	2,312,241

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2012

9 Tangible fixed assets

Group

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 2 May 2011	9,418,767	5,760,271	143,143	133,296	15,455,477
Additions	2,447,916	985,320	-	45,700	3,478,936
Disposals	(1,461,615)	(250,919)	-	(35,244)	(1,747,778)
At 29 April 2012	10,405,068	6,494,672	143,143	143,752	17,186,635
Depreciation					
At 2 May 2011	2,040,536	3,334,041	38,172	115,375	5,528,124
On disposals	(315,176)	(224,996)	-	(27,116)	(567,288)
Charge for the period	746,414	1,119,789	9,543	9,786	1,885,532
At 29 April 2012	2,471,774	4,228,834	47,715	98,045	6,846,368
Net book value					
At 29 April 2012	7,933,294	2,265,838	95,428	45,707	10,340,267
At 1 May 2011	7,378,231	2,426,230	104,971	17,921	9,927,353

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 29 April 2012	-	-	39,936	39,936
Depreciation charge for the period				
29 April 2012	-	-	5,764	5,764

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2012

Tangible fixed assets

Company

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 2 May 2011	6,583,229	3,072,623	143,143	54,025	9,853,020
Additions	115,012	67,102	-	-	182,114
Disposals	(961,615)	(250,919)	-	(12,900)	(1,225,434)
	<u>5,736,626</u>	<u>2,888,806</u>	<u>143,143</u>	<u>41,125</u>	<u>8,809,700</u>
At 29 April 2012	5,736,626	2,888,806	143,143	41,125	8,809,700
Depreciation					
At 2 May 2011	1,593,384	2,179,516	38,172	51,432	3,862,504
On disposals	(315,176)	(224,996)	-	(12,900)	(553,072)
Charge for the period	438,389	480,011	9,543	2,589	930,532
	<u>1,716,597</u>	<u>2,434,531</u>	<u>47,715</u>	<u>41,121</u>	<u>4,239,964</u>
At 29 April 2012	1,716,597	2,434,531	47,715	41,121	4,239,964
Net book value					
At 29 April 2012	<u>4,020,029</u>	<u>454,275</u>	<u>95,428</u>	<u>4</u>	<u>4,569,736</u>
At 1 May 2011	<u>4,989,845</u>	<u>893,107</u>	<u>104,971</u>	<u>2,593</u>	<u>5,990,516</u>

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2012

10 Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 2 May 2011	26,129
Additions	1
At 29 April 2012	26,130
Provisions for diminution in value	
At 2 May 2011 & at 29 April 2012	25,125
Net book value	
At 29 April 2012	1,005
At 1 May 2011	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
Jennings (SL) Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Betting Shop Operations Limited	Provision of betting services
Jennings Racing Limited	Provision of betting services
Jennings Racing (2006) Limited	Provision of betting services
Jennings (SL) Limited	Provision of management services

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2012

11 Debtors

	Group 2012 £	2011 £	Company 2012 £	2011 £
Trade debtors	3,317	21,265	-	-
Amounts owed by group undertakings	-	-	48,077,211	39,943,022
Other debtors	808,786	957,587	483,062	607,594
Prepayments and accrued income	540,369	441,687	194,834	164,894
	<u>1,352,472</u>	<u>1,420,539</u>	<u>48,755,107</u>	<u>40,715,510</u>

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

	2012 £	2011 £	2012 £	2011 £
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>48,077,211</u>	<u>39,943,022</u>

12 Creditors amounts falling due within one year

	Group 2012 £	2011 £	Company 2012 £	2011 £
Bank loans and overdrafts	187,500	750,000	187,500	750,000
Net obligations under finance lease and hire purchase contracts	15,041	-	-	-
Trade creditors	1,125,660	672,217	502,312	405,444
Taxes and social security costs	728,497	1,169,035	-	3,314
Other creditors	1,727,830	406,329	1,005	3,101
Accruals and deferred income	2,196,178	1,388,952	1,763,894	1,048,214
	<u>5,980,706</u>	<u>4,386,533</u>	<u>2,454,711</u>	<u>2,210,073</u>

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2012

13 Creditors amounts falling due after more than one year

	Group 2012 £	2011 £	Company 2012 £	2011 £
Bank loans	14,487,500	13,925,000	14,487,500	13,925,000
Other loans	49,328,402	41,123,433	49,328,402	41,123,433
Other creditors	1,039,446	-	-	-
Net obligations under finance leases and hire purchase agreements	25,421	-	-	-
	<u>64,880,769</u>	<u>55,048,433</u>	<u>63,815,902</u>	<u>55,048,433</u>
Analysis of loans				
Not wholly repayable within five years by instalments	14,675,000	14,675,000	14,675,000	14,675,000
Not wholly repayable within five years other than by instalments	49,328,402	41,123,433	49,328,402	41,123,433
	<u>64,003,402</u>	<u>55,841,736</u>	<u>64,003,402</u>	<u>55,798,433</u>
Included in current liabilities	(187,500)	(793,303)	(187,500)	(750,000)
	<u>63,815,902</u>	<u>55,048,433</u>	<u>63,815,902</u>	<u>55,048,433</u>
Instalments not due within five years	<u>1,500,000</u>	<u>2,550,000</u>	<u>1,500,000</u>	<u>2,550,000</u>
Loan maturity analysis				
In more than five years	<u>63,815,902</u>	<u>55,048,433</u>	<u>63,815,902</u>	<u>55,048,433</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	15,041	-	-	-
Repayable between one and five years	25,421	-	-	-
	<u>40,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(15,041)	-	-	-
	<u>25,421</u>	<u>-</u>	<u>-</u>	<u>-</u>

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2012

14 Provisions for liabilities

Group

	Other £
Balance at 2 May 2011	336,246
Onerous contracts	251,124
Balance at 29 April 2012	587,370

During the period the group made a provision of £272,374 (2011 £100,000) and released a provision of £21,250 (2011 £469,058) relating to onerous contracts in respect of rental leases for shops that are vacant

Company

Balance at 2 May 2011	128,500
Onerous contracts	38,791
Balance at 29 April 2012	167,291

In the period the company made a further provision of £47,291 (2011 £100,000) and released a provision of £8,500 (2011 £409,058) relating to onerous contracts in respect of rental leases for shops that are vacant

15 Pension and other post-retirement benefit commitments

Defined contribution

	2012 £	2011 £
Contributions payable by the group for the period	103,904	73,722

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2012

16 Share capital	2012 £	2011 £
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
	<u>100,001</u>	<u>100,001</u>

The B Ordinary shares rank par 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 2 May 2011	(39,733,996)
Loss for the period	(7,067,213)
Balance at 29 April 2012	<u>(46,801,209)</u>

Company

	Profit and loss account £
Balance at 2 May 2011	(4,966,210)
Loss for the period	(2,306,054)
Balance at 29 April 2012	<u>(7,272,264)</u>

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 APRIL 2012

18 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Group		
Loss for the financial period	(7,067,213)	(4,438,172)
Opening shareholders' funds	(39,633,995)	(35,195,823)
	<u> </u>	<u> </u>
Closing shareholders' funds	(46,701,208)	(39,633,995)
	<u> </u>	<u> </u>
	2012	2011
Company	£	£
Loss for the financial period	(2,306,054)	(2,131,316)
Opening shareholders' funds	(4,866,209)	(2,734,893)
	<u> </u>	<u> </u>
Closing shareholders' funds	(7,172,263)	(4,866,209)
	<u> </u>	<u> </u>

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2012

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 (2011 £14,675,000), 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 £40,860,340 (2011 £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 £10,057,882 (2011 £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 (2011 £14,675,000), and is secured by a fixed and floating charge over the assets of the companies.

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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 £10,057,882 (2011 £9,117,429), and is secured by a fixed and floating charge over the assets of the companies.

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2012

20 Financial commitments

At 29 April 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	Other
	2012	2012
	£	£
Expiry date		
Within one year	228,200	-
Between two and five years	409,350	19,802
In over five years	2,939,250	-
	<u>3,576,800</u>	<u>19,802</u>

At 29 April 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	Other
	2012	2012
	£	£
Expiry date		
Within one year	84,000	-
Between two and five years	50,450	-
In over five years	1,664,400	-
	<u>1,798,850</u>	<u>-</u>

21 Directors' remuneration

	2012	2011
	£	£
Remuneration for qualifying services	115,100	221,370
Company pension contributions to defined contribution schemes	3,600	3,600
	<u>118,700</u>	<u>224,970</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2011 - 1)

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2012

22 Employees

Number of employees

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

	2012 Number	2011 Number
Directors	4	4
Head office	32	25
Shop staff	374	351
	<u>410</u>	<u>380</u>

Employment costs

	2012 £	2011 £
Wages and salaries	7,851,871	6,679,203
Social security costs	726,732	600,351
Other pension costs	103,904	73,722
	<u>8,682,507</u>	<u>7,353,276</u>

BETTING SHOP SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2012

23 Related party transactions

Group and Company

The group and company has the following related party transactions

	Loans £	Accrued Interest £	Management Charges £	Interest Received £	Interest Charge for the year £
Betting Shop Operations Limited	-	-	6,393,126	-	-
Jennings (SL) Limited	-	-	-	165,094	-
The William Pears Group of Companies Limited	36,228,170	4,632,170	-	-	1,045,610
G and J Knight and C Boxall	8,547,770	1,510,112	-	-	645,454
At 29 April 2012	<u>£44,775,940</u>	<u>£6,142,282</u>	<u>£6,393,126</u>	<u>£165,094</u>	<u>£1,691,064</u>
At 1 May 2011	<u>£37,575,940</u>	<u>£4,451,219</u>	<u>£6,614,907</u>	<u>-</u>	<u>£1,357,740</u>

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