

COMPANY REGISTRATION NUMBER 07467005

**BETCLEARER LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2013**



**BETCLEARER LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2013**

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**BETCLEARER LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

Mr I B Wilson  
Mr A L Hosie  
Mr G M Cadwallader  
Mr W Rollason

**Registered office**

5th Floor Scriptor Court 155-7  
Farringdon Road  
London  
EC1R 3AD

# BETCLEARER LIMITED

## DIRECTORS' REPORT

### YEAR ENDED 31 MARCH 2013

The directors present their report and the unaudited financial statements of the company for the year ended 31 March 2013

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the period was that of a software development company

This was another year of progress for the company during which we continued to invest our software

During the year we raised a further £575,000 (2012 £1.3 million) gross of expenses through the issue of 22,228 new shares

During the year we recorded turnover of £1.9 million (2012 £0.75 million) and an operating loss of £1.5 million (2012 £0.7 million) as we expanded the business. Net liabilities at 31 March 2013 were £652,330 (2012 net assets of £512,082)

#### *The future*

The company is undertaking a further fund raising round in April 2014 to raise up to £2.5 million through the issue of Convertible Secured Redeemable Loan Notes to ensure the future of the business

#### **DIRECTORS**

The directors who served the company during the year were as follows

Mr I B Wilson  
Mr A L Hosie  
Mr G M Cadwallader  
Mr C Bell  
Mr W Rollason  
Mr C Stainton

Mr G M Cadwallader was appointed as a director on 28 August 2012

Mr C Bell was appointed as a director on 27 April 2012

Mr W Rollason was appointed as a director on 27 July 2012

Mr C Stainton was appointed as a director on 27 July 2012

Mr C Bell resigned as a director on 19 December 2013

Mr C Stainton resigned as a director on 26 January 2014

**BETCLEARER LIMITED**  
**DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 MARCH 2013**

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Registered office  
5th Floor Scriptor Court 155-7  
Farringdon Road  
London  
EC1R 3AD

Signed on behalf of the directors



A L Hosie

Director

Approved by the directors on 7 May 2014

**BETCLEARER LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2013**

	Note	Year to 31 Mar 13 £	Period from 13 Dec 10 to 31 Mar 12 £
<b>TURNOVER</b>		1,925,822	750,000
Cost of sales		<u>(116,766)</u>	<u>(12,865)</u>
<b>GROSS PROFIT</b>		1,809,056	737,135
Administrative expenses		<u>(3,315,287)</u>	<u>(1,470,949)</u>
<b>OPERATING LOSS</b>	2	<u>(1,506,231)</u>	<u>(733,814)</u>
Provision for impairment of intangible assets	3	(213,459)	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(1,719,690)</u>	<u>(733,814)</u>
Tax on loss on ordinary activities		-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(1,719,690)</u>	<u>(733,814)</u>

The notes on pages 7 to 12 form part of these financial statements

# BETCLEARER LIMITED

## BALANCE SHEET

31 MARCH 2013

	Note	2013		2012
		£	£	£
<b>FIXED ASSETS</b>				
Intangible assets	5		-	270,411
Tangible assets	6		104,079	97,128
Investments	7		1	1
			<u>104,080</u>	<u>367,540</u>
<b>CURRENT ASSETS</b>				
Debtors	8	917,528		704,672
Cash at bank and in hand		7,716		120,898
		<u>925,244</u>		<u>825,570</u>
<b>CREDITORS</b> Amounts falling due within one year	9	(1,681,654)		(261,028)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(756,410)</u>	<u>564,542</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(652,330)</u>	<u>932,082</u>
<b>CREDITORS</b> Amounts falling due after more than one year	10		-	(420,000)
			<u>(652,330)</u>	<u>512,082</u>
<b>CAPITAL AND RESERVES</b>				
Called-up equity share capital	13		1,532	1,310
Share premium account	14		1,799,642	1,244,586
Profit and loss account	15		(2,453,504)	(733,814)
<b>(DEFICIT)/SHAREHOLDERS' FUNDS</b>			<u>(652,330)</u>	<u>512,082</u>

For the year ended 31 March 2013 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

### Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

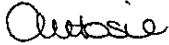
The Balance sheet continues on the following page  
The notes on pages 7 to 12 form part of these financial statements

**BETCLEARER LIMITED**

**BALANCE SHEET *(continued)***

**31 MARCH 2013**

These accounts were approved by the directors and authorised for issue on 7 May 2014, and are signed on their behalf by



A L HOSIE

Company Registration Number 07467005

The notes on pages 7 to 12 form part of these financial statements



**BETCLEARER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2013**

**1 ACCOUNTING POLICIES**

**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 April 2008)

**Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amounts accrued but not yet invoiced are also included within the turnover figure.

**Intangible assets**

All intangible assets are initially recorded at cost.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

20% Straight Line

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Equipment - 33% Straight Line      Computer Equipment - 20% Straight Line

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Going concern**

The company has negative net assets at the balance sheet date, but the directors consider the company to be going concern. The company is reliant on further capital investment to continue to operate, they are confident that they will raise the additional capital required and have done everything in their power to ensure this will be achieved.

**BETCLEARER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2013**

**2 OPERATING LOSS**

Operating loss is stated after charging

	Year to 31 Mar 13	Period from 13 Dec 10 to 31 Mar 12
	£	£
Directors' remuneration	64,500	56,382
Amortisation of intangible assets	70,000	79,589
Depreciation of owned fixed assets	27,600	12,688
Auditor's fees	12,500	—

**3 AMOUNTS WRITTEN OFF INVESTMENTS**

	Year to 31 Mar 13	Period from 13 Dec 10 to 31 Mar 12
	£	£
Amount written off investments	213,459	—

**4 SHARE OPTIONS**

The company has issued options and warrants in the period as follows

*EMI Options*

On 25 August 2012 5,000 EMI share options were issued at an exercise price of £30 per share. During the year 1,200 options lapsed and 750 were exercised leaving a total unexercised at the year end of 17,750, of which 8,125 have met the vesting conditions. Each option is for one ordinary share at an exercise price of £0.01, except 5,000 which are at an exercise price of £30. The vesting conditions are with regards to the number of years the employee has been with the company. The options relate to a total of 8 individuals.

*Share Warrants*

As at 31 March 2013 there were 1,512 warrants outstanding with an exercise price per share of £45. There remains 4 years outstanding and there are no exercise conditions.

**BETCLEARER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2013**

**5 INTANGIBLE FIXED ASSETS**

	Software £
<b>COST</b>	
At 1 April 2012	350,000
Additions	13,048
At 31 March 2013	<u>363,048</u>
<b>AMORTISATION</b>	
At 1 April 2012	79,589
Charge for the year	70,000
Impairment	213,459
At 31 March 2013	<u>363,048</u>
<b>NET BOOK VALUE</b>	
At 31 March 2013	-
At 31 March 2012	270,411

**6. TANGIBLE FIXED ASSETS**

	Computer Equipment £	Office Equipment £	Total £
<b>COST</b>			
At 1 April 2012	108,200	1,616	109,816
Additions	30,297	4,254	34,551
At 31 March 2013	<u>138,497</u>	<u>5,870</u>	<u>144,367</u>
<b>DEPRECIATION</b>			
At 1 April 2012	12,284	404	12,688
Charge for the year	26,312	1,288	27,600
At 31 March 2013	<u>38,596</u>	<u>1,692</u>	<u>40,288</u>
<b>NET BOOK VALUE</b>			
At 31 March 2013	99,901	4,178	104,079
At 31 March 2012	95,916	1,212	97,128

**BETCLEARER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2013**

**7 INVESTMENTS**

	Total £
<b>COST</b>	
At 1 April 2012 and 31 March 2013	1
 <b>NET BOOK VALUE</b>	
At 31 March 2013 and 31 March 2012	1

The company owns 100% of the issued ordinary share capital of the Bet Butler Limited

**8 DEBTORS**

	2013 £	2012 £
Trade debtors	789,401	–
Amounts owed by group undertakings	–	586,166
Called up share capital not paid	–	750
Other debtors	128,127	117,756
	917,528	704,672

**9 CREDITORS** Amounts falling due within one year

	2013 £	2012 £
Trade creditors	142,834	130,494
Amounts owed to group undertakings	1,271,963	–
Other taxation and social security	230,871	21,323
Other creditors	35,986	109,211
	1,681,654	261,028

**10 CREDITORS** Amounts falling due after more than one year

	2013 £	2012 £
Other creditors	–	420,000

**11 DEFERRED TAXATION**

The company has unrealised taxable losses carried forward of £2,497,877 (2012 £778,187) but has elected not to recognise a deferred tax asset on the grounds that recovery is not sufficiently certain

## BETCLEARER LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

#### 12 RELATED PARTY TRANSACTIONS

At the year end Mr A Hosie, a Director of the company, owned 45.7% of the issued share capital of the company

During the year the company invoiced Gambling Insight Limited, a company of which Mr Hosie is the sole shareholder and director, a total of £1,925,822 (2012: £nil)

During the year expenses totalling £99,297 (2012: £52,616) were paid for by Gambling Insight Limited on behalf of the company. During the period £361,883 of debt due from Gambling Insight Limited was written off. At the balance sheet date £789,401 is owed from (2012: £379,359 due to) Gambling Insight Limited.

During the year £nil (2012: £270,659) business expenses were paid for by Bet Butler Limited on behalf of the company and £9,000,000 (2012: £3,050,000) of funds were collected on behalf of Bet Butler Limited. Bet Butler paid £nil (2012: £750,000) to the company in respect of use of software. As at the balance sheet date £1,271,963 is owed to (2012: £586,166 owed by) Bet Butler Limited in respect of the expenses, software charge, and funds.

£18,985 (2012: £52,556) was owed directly to Mr A Hosie at the balance sheet date. This relates to a rental deposit paid on behalf of BetClearer Limited.

#### 13 SHARE CAPITAL

##### Allotted and called up

	2013		2012	
	No	£	No	£
Ordinary shares (2012 - 130,967) of £0.01 each	153,213	1,532	130,967	1,310

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2013	2012
	£	£
Ordinary shares	-	750

During the year 22,246 ordinary shares were issued with a par value of £0.01 each. Of these, 9,268 were issued at £0.01 per share, 829 were issued at £30.14 per share, and 12,149 were issued at £45 per share.

**BETCLEARER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2013**

**14 SHARE PREMIUM ACCOUNT**

	Year to 31 Mar 13 £	Period from 13 Dec 10 to 31 Mar 12 £
Balance brought forward	1,244,586	–
Premium on shares issued in the year	575,564	1,309,094
Share issue expenses	(20,508)	(64,508)
Balance carried forward	<u>1,799,642</u>	<u>1,244,586</u>

Included in the above are expenses of £20,508 (2012 £64,508) relating to fund raising activities associated with an equity issue in the period

**15 PROFIT AND LOSS ACCOUNT**

	Year to 31 Mar 13 £	Period from 13 Dec 10 to 31 Mar 12 £
Balance brought forward	(733,814)	–
Loss for the financial year	(1,719,690)	(733,814)
Balance carried forward	<u>(2,453,504)</u>	<u>(733,814)</u>