

Betfair General Betting Limited

**Directors' report and financial
statements**

Registered number 05992333

For the year ended 30 April 2014

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2014.

Principal activities and future developments

This Company does not trade. The Directors do not expect this to change in the foreseeable future.

Review of the business

The Company has met the requirements of Section 414B of the Companies Act 2006 to obtain the exemption provided from the presentation of a strategic report on the basis of its size.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The key business risks and uncertainties affecting the Group are considered to relate to online gambling regulation, products, customers, people, infrastructure and systems and financial risk. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 25-27 of the Group's annual report which does not form part of this report.

Risks are formally reviewed by the Board and appropriate processes are put in place to mitigate them. It is possible that the overall effect of such events would result in adverse effects on the Company.

Financial Risk Management

The Group's operations expose it to a variety of other financial risks, including interest rate and foreign exchange movements. Management continues to monitor the Group's financial risks closely and mitigate its exposure where appropriate.

Dividends

The directors do not recommend the payment of a dividend (2013: £nil).

Charitable donations

The Company made no charitable donations during the year (2013: £nil).

Political contributions

The Company made no political contributions during the year (2013: £nil).

Directors

The following directors have held office during the year ended 30 April 2014:

Martin Cruddace (resigned 8 July 2013)
Justin Hubble (resigned 17 October 2013)
Ross Lane (appointed 8 July 2013)
Nicholas Cassidy (appointed 8 July 2013, resigned 24 February 2014)
Fiona Russell (appointed 17 October 2013)
Kevin Smith (appointed 24 February 2014)

All directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Directors' report (continued)


Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG has instigated an orderly wind-down of KPMG Audit Plc as a result of an internal reorganisation and requested that going forward the audit is instead undertaken by KPMG LLP (an intermediate parent of KPMG Audit Plc). KPMG Audit Plc will therefore resign from their position and KPMG LLP will be appointed in their place.

On behalf of the Board



Ross Lane
Director

Waterfront
Hammersmith Embankment
Chancellors Road
London
W6 9HP
21 November 2014

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- 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 responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Betfair General Betting Limited

We have audited the financial statements of Betfair General Betting Limited for the year ended 30 April 2014 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 year for which the financial statements are prepared is consistent with the financial statements.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Michael Harper

Michael Harper (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London

24 November 2014

Profit and loss account
For the year ended 30 April 2014

	Note	2014 £	2013 £
Turnover		-	-
Gross profit		-	-
Operating profit		-	-
Interest receivable and similar income	3	94,051	100,661
Interest payable and similar charges	4	(16,393)	(17,545)
Profit on ordinary activities before tax	2	77,658	83,116
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	9	77,658	83,116

All activities relate to continuing operations in the current and prior year.

There were no unrecognised gains or losses other than the profit for the current and prior year and accordingly a statement of total recognised gains and losses has not been presented.

The notes on pages 7 to 10 form an integral part of these financial statements.

Balance sheet
As at 30 April 2014

	Note	2014		2013	
		£	£	£	£
Current assets					
Debtors	6	6,292,955		6,198,904	
		<u>6,292,955</u>		<u>6,198,904</u>	
Creditors: amounts falling due within one year	7	(1,096,833)		(1,080,440)	
		<u>(1,096,833)</u>		<u>(1,080,440)</u>	
Net current assets		5,196,122		5,118,464	
		<u>5,196,122</u>		<u>5,118,464</u>	
Total assets less current liabilities		5,196,122		5,118,464	
		<u>5,196,122</u>		<u>5,118,464</u>	
Net assets		5,196,122		5,118,464	
		<u>5,196,122</u>		<u>5,118,464</u>	
Capital and reserves					
Called up share capital	8	1		1	
Profit and loss account	9	5,196,121		5,118,463	
		<u>5,196,121</u>		<u>5,118,463</u>	
Shareholders' funds	10	5,196,122		5,118,464	
		<u>5,196,122</u>		<u>5,118,464</u>	

The notes on pages 7 to 10 form an integral part of these financial statements.

The financial statements were approved by the board of directors on 21 November 2014 and were signed on its behalf by:



Ross Lane
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost accounting rules in accordance with applicable UK accounting standards and comply with the requirements of the United Kingdom companies Act 2006.

Related party transactions

As the Company is a wholly owned subsidiary of Betfair Group plc, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 'Related party transactions' and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Betfair Group plc, within which this Company is included, can be obtained from the address given in note 11.

Cash flow statement

The Company has taken advantage of the provisions of FRS 1 'Cash flow statements' not to prepare a cash flow statement on the grounds that the cash flows are included within the published consolidated accounts of Betfair Group plc, the ultimate parent company.

Tax

The charge for tax is based on the profit for the period and takes into account tax deferred because of timing differences between the treatment of certain items for tax and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for tax and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

Notes (continued)

2 Profit on ordinary activities before tax

No directors received remuneration for services to the Company during the period. The Company had no employees during the period.

Audit fees have been borne by a fellow group undertaking in the current and prior period. The audit fee payable to the Company's auditor in respect of the audit of these financial statements was £5,000 (2013: £5,000).

3 Interest receivable and similar income

	2014 £	2013 £
Interest receivable from fellow group undertakings	<u>94,051</u>	<u>100,661</u>

4 Interest payable and similar charges

	2014 £	2013 £
Interest payable to fellow group undertakings	<u>16,393</u>	<u>17,545</u>

5 Tax on profit on ordinary activities

	2014 £	2013 £
Analysis of tax for the year		
Total current tax	<u>-</u>	<u>-</u>

The tax for the period is different from the standard rate of corporation tax in the UK of 22.8% (2013: 23.9%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>77,658</u>	<u>83,116</u>
Current tax rate 22.8% (2013: 23.9%)	17,706	19,865
Group relief received for nil payment	<u>(17,706)</u>	<u>(19,865)</u>
	<u>-</u>	<u>-</u>

Notes (continued)

5 Tax on profit on ordinary activities (continued)

With effect from 1 April 2014, the UK Statutory rate of Corporation tax was reduced to 21%. This will result in a blended standard statutory rate of 22.8% in the year ended 30 April 2014, and has been incorporated into the effective tax rate calculation.

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

This will reduce the company's future current tax charge accordingly.

6 Debtors

	2014 £	2013 £
Amounts owed by fellow group undertakings	6,292,955	6,198,904

Amounts owed by fellow group undertakings are unsecured, interest bearing and repayable on demand.

7 Creditors: amounts falling due within one year

	2014 £	2013 £
Amounts owed to fellow group undertakings	1,096,833	1,080,440

Amounts payable to fellow group undertakings are unsecured, interest bearing and repayable on demand.

8 Called up share capital

	2014 £	2013 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1 Ordinary share of £1 each	1	1

9 Reserves

	Profit and loss account £
At 1 May 2013	5,118,463
Profit for the financial year	77,658
At 30 April 2014	5,196,121

Notes (continued)

10 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Shareholders' funds as at 1 May	5,118,464	5,035,348
Profit for the financial year	77,658	83,116
Shareholders' funds as at 30 April	5,196,122	5,118,464

11 Immediate and ultimate parent company

The immediate parent company is The Sporting Exchange Limited, a company incorporated in the UK.

Betfair Group plc, a company incorporated in the UK, is the ultimate parent company. Copies of the financial statements of Betfair Group plc can be obtained from:

Companies House
 Crown Way
 Maindy
 Cardiff
 CF14 3UZ