

# Notes to the Financial Statements

Six months ended 30 June 2003 – unaudited

## 1. Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Boards as promulgated by the Institute of Chartered Accountants in Ireland.

## 2. Segmental Information

The turnover, operating profit and net assets of the Group relate to the provision of betting services in the Republic of Ireland and the United Kingdom. With the exception of five shops, the betting shop estate is based in the Republic of Ireland. The remaining five betting shops, the On-line division and the telephone division are operated out of the UK.

### (a) Turnover by Delivery Channel

	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Six months ended 30 June 2002 €'000 (unaudited)</i>	<i>Year ended 31 December 2002 €'000 (audited)</i>
Betting Offices	272,120	218,578	448,096
Dial-a-Bet	87,875	59,192	122,892
On-line	93,408	41,372	102,800
	<hr/> 453,403	<hr/> 319,142	<hr/> 673,788

### (b) Turnover by Region

Ireland and Other	348,917	275,171	570,564
Great Britain	104,486	43,971	103,224
	<hr/> 453,403	<hr/> 319,142	<hr/> 673,788

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### (c) Gross Profit by Delivery Channel

	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Six months ended 30 June 2002 €'000 (unaudited)</i>	<i>Year ended 31 December 2002 €'000 (audited)</i>
Betting Offices	30,810	30,279	58,859
Dial-a-Bet	5,500	4,929	9,743
On-line	5,608	3,662	8,407
	41,918	38,870	77,009

### (d) Operating Profit/(Loss) by Delivery Channel

Betting Offices	7,772	10,750	19,167
Dial-a-Bet	(597)	16	312
On-line	(373)	(1,693)	(2,396)
	6,802	9,073	17,083

### 3. Notes to the Cash Flow Statement

#### (a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Six months ended 30 June 2002 €'000 (unaudited)</i>	<i>Year ended 31 December 2002 €'000 (audited)</i>
Operating profit	6,802	9,073	17,083
Depreciation	3,035	2,894	5,805
Amortisation of goodwill	61	61	121
Increase in debtors	(915)	(315)	(282)
Increase in creditors	4,484	4,322	7,706
Loss on disposal of fixed assets	50	-	2
<b>Net cash inflow from operating activities</b>	<b>13,517</b>	<b>16,035</b>	<b>30,435</b>

#### (b) Analysis of changes in cash during the period

	<i>Six months ended 30 June 2003 €'000 (unaudited)</i>	<i>Six months ended 30 June 2002 €'000 (unaudited)</i>	<i>Year ended 31 December 2002 €'000 (audited)</i>
Balance at beginning of period	36,373	18,307	18,307
Net cash inflow/(outflow)	(1,251)	11,129	18,066
<b>Balance at end of period</b>	<b>35,122</b>	<b>29,436</b>	<b>36,373</b>