



NEVILLE PORTER PLC

Placing and Admission to AIM

Nominated Adviser: ARM Corporate Finance Ltd
Financial Adviser and Broker: SVS Securities Plc

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or about what action to take, you should immediately consult a professional adviser authorised pursuant to the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This document comprises an admission document for the purposes of the AIM Rules. This document does not constitute a prospectus for the purposes of the Prospectus Rules and it has therefore not been prepared in accordance with the Prospectus Rules and it has not been approved by the FSA nor has a copy been delivered to the FSA under regulation 3.2 of the Prospectus Rules Instrument 2005. An application has been made for the Enlarged Ordinary Share Capital of the Company to be admitted to trading on the AIM Market of London Stock Exchange plc. It is expected that dealings in the Ordinary Shares will commence on 28 February 2007.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority (“UKLA”). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not examined or approved the contents of this document. The rules of AIM are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Ordinary Shares of Neville Porter plc to the Official List.

To the best of the knowledge and belief of the Directors (who have taken all reasonable care that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors, whose names are set out on page 3, accept responsibility accordingly, including individual and collective responsibility for compliance with the AIM Rules. In connection with this document and/or the Placing, no person is authorised to give any information or make any representations other than is contained in this document.

The whole text of this document should be read in full. The attention of prospective investors is drawn in particular to Part Two of this document entitled “Risk Factors”.

Neville Porter plc

(Incorporated in England and Wales with registration number 5980987)

Placing of 43,250,000 new Ordinary Shares at 2 pence per share and Admission to trading on AIM

Nominated Adviser

ARM Corporate Finance Limited

Broker

SVS Securities plc

Share capital immediately following the Placing consisting of Ordinary Shares of £0.000444 each

<i>Amount</i>	<i>Authorised</i>		<i>Issued and fully paid</i>	
	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£111,000	250,000,000		£76,714.00	172,779,286

All of the Ordinary Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

ARM Corporate Finance Limited, which is authorised and regulated by the Financial Services Authority, is the Company's Nominated Adviser under the AIM Rules for Companies and AIM Rules for Nominated Advisers (together the “AIM Rules”). It is emphasised however that ARM Corporate Finance Limited's responsibilities as the Company's Nominated Adviser under the AIM Rules are owed solely to London Stock Exchange plc and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire Ordinary Shares in the Company in reliance on any part of this document. ARM Corporate Finance Limited has not authorised the contents of this document. No liability whatsoever is accepted by ARM Corporate Finance Limited for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible.

SVS Securities plc is the Company's Broker and is a member of London Stock Exchange plc and is acting exclusively for the Company in connection with the Placing. SVS Securities plc will not be responsible to anyone other than the Company for providing the protections afforded to customers of SVS Securities plc or for advising any other person on the Placing and other arrangements described in this document.

This document does not constitute an offer of, or the solicitation of an offer, to subscribe for or buy Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document is not for distribution in or into the United States of America, Canada, Australia or Japan. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered directly or indirectly in or into the United States of America, Canada, Australia or Japan. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended). The whole text of this document should be read.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	David John Soley, <i>Non-Executive Chairman</i> David Neville Porter, <i>Managing Director</i> Brian Morton, <i>Executive Director</i> Simon Howard Walters ACA, <i>Finance Director and Company Secretary</i> Arthur Sidney Baker, <i>Non-Executive Director</i>
	<i>all of:</i>
Head Office	Office 15 Birtley Business Centre Station Road Birtley County Durham DH3 1QT
Telephone Number	08000 223388
Registered Office	8 Pepper Street London E14 9RP
Nominated Adviser	ARM Corporate Finance Limited 12 Pepper Street London E14 9RP
Financial Adviser and Broker	SVS Securities plc 2 London Wall Buildings London Wall London EC2M 5PP
Auditors and Reporting Accountants	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Solicitors to the Company	Irwin Mitchell 150 Holborn London EC1N 2NS
Solicitors to the Placing	DMH Stallard Centurion House 37 Jewry Street London EC3N 2ER
Financial PR to the Company	PGA & Co Limited 1 Warwick Row London SW1E 5ER
Principal Bankers	Lloyds TSB Bank plc 19 Market Place Durham DH1 3NL
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

PLACING STATISTICS

Placing Price	2 pence
Number of Ordinary Shares in issue prior to the Placing	112,612,620
Number of Placing Shares	43,250,000
Number of shares to be issued in connection with services provided pursuant to the Placing and Admission	16,916,666
Number of Ordinary Shares in issue following the Placing	172,779,286
Percentage of the Enlarged Share Capital subject to the Placing	25.0%
Market Capitalisation of the Company at the Placing Price on Admission	£3.46 million
Gross proceeds receivable by the Company pursuant to the Placing	£865,000

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

CREST accounts credited in respect of Placing Shares in uncertificated form	28 February 2007
Expected Admission and start of trading on AIM	28 February 2007
Date on which definitive share certificates are expected to be despatched under the Placing	9 March 2007

DEFINITIONS

“Admission”	The admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules;
“Admission Document”	This document;
“AIM”	The Alternative Investment Market of the London Stock Exchange;
“AIM Rules”	Together the AIM Rules for Companies and the AIM Rules for Nominated Advisers, governing admission to and the operation of AIM, as published by the London Stock Exchange;
“ARM”	ARM Corporate Finance Limited, Nominated Adviser to the Company, which is authorised and regulated by the FSA;
“Articles”	The Articles of Association of the Company;
“Business”	The business of bookmaking and on-course betting as undertaken by the Group, and prior to its incorporation by the Partnership trading as Neville Porter Racing;
“Combined Code”	The Principles of Good Governance and Code of Best Practice prepared by the Committee on Corporate Governance, published in June 1998;
“Companies Act” or “the Act”	The Companies Act 1985, as amended;
“Company” or “Neville Porter”	Neville Porter plc, incorporated in England and Wales with registration number 5980987;
“CREST”	The relevant system (as defined in the CREST Regulations) for the paperless settlement of trades and the holding of uncertificated securities, operated by CRESTCo Limited, in accordance with the Uncertificated Securities Regulations 2001 (SI 2001 No 3785);
“CRESTCo”	CRESTCo Limited;
“CREST Regulations”	The Uncertificated Securities Regulations 2001;
“Directors” or “Board”	The Directors of the Company whose names appear on page 3 of this document;
“DNPRL”	D.N. Porter Racing Limited, a wholly-owned subsidiary of the Company, further details of which are given in paragraph 1.4.1 of Part Eleven;
“DNPRL Shares”	The entire issued share capital of DNPRL;
“EIS”	Enterprise Investment Scheme;
“Enlarged Share Capital”	The issued share capital of the Company immediately following Admission;
“FSA”	The Financial Services Authority;
“FSMA”	The Financial Services and Markets Act 2000;

“Group”	The Company, D.N. Porter Racing Limited and Neville Porter Racing Limited;
“Irish Trust Declaration”	The declaration of trust regarding pitches acquired or to be acquired in the Irish Republic, further details of which are given in paragraph 7.6 of Part Eleven of this document;
“NPRL”	Neville Porter Racing Limited, a wholly-owned subsidiary of the Company, further details of which are given in paragraph 1.4.2 of Part Eleven of this document;
“NPRL Shares”	The entire issued share capital of NPRL;
“Official List”	The Official List of the UK Listing Authority;
“Ordinary Shares”	Ordinary Shares of £0.000444 each in the capital of the Company;
“Partners”	Mr D. N. Porter, Mrs C. Porter and Mr B. Morton, being the partners of the Neville Porter Racing business prior to its acquisition by the Group;
“Partnership”	The partnership known as Neville Porter Racing and previously operated by the Partners;
“Partnership Pitches”	The pitches formerly held by Mr D. N. Porter and NPRL on behalf of the Partners;
“Placees”	Those persons subscribing for the Placing Shares in the Placing at the Placing Price;
“Placing”	The conditional placing of the Placing Shares as described in this document, pursuant to the Placing Agreement;
“Placing Agreement”	The conditional agreement dated 21 February 2007 and made between the Directors (1) the Company (2) SVS (3) and ARM (4) relating to the Placing, further details of which are set out in paragraph 7.13 of Part Eleven of this document;
“Placing Price”	2 pence per Placing Share;
“Placing Shares”	The 43,250,000 Ordinary Shares available for Placing at the Placing Price;
“Prospectus Regulations”	The Prospectus Regulations 2005 issued under Part VI of FSMA;
“Shareholders”	Holder of Ordinary Shares;
“SVS”	SVS Securities plc, financial adviser and broker to the Company, which is authorised and regulated by the FSA;
“The London Stock Exchange”	The London Stock Exchange plc;
“UK”	The United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	The United Kingdom Listing Authority, being the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
“VCT”	Venture Capital Trust.

TECHNICAL DEFINITIONS

“Betting Ring”	The area or areas at a racecourse where a Bookmaker may carry on his business of receiving or negotiating bets;
“Book”	The collection and record of bets made;
“Bookmaker”	A person who carries on the business of receiving or negotiating bets;
“Bookmaker’s Licence”	A licence or permit enabling a bookmaker to accept bets, issued by magistrates in the UK and the State in the Irish Republic;
“Horse Racing Ireland” or “HRI”	The body which is responsible for regulating racecourses in Ireland;
“National Joint Pitch Council” or “NJPC”	The organisation responsible for the administration of betting with bookmakers, under the National Pitch Rules, in the Betting Rings of Britain’s horseracing courses;
“Joint”	The stand and equipment used by a Bookmaker to carry out his business in the Betting Ring or on the Rails;
“List Position”	A Bookmaker’s position relative to other Bookmakers for a particular Betting Ring at an NJPC regulated racecourse entitling him to select, in descending numerical order commencing at number one, a designated Pitch at which to stand his Joint;
“Pitch”	The relative position in the Betting Ring which can be allocated to a Bookmaker on which to stand his Joint and transact bookmaking business;
“Rails”	The rail in the Betting Ring from which Rails Bookmakers may conduct their business in accordance with the NJPC Rules.

KEY INFORMATION

The following information is derived from and should be read in conjunction with the full text of this Admission Document.

The Group's core business is the operation of on-course betting pitches in prime locations on leading horse racing courses in the UK such as Royal Ascot, Cheltenham and Newmarket, and more recently at Leopardstown in the Irish Republic.

Neville Porter, the founder of the Business, has twenty seven years' on-course betting experience and an extensive knowledge of horseracing and sports betting generally. He has successfully built the Business up to its current portfolio of 39 pitches, across 24 horseracing courses. The Business enjoys a high profile and has an excellent reputation in the horse racing industry. His partner, Brian Morton, who joined the Business in 2005, is a successful entrepreneur having built up and sold a number of companies within the leisure sector prior to his involvement in the Business. His role is to develop the off-course betting activities of the Group.

The focus, following Admission, will be to expand the Group's Irish on-course betting activities and to develop its off-course betting operations in order to offer the same high quality betting services to customers that it currently offers at racecourses and to build upon the introduction of a broadly based telephone sports betting service.

Following the establishment of the telephone sports betting service, the Company has plans to launch a sports betting website for UK and European customers. The Company also plans to expand its on-course activities, including international expansion as and when suitable opportunities arise, with the objective of building the Company into a significant broadly based sports betting group.

Key Strengths

The Directors believe that the Company's key strengths are:

- The Business enjoys an excellent reputation, gained over many years, and a well-known brand name;
- The Business has a strong customer base which includes many leading corporate customers such as Ladbrokes, William Hill and Coral;
- The Business owns 38 pitches in the UK and one in Ireland, which, in aggregate, are valued at £1.095 million, giving the Business a strong asset backing;
- The Company's strategy following Admission is to maximise revenues from its existing customer base and to attract new customers through the establishment of additional, effective routes to market such as telephone betting and online sports betting, both of which have enjoyed strong sector growth in recent years;
- The Company also intends to continue the expansion of its on-course operations both in the UK and internationally, particularly with the acquisition of further pitches in the potentially more lucrative Irish market;
- Between 2004-06, the amount staked with the Business has grown by 45 per cent; and
- The Company has applied to HM Revenue & Customs and obtained provisional clearance that the Placing Shares should be able to qualify as "eligible shares" for the taxation advantages offered under the VCT scheme and the EIS.

Key financials

The trading record of the Partnership, which is unaudited, for the year ended 5 April 2004, the 15 months ended 30 June 2005, the year ended 30 June 2006 and the five months ended 30 November 2006 is set out in full in the Accountant's Report in Part Nine of this document, from which the following financial information has been extracted.

	<i>5 months ended 30 November 2006 £'000</i>	<i>12 months ended 30 June 2006 £'000</i>	<i>15 months ended 30 June 2005 £'000</i>	<i>12 months ended 5 April 2004 £'000</i>
Amount staked	2,189	3,769	4,032	2,588
Gross win	138	347	329	266
Operating profit	39	117	64	106
Profit before taxation and drawings	39	116	63	105

Reasons for the Placing and Admission and Use of Proceeds

The Company is seeking Admission to AIM in order to raise additional working capital for expansion of its operation, raise its profile and standing within the marketplace, to widen its investor base and to have access to equity capital markets. The Placing will raise £865,000 before expenses for the Company. The net proceeds of the Placing, estimated at £602,000, are intended to be used by the Company as set out below:

	<i>£'000</i>
Acquisition of new pitches (including repayment of a director's loan of £160,000 used to acquire the Leopardstown pitch)	400
Establishment of telephone call centre	50
Working Capital	152
Total	<u><u>602</u></u>

PART ONE

INFORMATION ON THE GROUP

INTRODUCTION

The Group's core business is the operation of on-course bookmakers' pitches in prime locations on leading race courses in the UK, such as Royal Ascot, Cheltenham, and Newmarket and, more recently, at Leopardstown in the Irish Republic. The Group is also in the process of developing its off-course telephone and on-line betting operations.

The Company is seeking to raise approximately £865,000, before expenses, through a placing of 43,250,000 new Ordinary Shares at the Placing Price, representing 25.0 per cent of the enlarged share capital, in order to finance its expansion plans. The Placing is conditional *inter alia* on Admission to AIM, which is expected to become effective on 28 February 2007.

HISTORY AND BACKGROUND

The Business was established as a partnership between Neville Porter and his wife in 1980, since when Neville Porter has operated on-course pitches at horse racing courses in the UK.

In 1998, the National Joint Pitch Council took over responsibility for the administration of betting with bookmakers at Britain's horseracing courses. The NJPC presided over the de-regulation of on-course betting and allowed bookmakers to auction their pitches to the highest bidder, thus providing a basis for the market values of pitches to be determined and realised. Previously, bookmakers had been placed on waiting lists, with the result that it could take many years for new pitches to be awarded.

As a consequence of these changes, Neville Porter recognised the opportunity to expand the on-course betting activities of the Business by the acquisition of some of the best-positioned pitches at horseracing courses around the UK.

The location of the pitch at any given racecourse is an important factor in determining the footfall past the pitch and hence the volume of business that the bookmaker can expect to transact at a race meeting.

The Business now owns 38 pitches in the UK and one in the Irish Republic. These pitches have recently been independently professionally valued at £1.095 million; a list of the pitches is set out under the heading 'Current Operations' below and the Valuer's Report is set out in Part Three of this document.

In July 2005, Brian Morton took a 50 per cent stake in the Partnership with a view to developing the off-course betting activities of the Business. He is an experienced and successful entrepreneur, having owned and managed many businesses in the leisure sector, including the acquisition, with David Soley (Chairman of Neville Porter plc), of Camerons Brewery from Wolverhampton & Dudley PLC in 2002, an interest that he subsequently sold to Scottish & Newcastle plc in 2004, and the acquisition and disposal of betting shops which were sold to Ladbrokes in 1989.

GROUP STRUCTURE

Neville Porter plc was incorporated in October 2006 with the purpose of becoming the holding company for the Group. Prior to 1 December 2006, the Company had not traded.

Neville Porter Racing Limited (NPRL) and D.N. Porter Racing Limited (DNPRL), both now wholly-owned subsidiaries of the Company, were incorporated in January 1999 and February 1999 respectively. Prior to 1 December 2006, neither company had traded.

On 1 December 2006, the following transactions took place:

- the assets of the Partnership, excluding the pitches, were transferred to DNPRL;

- DNPRL was then acquired by Neville Porter plc in return for the issue, credited as fully paid, of 112,612,612 Ordinary Shares and the transfer of two nil paid subscriber shares, which were subsequently paid up in full;
- the pitches, (excluding four pitches (the “Duplicate Pitches”) which, for technical reasons discussed below, continued to be held in the name of Neville Porter himself), were transferred from the Partnership to NPRL;
- NPRL was then acquired by Neville Porter plc in return for the issue, credited as fully paid, of 4 Ordinary Shares.

Further details of these transactions are set out in paragraph 7 of Part Eleven of this document.

Under NJPC rules, a bookmaker may not hold more than one pitch in the same area of a racecourse and in order to comply with this rule the Duplicate Pitches continued to be held by Neville Porter in his own name. However, following a successful application to the Thames Magistrates Court on 31 January 2007 by DNPRL to obtain a Bookmaker’s Licence, the Duplicate Pitches have now been transferred to DNPRL.

In December 2006 the Group acquired a pitch at Leopardstown, Irish Republic, at a cost of £160,000. This purchase was financed by a short-term loan from Brian Morton, details of which are set out in paragraph 7.15 of Part Eleven of this document and it is intended that this loan will be repaid out of the net proceeds of the Placing.

THE MARKET

The gambling industry has expanded significantly since 2000-01, with the total amount staked on all forms of gambling in the United Kingdom doubling from £27.2 billion in 2000-01 to £53.4 billion in 2003-04 according to the National Audit Office. General betting, which includes sports betting, has accounted for a disproportionate amount of the increase in gambling over the period. Since 2004, sports betting has continued to grow and was reported in November 2006 to be worth £50 billion per annum*. Set out below is the gross spending on gambling by segment for the period between 2000-04.

*Source: *Financial Times* – 24 November 2006

Gross spending on gambling

	2000-01 (£m)	2001-02 (£m)	2002-03 (£m)	2003-04 (£m)
General betting	7,097	10,120	18,761	32,264
National Lottery	5,043	4,833	4,549	4,587
Pools betting	174	144	121	111
Casinos	3,316	3,582	3,797	4,073
Bingo clubs	1,118	1,164	1,222	1,381
Amusement machines	10,517	10,743	10,839	11,000
Total	<u>27,265</u>	<u>30,586</u>	<u>39,289</u>	<u>53,416</u>

Source: *National Audit Report: HM Customs & Excise – Gambling Duties – 14 January 2005*

The market growth has been supported by a number of factors including:

- the increasing acceptance of gambling as a social activity, a factor that dates back to the launch of the National Lottery in 1995;
- favourable UK government policy in relation to the gaming sector that has seen a policy of de-regulation being pursued;
- the replacement of the general betting duty with the gross profits tax in 2001, allowing off-course gamblers to bet tax-free whereas previously they had a percentage of their stakes deducted by bookmakers to pay general betting duty;

- the increasing acceptance of the internet as a means to transact business and improvements in internet connectivity and security enabling customers to open accounts and bet online in real time; and
- new forms of gambling such as spread betting and exchange betting.

Changes in technology have been key to strengthening the fundamentals of the sectors. As a result, it has seen an increase in operators who are marketing many new variations of betting opportunities, such as Betfair or Betdaq. Established operators have also benefited from these changes. Ladbrokes, one of the leading UK companies in the sector, reported in the first half of 2006 that the total amount staked in its telephone betting division was £578.8 million and in its e-gaming division was £587.4 million, up 70 per cent and 39 per cent respectively on the comparable period for the previous year.

The Directors believe that online and telephone gaming could receive a further boost once the UK smoking ban in enclosed public places comes into force on 1 July 2007. This could impact on trade in pubs and betting shops if smokers prefer to watch sporting events at home, where they can still enjoy a cigarette, and place their bets over the telephone or internet.

As already mentioned, the Business is a well-known and respected name on racecourses throughout the country and the Directors believe that the Company is well placed to build on its existing customer base and to attract new customers, initially through its planned telephone sports betting services and subsequently, by introducing an online sports betting website.

UK Regulatory Environment

A person or company may act as a bookmaker only if he or it holds a Bookmaker's Licence. This is issued by the betting licensing committee of a local magistrates' court. The betting licensing committee will need to be satisfied that the applicant is a fit and proper person. The licence allows the applicant to receive or negotiate bets in the UK. This licence is required in order to operate on-course betting outlets. It is also the only regulatory requirement to operate both telephone and internet betting operations in the UK.

Mr Porter has held a Bookmaker's Licence in his own name since 1980 and Michael Misko, who is associated with the Company, has held a Bookmaker's Licence for approximately six years. NPRL and DNPRL also each hold a Bookmaker's Licence. Thirty four of the pitches owned by the Group in the UK are registered in the name of NPRL, with the remaining four held in the name of DNPRL. Changes to the UK regulatory regime are anticipated following the implementation of the Gambling Act 2005, which is expected to come into force in September 2007. Following that date, the Gambling Commission will have responsibility for the regulation of gaming and remote gambling. The Directors intend to comply with all future regulatory requirements.

Irish Regulatory Environment

In order to operate as a racecourse bookmaker in Ireland, a State Bookmaker's Licence and a betting permit from Horse Racing Ireland ("HRI") are required. Mr Porter already holds, and Brian Morton and Michael Misko have each submitted applications for an Irish Bookmaker's Licence and a betting permit. The Directors anticipate that these applications will be completed during March/April 2007.

Only individuals, rather than companies, can be registered as Irish pitch holders under HRI rules. Assuming that a Bookmaker's Licence and betting permit are granted to Mr Morton, he and Mr. Porter will be registered as the joint holders of the Irish pitches and they have each entered into a deed of trust with the Company effectively giving the Company the full benefit of all rights, revenues and interests in the Irish pitches, subject only to the legal title being held by the licensees within Ireland. Further details of the trust arrangements relating to the assignment of benefit of the pitches to be acquired at Irish racecourses are detailed in paragraph 7.6 of Part Eleven of this document.

CURRENT OPERATIONS

The Business is a profitable, well established bookmakers' business. It enjoys an excellent reputation within the on-course betting community, and has a customer base built up over the past 27 years.

The core business centres on the operation of on-course betting pitches at leading UK horseracing courses. The Group currently owns 38 pitches in the UK and one in Ireland with an aggregate value of approximately £1.1 million. As an adjunct to its on-course betting business, the Business has, since last year, also operated a telephone betting service for selected account customers.

The layout of a typical racecourse means that the location of each pitch is extremely important, not only in terms of visibility and revenue generation, but also as a potentially appreciating asset. The Group has, over several years, successfully assembled a portfolio of prime pitches at most of the leading horseracing courses in the UK. This provides a strong operational base and ensures that the Group has a high profile at race meetings, as well as allowing it to build a strong and regular client base.

The following pitches are owned by the Group:

<i>Racecourse</i>	<i>Course Type</i>	<i>Ring</i>	<i>List Position</i>
Royal Ascot	Flat	Tattersalls	13
Royal Ascot	Flat	Tattersalls	15
Ayr	Flat	Tattersalls	1
Ayr	Flat	Tattersalls	5
Beverley	Flat	Course	18
Carlisle	Flat	Tattersalls	2
Catterick	Flat	Rails	16
Cheltenham Festival	National Hunt	Rails	31
Cheltenham Festival	National Hunt	Lower Tattersalls	3
Cheltenham	National Hunt	Lower Tattersalls	1
Cheltenham	National Hunt	Lower Tattersalls	2
Chepstow	National Hunt	Tattersalls	78
Chepstow	Flat	Tattersalls	67
Doncaster	Flat	Tattersalls	18
Epsom Derby	Flat	Lower Tattersalls	55
Exeter	National Hunt	Tattersalls	59
Fontwell	National Hunt	Lower Tattersalls	28
Hamilton	Flat	Rails	4
Hamilton	Flat	Rails	15
Haydock	Flat	Rails	9
Haydock	National Hunt	Rails	8
Kelso	National Hunt	Rails	3
Kempton	National Hunt	Tattersalls	48
Kempton	All Weather	Silver	17
Kempton	All Weather	Silver	44
Leicester	National Hunt	Rails	18
Leicester	National Hunt	Rails	5
Leicester	Flat	Rails	5
Leicester	National Hunt	Rails	3
Ludlow	National Hunt	Tattersalls	42
Musselburgh	Flat	Tattersalls	1
Newcastle	Flat	Tattersalls	5
Newcastle	National Hunt	Rails	8
Newcastle	National Hunt	Rails	18
Newmarket Rowley	Flat	Rails	10
Ripon	Flat	Rails	6
York	Flat	Rails	15
York	Flat	Tattersalls	120
Leopardstown (Ireland)	Flat and National Hunt	Tattersalls	9

At some of the venues above, the Group has more than one pitch, allowing it to cater for betting at meetings covering different racing codes (flat, National Hunt and all weather) or events (festivals). In addition, at some courses the Group operates pitches in more than one enclosure at the same meeting. It also has four duplicate pitches where there is more than one pitch in the same enclosure at the same meeting.

The list position indicates a bookmaker's position relative to other bookmakers at the racecourse. This entitles the bookmakers to select, according to the number of their pitch (commencing at number one and working downwards, the pitch at which they wish to stand their joint. In Ireland, a pitch holder acquires the position at a race track for all racing at that particular track rather than at a particular type of code or event, hence Neville Porter is entitled to transact business at both flat and national hunt races at Leopardstown.

CUSTOMERS

The majority of the Group's customers are private customers who bet on-course including many who the Directors believe are loyal to the Neville Porter brand identity and provide the Business with recurring income.

In addition to private customers, a sizeable proportion of the Group's business is from other leading sports betting operators. Neville Porter has an important position within the marketplace because it is one of the few sources used by The Press Association to obtain starting prices and other key information for publication in the national and sporting press and in betting shops across the UK.

For this reason, corporate customers regularly hedge their liabilities with Neville Porter. These customers include Ladbrokes, William Hill, Coral and Victor Chandler in the UK, PaddyPower and Sean Graham in Ireland and Stan James in Gibraltar. Corporate business represents an important source of income and can often help the Company to hedge its own liabilities, thereby reducing the Business's exposure.

All the Group's customers are based in the UK, Gibraltar and Ireland and the Group does not have any exposure to the USA.

FUTURE PROSPECTS

A key element of the Group's strategy is to continue the expansion of its on-course betting operations as suitable opportunities arise, particularly by the acquisition of further pitches in Ireland. It also aims to develop its revenue streams from its existing customer base, as well as attracting new customers, through additional routes to market such as telephone betting and online sports betting.

On-Course Operations

Pitch Acquisition

The Group has considerable experience of acquiring UK pitches in prime locations and has recently embarked on the expansion of its on-course operations overseas with the recent acquisition of its first pitch in Ireland.

The Irish market represents a strong business opportunity as a result of the level of popularity of horse racing in Ireland. In 2005, attendances at Irish horseracing courses, and on-course betting revenues reached an all-time record high of 1.43 million and €236.7 million respectively. The increasing popularity of the sport was put down to younger visitors, including more women, being attracted to the festival and race evenings. *Source: HRI*

The festival meetings at Punchestown, The Curragh, Galway, Listowel and Leopardstown were described as 'star performers'. The margins achieved at horseracing courses in Ireland are typically greater than those in the UK resulting in higher profits for on-course bookmakers.

The Group's first pitch in Ireland, at Leopardstown, was acquired in December 2006 for £160,000. The Company attended four days' racing between Christmas and New Year at Leopardstown, and over this period the amount staked with the Company was €230,686 on which the gross win was €35,432, representing a gross win margin of 15.4 per cent. This compares favourably to the UK, where the average gross win margin was 9.2 per cent in 2006 and confirms the Directors' belief that the Irish racecourse market represents a higher value, higher margin market than the UK.

In addition, the Group's off-course operations should benefit from its presence at Irish racecourses as the Company's reputation and profile becomes better established with Irish customers.

The Company is seeking to acquire further pitches on horseracing courses where festivals are held and the Directors are close to agreement for the acquisition of a prime pitch at Galway. Thereafter, the Directors will review opportunities to acquire pitches at Punchestown and The Curragh.

In addition, the Company is not currently represented at every horseracing track within the UK and, subject to pitches in prime locations becoming available at courses where the Company is not already trading, the Company would hope to expand its portfolio of pitches within the UK.

Off-Course Expansion

Head office

In December 2006, the Company took a three year lease over premises in Birtley, County Durham to act as the Company's head office and the base for the Company's telephone betting and online sports betting operations.

Telephone betting service

Since the introduction of a pilot telephone betting service last year, a select number of private customers have opened accounts with the Company enabling them to place bets over the telephone. The Directors believe the initial scheme has been successful due to the personal service and high levels of care that the Company has shown its customers. Consequently, the Company is close to completing the establishment of a dedicated call centre at the Company's head office allowing all of its existing and new account customers to bet with the Company over the telephone. This will greatly increase the number of sporting events on which its customers can bet with the Company.

Customers will be able to speak directly to telephone operators, overseen by either Mr Porter or Mr Morton who will monitor the Company's overall exposure. Staff recruitment has already commenced and the telephone betting service is expected to be operational by March 2007.

Telephone services will be based on the industry standard ABetA software system which has already been installed at the Group's head office. This is a modular system and the Company will be able to expand the call centre operation as the customer base grows.

This will greatly increase the profitable betting opportunities that the Company is able to offer and the Directors believe that this will be a significant source of revenue in the future. To avoid bad debts, all telephone betting will be operated on either a deposit account or debit card basis; credit will not normally be offered to private customers.

Online sports betting

The Company's websites (www.npbetlive.com, www.npbetlive.co.uk, www.npbet.com and www.npbet.co.uk) are currently used for marketing purposes only. The ABetA internet system is currently being installed to establish a fully functioning online gaming website. The Directors believe that an online website will attract new customers at minimal cost, due to the ease of registration and widespread internet access.

Because the customer inputs all the details of the bet under normal operating circumstances, the Company will only need to monitor the overall exposure from the online operations, thus keeping operating costs low.

STRATEGY

The Company's strategy following Admission will be to develop the Group into an integrated on-course and off-course sports betting operator with the objective of becoming a significant gaming group. The Directors believe that the Group will be able to leverage off the Company's existing customer base to promote the "Neville Porter" brand name.

BOARD OF DIRECTORS

David John Soley, ACMA, Non-Executive Chairman, aged 57

David is experienced in managing companies in an executive capacity and has overseen a number of mergers and acquisitions. In 1998 he led a management buy-in team which acquired the Castle Eden Brewery from Whitbread plc. He subsequently acquired Camerons Brewery from Wolverhampton & Dudley plc in 2002, with Brian Morton, and oversaw the transfer of production from the Castle Eden Brewery to the Camerons Brewery. David is also a director of Eye Spy Security Ltd. and chairman of Wilton Engineering Ltd. and Wilton Marine Ltd. He was a management consultant between 1990-98. Between 1984 and 1990 he worked in the oil and gas services industry for Davy Offshore Modules Ltd., a joint venture company between Davy Corporation and Interdom Holdings. prior to which he was a director of the offshore subsidiaries of A.M.E.C. David is an associate of the Chartered Institute of Management Accountants.

David Neville Porter, Managing Director, aged 47

Neville has been a bookmaker for 27 years and holds Bookmaker's Licences for the UK and Ireland. He has an excellent knowledge of the sports betting market and has run profitable businesses in the sector for many years. Previously, he owned betting premises and ran a greyhound stadium – which included supervision of all greyhound trainers, veterinary facilities, and management of staff operations. Neville is present at most of the racing fixtures covered by the Company's pitches and has overall responsibility for operational controls, risk management and pitch acquisition.

Brian Morton, Executive Director, aged 47

Brian became a partner in the Business in July 2005 with a view to developing the UK off-course sports betting activities. He is an experienced entrepreneur, having owned and managed a number of businesses within the leisure sector. With David Soley he acquired Camerons Brewery from Wolverhampton & Dudley plc in 2002 and subsequently sold his stake to Scottish & Newcastle plc in 2004. He remains a consultant to Camerons Brewery with responsibility for finding and acquiring pubs. He has significant experience in the betting industry having previously owned and operated betting premises, which were sold to Ladbrokes in 1989. He also identified and acquired betting premises for Arthur Prince, bookmakers. He is also a member of the Race Horse Owners Association.

Simon Howard Walters, ACA, Finance Director, aged 43

Simon qualified as a chartered accountant in 1986 and joined the corporate finance department of Stoy Hayward. In 1990, he left to join Fuller Peiser, a national property consultancy, as finance partner, where he stayed for two years before becoming finance director of the privately-held Molyneux property investment and venture capital group, whose interests included 52 per cent of USM-listed Molyneux Estates plc. In 1997, he joined Shani Group plc, a fully-listed UK clothing manufacturer with operations in the UK and Eastern Europe, as finance director of its trading subsidiaries. In 1999, he was asked by Andrew Cohen, CEO of Betterware prior to its high-profile £127m sale, to join Wood Hall Securities, his private equity group. Simon managed funds of £25m which were invested in a range of private high-growth businesses and a significant property portfolio. Simon has also been a non-executive director on the board of Bilston & Battersea Enamels plc, finance director of the Fish! chain of restaurants after Wood Hall bought it out of receivership, and a director of NetFM, an internet radio station which he headed for a consortium of backers. Simon is managing director of FD Solutions and since 2003 has provided finance director services to a number of quoted and private companies in various sectors.

Arthur Sidney Baker, FCMA, ACIS, Non-Executive Director, aged 56

Arthur commenced his career as a management trainee at Sketchley plc, the textiles, hosiery and dry cleaning group. He then joined the Development Trust department of Lazard Brothers which had responsibility for making investments in small owner-managed companies and turnaround situations. In 1993-94, he was instrumental, as finance director of Mercury Taverns, in raising £26m in debt and equity to enable the purchase of 111 pubs from Bass. Arthur left Mercury Taverns and joined the Little Pub Company as finance director. This grew into a 21-strong Midlands pubs chain, before it was sold to Ushers for £6.5m in 1998. Subsequently he has advised Close Brothers in acquiring pubs for their EIS investors and is the Chairman of AIM-quoted pub company Innobox plc. In 2003, he led the management buy-in team of Blue Chip Casinos, a Midlands regional casino chain that attracted equity investment from the NASDAQ-quoted Isle of Capri Casinos Inc. He holds a hard gaming White

Licence issued by the Gambling Commission, is a fellow of the Chartered Institute of Management Accountants and an associate of the Chartered Institute of Company Secretaries.

Senior management

Michael Misko, aged 26

Michael is a licensed bookmaker and has worked with the Business on a self-employed basis for 8 years. He provides back up for Neville Porter at the major meetings and operates pitches on behalf of the Business where the Company wishes to operate more than one of its pitches at a race meeting, or at more than one meeting on any particular day.

Coreen Porter, aged 47

Coreen is married to Neville Porter and was the co-founder of the Partnership in 1980. She has an extensive knowledge of all aspects of the Business and is actively involved in head office operations. In conjunction with Brian Morton she will assume responsibility for recruitment and management of the telephone sales staff.

Employees

In line with normal industry practice, the business engages experienced on-course clerks on a self-employed basis to assist with running the book during race meetings. These clerks are usually booked several weeks ahead and form part of a pool which is available to the bookmakers. The Business has long-standing relationships with a number of tried and trusted clerks with whom it works.

Following Admission, the Company will recruit employees to staff the telephone call centre. The intention is that these employees should already have worked in and have experience of, the sports betting industry and/or tele-sales.

The majority of the administrative and accounting functions are carried out by Straughans, Chartered Accountants, under a services agreement, details of which are set out in paragraph 7.16 of Part Eleven of this document.

TRADING RECORD

The trading record of the Partnership for the year ended 5 April 2004, the 15 months ended 30 June 2005, the year ended 30 June 2006 and the five months ended 30 November 2006, is set out in full in the Accountant's Report in Part Nine of this document, from which the following financial information has been extracted. Investors should not rely solely on the summarised information in making any investment decision.

The Company itself was incorporated in October 2006 and prior to 1 December 2006, when it acquired the assets of the Partnership, neither it nor its subsidiaries had traded.

	<i>5 months ended 30 November 2006 £'000</i>	<i>Year ended 30 June 2006 £'000</i>	<i>15 months ended 30 June 2005 £'000</i>	<i>Year ended 5 April 2004 £'000</i>
Amount staked	2,189	3,769	4,032	2,588
Payouts	(2,050)	(3,422)	(3,702)	(2,322)
Gross win	138	347	329	266
On-course and associated costs	(76)	(130)	(148)	(100)
Administrative expenses	(23)	(100)	(117)	(60)
Operating profit	39	117	64	106
Finance costs	–	(1)	(1)	(1)
Profit before taxation and drawings	39	116	63	105

Between 2004 and 2006, the amount staked with the Business has grown by over 45 per cent and the gross win by over 30 per cent.

CURRENT TRADING

Current trading is encouraging and the Directors view the future with confidence. Since 30 June 2006, a pitch at Cheltenham (where the festivals are held in November and March each year) has been acquired for £15,000. This will increase the potential number of racing days attended by seven. The Business has also bought pitches at Leopardstown, Ireland for £160,000 and at Kelso for £4,000. In the same period, a pitch at Carlisle has been disposed of for £12,000.

The Company acquired the assets of the Partnership on 1 December 2006 and has had the benefit of these assets since that date. In December 2006, the Company attended seven race days: two at Cheltenham, four at Leopardstown and one at Haydock.

The trading record summarises in this Part One, above, recent trends in sales and costs between 30 June 2006 and 30 November 2006.

The Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

CORPORATE GOVERNANCE

The Company intends to develop appropriate measures to ensure that it will (as far as practical having regard to its size) comply with the spirit of the Combined Code.

The Company has adopted and will operate a share dealing code for Directors and employees under the terms recommended by AIM.

The Board has established a Remuneration Committee and an Audit Committee. The Non-Executive Chairman, David Soley, is chairman of both the Audit Committee and the Remuneration Committee and Arthur Baker sits on both the Audit Committee and the Remuneration Committee. The committees have duties and responsibilities formally delegated to them by the Board.

The Audit Committee is primarily responsible for ensuring that the financial performance of the Company is properly measured and reported on, for reviewing reports from the auditors relating to the Company's accounting and internal controls and for reviewing the effectiveness of the Company's systems of internal control.

The Remuneration Committee is primarily responsible for monitoring and approving all elements of the executive Directors' remuneration, as well as their performance management.

REASONS FOR THE PLACING AND ADMISSION AND USE OF PROCEEDS

The Company is seeking Admission to AIM in order to raise its profile and standing within the marketplace, widen its investor base and to have access to equity capital markets. The Placing will raise £865,000 before expenses for the Company. The net proceeds of the Placing, estimated at £602,000, will be used by the Company as set out below:

	<i>£'000</i>
Acquisition of new pitches (including repayment of loan to acquire Leopardstown pitch)	400
Establishment of telephone call centre	50
Working Capital	152
Total	602

Following Admission, the Directors will open the call centre for telephone betting, establish an online sports betting service, acquire new pitches in Ireland and recruit additional staff. The Directors consider that, taking into account the estimated net proceeds of the Placing, the Group will have sufficient working capital for its present requirements, for at least twelve months from Admission.

DETAILS OF THE PLACING AND ADMISSION

The Company is raising £865,000 (before expenses) through the placing of 43,250,000 new Ordinary Shares at the Placing Price of 2 pence per Placing Share with the Placees. The Placing Shares will represent approximately 25.0 per cent of the Enlarged Share Capital of the Company on Admission. Further details of the Placing Agreement are set out in paragraph 7.13 of Part Eleven of this document.

The Placing Shares will, following Admission, rank *pari passu* in all respects with the existing issued Ordinary Shares and will have the right to receive all dividends and other distributions subsequently declared, made or paid in respect of the issued Ordinary Share capital of the Company.

The Placing is conditional, *inter alia*, on Admission. Admission is expected to take place and dealings in the Ordinary Shares on AIM are expected to commence at 8.00 a.m. on 28 February 2007. It is intended that, where applicable, definitive share certificates in respect of the Placing Shares will be posted by first class post on 9 March 2007, or as soon thereafter as is reasonably practicable. No temporary documents of title will be issued in connection with the Placing.

DIVIDEND POLICY

The Directors are committed to building and developing the business of the Company. Accordingly, they propose to reinvest any profits generated during the next few years and do not expect to pay dividends during this period.

LOCK-IN ARRANGEMENTS

The Directors and their related parties who collectively will hold 117,612,620 Ordinary Shares in the Company (which will equate to 68.1 per cent of the ordinary share capital on Admission), have undertaken:

- (i) not to dispose of any interest in their Ordinary Shares for a period of 12 months following Admission (the "Lock-in Period") in accordance with Rule 7 of the AIM Rules, except in the very limited circumstances allowed by the AIM Rules; and
- (ii) not to dispose of their Ordinary Shares at any time during the period of 12 months following the expiry of the Lock-in Period except in certain circumstances, unless they do so with the consent of SVS (or the Company's broker from time to time) and ARM (or the Company's nominated adviser from time to time) and through SVS (or the Company's broker from time to time).

In addition, Arc Management Services Limited will hold 8,333,333 Ordinary Shares (equating to 4.82 per cent of the ordinary share capital on Admission) and has undertaken for a period of one year to observe orderly market provisions.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755). The Articles of Association of the Company permit the holding of Ordinary Shares under the CREST system. All the Ordinary Shares will be in registered form and no temporary documents of title will be issued. The Directors intend to apply for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST. It is expected that Admission will become effective and dealings in Ordinary Shares on AIM will commence on 28 February 2007. Accordingly, settlement of transactions in Ordinary Shares may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and holders of the Ordinary Shares who wish to receive and retain share certificates will be able to do so.

TAXATION

Information regarding UK taxation with regard to certain holders of the Ordinary Shares is set out in paragraph 13 of Part Eleven of this document. That information is intended as a general guide to the current tax position under UK law. If you are in any doubt as to your tax position, you should consult your independent professional adviser.

VCT AND EIS

The Company has applied to HM Revenue & Customs and obtained provisional clearance that the Placing Shares will qualify as “eligible shares” for the taxation advantages offered under the VCT scheme and the EIS.

FURTHER INFORMATION

Your attention is drawn to the information set out in Parts Two to Eleven of this document, in particular Part Two which is entitled “Risk Factors”.

PART TWO

RISK FACTORS

An investment in the Company is subject to a number of risks. Accordingly, prospective investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including, in particular, the risks described below, before making any investment decision. The information below does not purport to be an exhaustive list of all the risk factors involved in investing in the Company and they are not set out in any order of priority. In particular, the Company's performance might be affected by changes in market and/or economic conditions and in legal, regulatory and tax requirements. Investors should consider carefully whether investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Before making any final decision, prospective investors, if they are in any doubt, should consult with an investment adviser authorised under the Financial Services and Markets Act 2000. If any of the following risks were to materialise, the Company's business, financial position, results and/or future operations may be materially adversely affected.

The market price of the Ordinary Shares may go up or down and an investor may lose all or part of his investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company and the market price of the Ordinary Shares.

An investment in the Company is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). There can be no certainty that the Company will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Group and there can be no assurance that the Group will achieve its objectives.

Investment risk

Although the Ordinary Shares are to be admitted to trading on AIM, they will not be listed on the Official List. An investment in shares traded on AIM may carry a higher risk than an investment in shares quoted on the Official List. The trading of the Ordinary Shares on AIM should not be taken as implying that there will be a liquid market in the shares. A return on investment in the Ordinary Shares, may therefore, in certain circumstances be difficult to realise. These factors could include the performance of the Company's operations.

Investors should be aware that, following Admission, the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment. The price at which the Ordinary Shares may trade and the price which investors may realise for their Shares will be influenced by a large number of factors, some specific to the Company and some which may affect publicly traded companies generally. This volatility could be attributable to various facts and events, including any regulatory or economic changes affecting the Group's operations, variations in the Group's operating results, developments in the Group's business or those of its competitors, changes in market sentiment towards the Ordinary Shares, large purchases or sales of shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. In addition, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors.

At the same time, market conditions may affect the Ordinary Shares regardless of the Group's operating performance or the overall performance of the gaming sector. Stock market conditions are affected by many factors such as general economic outlook, movements in or outlook on interest and inflation rates, currency fluctuations, changes in investor sentiment towards particular market sectors and the supply and demand for equity capital.

Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Company while others may be outside the Group's control.

Market perception

Market perception of gaming companies may change, which could impact on the value of investors' holdings and impact on the ability of the Company to raise further funds by the issue of further shares in the Company.

Management

The Group's success depends upon the expertise and continued service of the Managing Director and other key personnel. The loss of the Managing Director and any other key personnel may have a material adverse impact on the Group's business. The departure from the Group of any Director could, in the short term, have a material adverse effect on the Group's business. Whilst the Group has entered into service agreements or contracts for services with the Directors with the aim of securing their services, the retention of their services cannot be guaranteed. Furthermore, the Group's future success depends upon its ability to attract and retain highly skilled and qualified personnel. It is the Group's intention to apply for keyman insurance for Mr Porter and Mr Morton.

Competition

The Company's market position might be eroded should a company with more resources, a larger customer base, or more attractive brands or products enter the market. The Company may be unable to respond quickly or adequately to the strategies of competitors, or to new product and service offerings, or to the marketing or promotional efforts of such competitors. The Company could face increased competition from other national betting operators, other independent operators, casino operators or other new entrants. These companies may have greater financial, technical, marketing and other resources than the Company. The Company may be required to increase its planned advertising expenditure and other costs, in the face of increased competition. If any of these risks were to materialize, this could result in a reduction in the Group's customers (both retail and wholesale), revenue and profitability, which could in turn have a material adverse effect on the Group's financial performance.

Brand Development

Failure to protect the Group's intellectual property rights including its brand name may result in another party copying or otherwise obtaining and using its proprietary content and technology without authorisation. Due to the Group's size and limited cash resources, it may not be able to detect and prevent infringement of its intellectual property rights.

Technology Risk

Technology by its nature may change rapidly, which could render the Company's service offering less competitive, adversely affecting demand and pricing, increasing the cost of keeping up with latest developments or even rendering the Company's existing technology obsolete.

Third Party Service Providers

The Group's ability to offer new services such as a telephone betting service or an online sports betting services is dependent upon its ability to reach agreement with key service providers such as telecommunications companies, internet service providers, merchant services providers and software developers. If there is any interruption to the products or services provided by those key service providers or those products or services are not as scalable as anticipated, or there are problems in upgrading such products or services, the Group's business may be materially and adversely affected, and the Group may be unable to find adequate replacement services on a timely basis or at all. In addition, the failure of any of these firms to adhere to their contractual obligations or otherwise adhere to their contractual obligations or otherwise perform their service in an efficient and timely manner could materially and adversely impact on the Group's operations. Furthermore, changes in key relationships within those partners, change of strategic direction by partner organisations, changes in the viability of partner-owned technology, economic and other business circumstances could all have an adverse effect.

Regulation on Deposit Taking

Under the UK laws regulating financial companies, there are complex rules concerning the acceptance of “deposits” and the terms upon which interest is paid. In the event that payments to the Group are considered “deposits” under FSMA, then the Group would need to be licensed as a bank. Currently, the FSA has accepted that, provided customer monies are held on trust with no interest paid to the customer, there is no requirement for any additional form of licensing or regulation. However, there is no guarantee that this view will not change.

Payment processing systems

The Group’s operations in relation to its proposed telephone betting service and online sports betting will be dependent upon its relationship with banks and credit card companies. Any change in those relationships, or the enactment of any legislation prohibiting the use of credit cards or changes in relation to money-laundering regulations may materially and adversely affect the Group’s business.

Future Prospects

The Company is still within a period of intensive growth and evolution. This makes it difficult to evaluate and predict the Company’s future performance. The continued success of the Company will depend on its ability to manage growth successfully and develop new prospects in order to succeed within its chosen market. This includes the Company’s ability to acquire more pitches, expand its client base and develop its internet and telephone sports betting operations.

Legal and regulatory matters

Sports betting is subject to regulation both within the UK and the Republic of Ireland. Changes to the UK regulatory regime are anticipated following the implementation of the Gambling Act 2005 which is expected to come into force in September 2007. Following that date, the Gambling Commission will have responsibility for the regulation of gaming and remote gambling. Although the Group currently complies with all relevant legislation and industry rules, and the Directors intend to comply with all future regulatory requirements, there can be no guarantee that future changes in legislation will not occur that will have a material adverse effect on the industry as a whole and the Group in particular.

Acquisitions

The Company may make acquisitions in circumstances where the Directors believe that those acquisitions would support the Company’s business strategy. However, there is no guarantee that the Company will be able to identify, attract and complete suitable acquisitions successfully or that the acquired business will perform in line with expectations.

Race meetings

Race meetings are vulnerable to disruption due to various factors such as bad weather or closure of courses due to other factors such as foot and mouth disease; some years ago the Grand National at Aintree was cancelled due to a terrorist threat. The Company cannot control any of these external factors and this is an operating risk.

Long-term or permanent closure of racecourses

Racecourses may be subject to long-term or even permanent closure in certain exceptional circumstances such as redevelopment of facilities, bankruptcy, arson, fire, terrorist outrage or some other disaster impacting the racecourse. In the unlikely event that a racetrack was forced to close, no compensation would be paid to pitch holders. In the event that a racetrack is closed temporarily, the Group would not be able to trade or derive any benefit from the pitch during that period.

Over Exposure

Bookmakers at race meetings can become over-exposed on bets written. A string of winning favourites can result in some massive payouts to punters. Also, adverse fluctuations in horseracing results can materially affect the gross win. To lessen exposure, bookmakers can 'lay off' part of the book with other bookmakers.

Unsecured risk

On-course bookmakers carry a cash float with them when attending race courses. Insurance to cover a bookmaker in the event that the cash float was stolen is not available, or would be prohibitively expensive to take out. Robberies are extremely rare, and Mr Neville Porter has never been robbed in the 27 years that he has operated as an on-course bookmaker however in the unlikely event that the Company suffered a robbery this could have a material impact on the Company. To mitigate this risk monies are always banked as soon as possible.

Changes in tax regime

Sporting bodies may seek greater contributions from bookmakers; the government may raise the taxes levied on bookmakers and the industry-standard tax regime for subcontractors could be subject to future changes.

The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under the Financial Services and Markets Act 2000, who specialises in advising on investments of this nature before making their decision to invest.

PART THREE

INDEPENDENT VALUATION REPORT ON THE RACECOURSE PITCHES HELD BY NEVILLE PORTER PLC

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The Directors
ARM Corporate Finance Limited
12 Pepper Street
London
E14 9RP

The Directors
SVS Securities Plc
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22 February 2007

Dear Sirs

Neville Porter plc

I report on the information set out below. This information has been prepared for inclusion in the Admission Document dated 22 February 2007 in respect of Neville Porter plc (the "Admission Document"). This report is compiled in compliance with item 23.1 of Annex 1 of the AIM Rules and for no other purpose.

Author

This report has been compiled by Robin Grossmith, a full-time working bookmaker who operates 26 pitches, whose opinion has previously been accepted for the purposes of probate valuation of on-course bookmakers' pitches and who currently holds the following appointments:

- Chairman of the Rails Bookmakers Association Ltd
- Director of the Federation of Racecourse Bookmakers Ltd
- Director of the National Joint Pitch Council Ltd
- On-course Bookmakers Representative to the Gambling Commission

Basis of preparation and opinion

This report has been compiled in order to provide an independent valuation of the racecourse pitches owned by the subsidiaries of Neville Porter plc. The pitches are all registered with the National Joint Pitch Council Ltd (NJPC) and comprise of list positions and NJPC tariff valuations.

There are many varying factors that need to be taken into account when trying to ascertain the value of a pitch and my research has incorporated not only my own knowledge as a working bookmaker with close to 25 years experience but those of:

- (a) National Joint Pitch Council Data & Statistics;
- (b) A cross section of Local Joint Pitch Council Representatives;

- (c) Senior Betting Ring Managers; and
- (d) A cross section of Bookmakers, past and present, who hold or have held positions at the relevant Racecourses.

In 2002 the NJPC approved the sale/transfer of Seniority Positions by private treaty, and since that date the majority of transfers have been conducted through by private treaty as opposed to NJPC public auction system, private treaty transactions are what they are, private and little or no empirical data is available, which explains the differences between the NJPC tariff valuations and the value I have estimated pitches sold by private treaty actually achieve.

There is no hard and fast rule or exact science to valuing any specific pitch but the general principle that the higher a pick number (i.e. pick No 1 being the highest) gives the holder of that position the freedom of choice to vary his position daily to obtain the most advantageous trading position applicable on that particular days racing. It would be fair to say that any pick number within the top 25 per cent of the total pick numbers on any given day has a distinct advantage for both trading and maintaining and achieving premium values.

A further advantage is gained by those Bookmakers who hold higher pick numbers; that of being the most likely candidates to be included in the Starting Price Sample. In November 2006 the Starting Price Regulatory Commission (SPRC) under the Chairmanship of Lord Donoughue and overseen by Accountants, PricewaterhouseCoopers, concluded that the Sample to be used in the compilation of the Starting Price should be widened to include not only the leading Independent Bookmakers such as Colin Webster, Barry Dennis, Neville Porter, Sam Harris, John Ridley etc but also to lift the restriction previously imposed that excluded more than any two of the Multinational Companies i.e. Ladbrokes, William Hill, Coral from contributing to the Sample that is used for Computation of Betting Shows, the closing show being the price used for the eventual Starting Price.

It is perceived that the new system will offer a greater transparency and allows all of those Bookmakers who deemed 'The Market Makers' to contribute to a system that gains the confidence of the Off-Course Industry and Betting Public.

Prior to 2002 the only avenue for the transfer of the pitches was through the NJPC public auction system.

In 2002, after taking legal advice, the Board of the NJPC amended the Pitch Transfer System to incorporate Sales by Private Treaty.

It soon became clear that the trend for Pitch Sales/Transfers leaned heavily towards the Private Treaty route. It therefore became necessary to compile a Pitch Value Guideline enabling the NJPC to establish a 'bench mark' on which to base the value of any given pitch transfer, for the purpose of charging its commission (currently 6 per cent of the Tariff Valuation). There is no requirement for the seller of a pitch, by Private Treaty, to declare the sale price, so only those pitches sold at auction give the guideline to current values. As it is generally pitches of low value that are sold at auction, NJPC are never in a position to know the true value of any pitch with a high Pick Number and subsequently a higher value.

Opinion

The market for pitches is fluid but not volatile and therefore a wide spectrum of variation of pitch values would not be expected over a short time period. Neville Porter plc has ownership of 38 pitches in the UK and beneficial ownership of one pitch in the Republic of Ireland. In aggregate, I have valued these pitches at £1,095,000.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM rules, I am responsible for this report as part of the AIM Admission Document and declare that I have taken all reasonable care to ensure that the information contained in this report is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules. I consent to this Report's inclusion in the Admission Document of Neville Porter plc.

Yours faithfully

Robin Grossmith
105 Fleetwood Close
Tadworth
Surrey
KT20 5QL

PART FOUR

ENTERPRISE INVESTMENT SCHEME

HM Revenue & Customs has given provisional confirmation that the Company's business is a qualifying trade for the purposes of Enterprise Investment Scheme Relief. Although confirmation to that effect has not yet been received, the Directors are of the view that the business should qualify. The proposed new financing structure should therefore enable individual, qualifying investors to qualify for relief under EIS subject to the detailed requirements of the scheme. EIS tax relief can be claimed by a qualifying individual who subscribes for eligible shares in a qualifying company.

Set out below are summaries of the main tax advantages of subscribing for eligible shares in a company qualifying for the Enterprise Investment Scheme, as set out in the Income and Corporation Taxes Act 1988 (as amended). It does not set out the provisions in full and potential investors are strongly advised to seek independent professional advice.

i. Income Tax Relief

Qualifying individuals who subscribe for qualifying shares in qualifying companies may be able to claim income tax relief of 20 per cent on the amount invested up to £400,000 for the tax year in which the shares are issued if the amount invested is not less than £500, and provided the shares are retained for at least three years. It does not matter whether or not the individual is UK resident for tax purposes but relief is only available where an investor has a UK income tax liability. The amount of income tax relief cannot exceed an individual's tax liability before other reliefs given by way of discharge of tax. Although the maximum income tax relief available to an individual who has subscribed for eligible shares is based on a maximum investment of £400,000 in any one tax year, carry back to the previous tax year is available up to a maximum of £50,000 for investments made between 6 April and 5 October. If an investor has more than one EIS investment in a tax year, the relief is split in proportion to the amounts invested.

An example based on an investment of £10,000 is provided below:

<i>Example</i>	£
Gross Investment in Shares	10,000
Less Income Tax Relief at 20%	<u>(2,000)</u>
Net Cost of Investment	<u><u>8,000</u></u>

ii. Capital Gains Tax (CGT) Deferral

Individuals and trustees of certain trusts may be able to apply for capital gains tax deferral so that a gain arising from the disposal of any asset may be deferred by investing the gain (or part thereof) in the shares of a qualifying company. The investment must be made within a time period beginning one year before and ending three years after the original disposal. Unlike the income tax relief, which has a maximum investment limit of £200,000, there is no limit on the amount of gains that can be deferred in this way.

iii. CGT Exemption

To the extent that EIS income tax relief is given and not withdrawn and on the assumption that shares were originally subscribed in the Company, there is no CGT due on gains arising on the disposal of the shares in the Company provided these have been held for a minimum period of three years from the date of issue. However, any previous gains deferred by reinvesting in EIS shares remain chargeable. An example is provided below:

<i>Example</i>	£
Realised Value of Shares After 3 Years	22,000
Less Original Gross Investment in Shares	<u>(10,000)</u>
Tax Free Gain	<u><u>12,000</u></u>

iv. Loss Relief

A capital loss made on a disposal of eligible shares may be set against either chargeable gains or taxable income at the election of the investor but in calculating the loss, the cost of the shares for capital gains tax purposes is reduced by the amount of EIS income tax relief attributable to them.

A summary of the benefits of income tax relief and CGT exemption from investing in EIS qualifying companies, based on the above simple example, assuming a sale in 3 years for an investor with a marginal tax rate of 40 per cent is outlined below:

<i>Example (£)</i>	<i>EIS Qualifying Investment</i>	<i>Non-EIS Qualifying Investment</i>
Gross Investment	10,000	10,000
Income Tax Relief	(2,000)	–
Net Investment	8,000	10,000
Realised Value	22,000	22,000
Taxable Gain	–	3,000*
Tax at assumed 40% rate	–	1,200
Net Realised Value	22,000	20,800
Annual Return	<u>40%</u>	<u>28%</u>

* This is assuming that the investor would be entitled to business asset taper relief of 75 per cent on the gain, so the chargeable gain would only be £3,000 and that the annual capital gains exemption has been utilised elsewhere.

Individuals Qualifying for Relief

The following conditions regarding connection to the company apply for the purposes of EIS income tax relief and CGT exemption, but do not apply for the purposes of CGT deferral relief or relief for capital losses.

Subject to certain exceptions, an individual must not be, nor have been within the two years prior to the issue of shares, connected with the Company, or become connected with it within the next three years, if the individual is to retain the tax reliefs. The main rules relating to connection are that:

- i. neither the individual nor his associates may control the Company or possess more than 30 per cent of the issued ordinary share capital or loan capital or voting powers in the Company or rights carrying entitlements to 30 per cent of the assets available on a winding up;
- ii. neither the individual nor his associates may be an employee, partner or paid director of the Company (subject to iii below) or its subsidiaries. An unpaid director is not disqualified if he is reimbursed travelling or subsistence expenses which would otherwise be allowable for taxation; and

- iii. an individual may become a paid director of the Company provided that at the time he subscribes for eligible shares he was not, and has not previously been, otherwise connected with the Company, nor with the trade carried on by the Company. Any remuneration paid to a director must be reasonable.

Claims

Investors claim income tax relief and/or capital gains tax deferral relief by submitting a tax relief certificate (Form EIS 3) issued to them by the Company to the Inspector of Taxes dealing with their own tax affairs. The claim for relief must be made no later than five years after the 31 January following the end of the tax year in which the shares are issued.

Qualification of a Company

For a period of three years following the issue of the shares, the company must:

- i. carry on a qualifying trade; and/or
- ii. be the parent company of a company which exists wholly, or substantially wholly, for the purpose of carrying on a qualifying trade; and
- iii. have gross assets of less than £7,000,000 before the issue of shares and not more than £8,000,000 immediately after the issue.

In addition 80 per cent of the money raised by the share issue must be fully employed within 12 months by the Company, or a subsidiary, in the qualifying business activity for which it was raised. The balance must be employed within the following 12 months.

Withdrawal of Relief

If the Company or a subsidiary ceases to carry on its qualifying trade, the relief will be wholly withdrawn. Relief will be wholly or partly withdrawn if, for example, the investor claimant receives value from the Company (other than dividends) or disposes of the shares within three years of the date of issue. Relief will also be lost if an investor takes out a loan under special terms connected in any way with the shares.

The availability of EIS relief depends, among other things, on the Company continuing to satisfy the requirements of a qualifying company for at least three years after the issue of the shares. Whilst the Company will endeavour to ensure that it continues to qualify for EIS relief, neither the Company nor the Directors undertake to conduct the Company's activities in such a way as to preserve or maintain the benefit of any tax relief that may be available to a shareholder in the Company.

The rules on EIS are complex and include provisions for the withdrawal of EIS relief in various circumstances. The above summaries should not therefore be understood as advice on EIS or the availability of any relief under the scheme. Any person interested in EIS relief should inform him or herself about the scheme and seek appropriate professional advice.

EIS Tax Relief Certificates

Following the issue of the Placing Shares, the Company must apply to HM Revenue & Customs for authorisation to issue tax relief certificates (Form EIS 3) to investors. Although the time taken by HM Revenue & Customs to grant authorisation is not within the control of the Company, every effort will be made by the directors to expedite matters and, assuming that authorisation is given, Form EIS 3 will be distributed to investors. Investors should then submit the Form EIS 3 to the Inspector of Taxes dealing with their own affairs.

PART FIVE

ACCOUNTANT'S REPORT AND FINANCIAL INFORMATION ON NEVILLE PORTER PLC AND ITS SUBSIDIARIES AS AT 1 DECEMBER 2006 AND 31 DECEMBER 2006

The Directors
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The Directors
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The Directors
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Registered Auditors
Business Advisors
Tax Specialists
Financial Services
Corporate Recovery
Accounting Outsourcing
Corporate Finance

22 February 2007

Dear Sirs

Neville Porter plc

We report on the financial information set out below. This financial information has been prepared for inclusion in the Admission Document dated 22 February 2007 in respect of Neville Porter plc (the "Admission Document"), on the basis of the accounting policies set out in note 4.1. This report is required by item 20.1 of Annex 1 of the AIM Rules and for no other purpose.

Basis of preparation

The financial information set out below is based on the audited financial statements of Neville Porter plc ("the company") for the period from incorporation on 27 October 2006 to 1 December 2006 and the unaudited financial statements for the month ended 31 December 2006.

Responsibility

The directors of Neville Porter plc are responsible for preparing the financial information on the basis of preparation set out in Note 4.1 to the financial information and in accordance with accounting principles generally accepted in the United Kingdom.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatements whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information for the period from incorporation on 27 October 2006 to 1 December 2006 and the month ended 31 December 2006 give, for the purposes of the Admission Document, a true and fair view of the state of affairs of the company as at the dates stated and of its results and cash flows, for the periods then ended in accordance with the basis of preparation and in accordance with the basis of preparation and the accounting policies set out in Note 4.1.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM rules, we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

The financial information included herein comprises:

- a statement of accounting policies;
- profit and loss accounts and cash flow statements for the periods ended 1 December 2006 and 31 December 2006; and balance sheets as at 1 December 2006 and 31 December 2006;
- notes to the profit and loss accounts, cash flow statements and the balance sheets.

1. PROFIT AND LOSS ACCOUNTS

For the period from incorporation on 27 October 2006 to 1 December 2006 and the month ended 31 December 2006

		<i>Period ended 31 December 2006</i>	<i>Period ended 1 December 2006</i>
	<i>Notes</i>	<i>Unaudited £</i>	<i>Audited £</i>
Turnover	4.1	298,933	–
Cost of sales		(255,459)	–
Gross profit		43,474	–
Administrative expenses		(29,082)	–
Profit on ordinary activities before taxation	4.2	14,392	–
Tax on profit on ordinary activities	4.3	(2,734)	–
Retained profit for the period		11,658	–
Earnings per ordinary share			
Basic and fully diluted	4.4	£0.000104	£–

2. BALANCE SHEETS

At 1 December 2006 and 31 December 2006

		<i>31 December 2006</i>	<i>1 December 2006</i>
	<i>Notes</i>	<i>Unaudited £</i>	<i>Audited £</i>
Fixed assets			
Intangible assets	4.5	1,142,950	982,950
Tangible assets	4.6	11,799	12,050
		<u>1,154,749</u>	<u>995,000</u>
Current assets			
Stocks		–	–
Debtors		–	–
Cash at bank and in hand	4.8	35,931	–
		<u>35,931</u>	<u>–</u>
Creditors: amounts falling due within one year		<u>(184,022)</u>	<u>–</u>
Net current liabilities		<u>(148,091)</u>	<u>–</u>
Net assets		<u>1,006,658</u>	<u>995,000</u>
Capital and reserves			
Called up share capital	4.9	50,000	50,000
Share premium account	4.10	945,000	945,000
Profit and loss account	4.10	11,658	–
	4.11	<u>1,006,658</u>	<u>995,000</u>

3. CASH FLOW STATEMENT

For the period from incorporation on 27 October 2006 to 1 December 2006 and the month ended 31 December 2006

		<i>Period ended 31 December 2006</i>	<i>Period ended 1 December 2006</i>
	<i>Notes</i>	<i>Unaudited £</i>	<i>Audited £</i>
Net cash inflow from operating activities	3.1	35,931	–
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(160,000)	–
Net cash outflow for capital expenditure		(160,000)	–
Cash inflow before financing		(124,069)	–
Financing			
Loan advance by directors		160,000	–
Net cash inflow from financing		–	–
Increase in cash		<u>35,931</u>	<u>–</u>

3.1 Reconciliation of operating profit to net cash inflow from operating activities

		<i>Period ended 31 December 2006</i>	<i>Period ended 1 December 2006</i>
		<i>Unaudited £</i>	<i>Audited £</i>
Operating profit		14,392	–
Depreciation		251	–
Increase in creditors due within one year		21,288	–
Net cash inflow from operating activities		<u>35,931</u>	<u>–</u>

3.2 Reconciliation of net cash inflow to movement in net cash

		<i>Period ended 31 December 2006</i>	<i>Period ended 1 December 2006</i>
		<i>Unaudited £</i>	<i>Audited £</i>
Increase in cash in the period		<u>35,931</u>	<u>–</u>
Net cash inflow from operating activities		35,931	–
Opening net cash		–	–
Closing net cash		<u>35,931</u>	<u>–</u>

4.1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Neville Porter plc's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

FRS 22 dictates the measures of earnings per share, which can be shown on the face of the profit and loss account to ensure consistency in the presentation of information within the financial statements.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Basis of consolidation

The Group financial statements consolidate the financial statements of Neville Porter plc and all its subsidiary undertakings, which are all made up to 31 December 2006.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition and up to the date of disposal.

As permitted by Section 230(3) of the Companies Act 1985, a separate profit and loss account dealing with the results of the company has not been presented.

Intangible assets

The betting pitches and any goodwill paid on the acquisition of a business are capitalised and classified as an asset on the balance sheet. The directors have concluded that both the betting pitches and the goodwill should not be amortised as they have an indefinite useful economic life.

Both the pitches and goodwill are considered to have an indefinite durability that can be demonstrated and its value can be readily measured. The business operates in a longstanding and profitable market sector, which continues to grow. The directors consider that there are sufficient barriers to entry, such as lack of availability of pitches to new entrants and the requirement to obtain a betting licence, to sustain the value of the intangible assets. The income stream from each pitch and each business acquisition is separately recorded; hence each asset can be valued on a discounted cash flow basis. Annual impairment reviews are carried out and any resulting write down is charged to the profit and loss account. The non-amortisation of goodwill constitutes a departure from the Companies Act 1985 Schedule 4 Part II Section 21, for the overriding purpose of giving a true and fair view of the group's results. If goodwill arising on acquisitions had been written off over a 20 year period, an adjustment of £158 would be required for amortisation at 31 December 2006.

Investment in subsidiary undertakings

The company's investment in subsidiary undertakings is stated at cost less any provision for impairment.

Fixed assets and depreciation

Depreciation is provided by the Group to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office equipment – 25% straight line per annum

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The taxation charge is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required by accounting standards, full provision without discounting is made for all timing difference, which have arisen, but not reversed at the balance sheet date.

Turnover

Turnover is the total amounts staked by customers on betting activities.

4.2 Operating profit

	<i>Period ended 31 December 2006 Unaudited £</i>	<i>Period ended 1 December 2006 Audited £</i>
Operating profit is stated after charging:		
Depreciation of tangible assets	251	–

4.3 Tax

	<i>Period ended 31 December 2006 Unaudited £</i>	<i>Period ended 1 December 2006 Audited £</i>
Domestic current year tax	2,734	–
Factors affecting the charge for the period		
Profit on ordinary activities before taxation	14,392	–
Profit on ordinary activities before taxation multiplied by applicable rate of UK corporation tax of 19%	2,734	–

4.4 Earnings per share

Earnings per ordinary share have been calculated using the weighted average number of shares in issue during the period. The weighted average number of equity shares in issue was 112,612,620 and the profit after taxation was £11,658. No ordinary shares have been treated as dilutive.

4.5 Intangible fixed assets

	<i>Goodwill</i> £	<i>Pitches</i> £	<i>Total</i> £
Cost			
At 27 October 2006	–	–	–
Additions	37,950	945,000	982,950
At 1 December 2006	37,950	945,000	982,950
Additions	–	160,000	160,000
At 31 December 2006	37,950	1,105,000	1,142,950
Amortisation			
At 27 October 2006	–	–	–
Amortisation	–	–	–
At 1 December 2006	–	–	–
Amortisation	–	–	–
At 31 December 2006	–	–	–
Net book value			
At 31 December 2006	37,950	1,105,000	1,142,950
At 1 December 2006	37,950	945,000	982,950

4.6 Tangible fixed assets

	<i>Fixtures, fitting and equipment</i> £
Cost	
At 27 October 2006	–
Additions	12,050
At 1 December 2006	12,050
Additions	–
At 31 December 2006	12,050
Depreciation	
At 27 October 2006	–
Charge for the period	–
At 1 December 2006	–
Charge for the period	251
At 31 December 2006	251
Net book value	
At 31 December 2006	11,799
At 1 December 2006	12,050

4.7 Fixed asset investments – company

	<i>Shares in subsidiary undertakings</i> £
Cost and net book value	
At 27 October 2006	–
Additions	995,000
At 1 December 2006	995,000
Additions	–
At 31 December 2006	<u>995,000</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20 per cent

The company holds more than 20 per cent of the share capital of the following companies:

<i>Subsidiary undertakings</i>	<i>Country of registration or incorporation</i>	<i>Proportion of voting rights and shares held</i> <i>Class</i>	<i>%</i>	<i>Principal activity</i>
Neville Porter Racing Limited	United Kingdom	Ordinary shares	100	Holding of pitches
D.N. Porter Racing Limited	United Kingdom	Ordinary shares	100	Betting and gaming

4.8 Creditors: amounts falling due within one year

	<i>31 December 2006</i> £	<i>1 December 2006</i> £
Director's loan account	160,000	–
Corporation tax	2,734	–
Accruals and deferred income	21,288	–
	<u>184,022</u>	<u>–</u>

4.9 Called up share capital

	<i>31 December 2006</i> £	<i>1 December 2006</i> £
Authorised		
250,000,000 ordinary shares of 0.000444p each	<u>111,000</u>	<u>111,000</u>
Allotted, issued and paid		
112,612,620 ordinary shares of 0.000444p each	<u>50,000</u>	<u>50,000</u>

4.10 Reserves

	<i>Share Premium Account</i> £	<i>Retained Earnings</i> £
As at 27 October 2006	–	–
Premium on issue of shares	945,000	–
At 1 December 2006	945,000	–
Retained profit for the period	–	11,658
At 31 December 2006	945,000	11,658

4.11 Reconciliation of movement in shareholders' funds

	<i>31 December 2006</i> £	<i>1 December 2006</i> £
Profit for the period	11,658	–
Issue of ordinary share capital	–	50,000
Premium on issue of shares	–	945,000
Net addition to shareholders' funds	11,658	995,000
Opening shareholders' funds	995,000	–
Closing shareholders' funds	1,006,658	995,000

4.12 Directors' emoluments

	<i>Period ended 31 December 2006</i> <i>Salary</i> £	<i>Period ended 31 December 2006</i> <i>Benefits in kind</i> £	<i>Period ended 31 December 2006</i> <i>Total</i> £	<i>Period ended 1 December 2006</i> <i>Total</i> £
Mr Arthur Baker	1,000	–	1,000	–
Mr Brian Morton	4,167	–	4,167	–
Mr David Neville Porter	4,167	–	4,167	–
Mr David Soley	1,000	–	1,000	–
Mr Simon Howard Walters	1,000	–	1,000	–
Total	11,334	–	11,334	–

4.13 Employee costs

The average monthly number of employees (including directors) during the period was 5 (1 December 2006 – 5).

4.14 Related-party transactions

During December 2006 Brian Morton, a director of the company, paid £160,000 on the company's behalf for the acquisition of a pitch at Leopardstown. The loan agreement provides for the company to repay Mr Morton interest-free out of the proceeds of flotation.

4.15 Control

There is no ultimate controlling party.

Yours faithfully

Jeffreys Henry LLP

PART SIX

ACCOUNTANT'S REPORT AND FINANCIAL INFORMATION ON NEVILLE PORTER PLC

The Directors
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Registered Auditors
Business Advisors
Tax Specialists
Financial Services
Corporate Recovery
Accounting Outsourcing
Corporate Finance

22 February 2007

Dear Sirs

Neville Porter plc

We report on the financial information set out below. This financial information has been prepared for inclusion in the Admission Document dated 22 February 2007 in respect of Neville Porter plc (the "Admission Document"), on the basis of the accounting policies set out in note 1. This report is required by item 20.1 of Annex 1 of the AIM Rules and for no other purpose.

Basis of preparation

The financial information set out below is based on the audited financial statements of Neville Porter plc ("the Company") at 30 November 2006.

Responsibility

The directors of Neville Porter plc are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with accounting principles generally accepted in the United Kingdom.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatements whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information for the period from incorporation on 27 October 2006 to 30 November 2006 give, for the purposes of the Admission Document, a true and fair view of the state of affairs of the company as at the dates stated and of its results and cash flows, for the period then ended in accordance with the basis of preparation and in accordance with the basis of preparation and the accounting policies set out in Note 1.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM rules, we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

The financial information included herein comprises:

- a statement of accounting policies;
- balance sheet as at 30 November 2006;
- notes to the balance sheet.

Notes to 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 Neville Porter plc's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with historical cost convention.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except where otherwise stated).

2. Balance sheet as at 30 November 2006

	<i>Notes</i>	<i>2006</i> £
Assets		
Debtors		0.000888
		<u>0.000888</u>
Capital and Reserves		
Called Up Share Capital	1	0.000888
		<u>0.000888</u>

3. Called up share capital

	<i>2006</i> £
Authorised:	
250,000,000 ordinary shares of 0.0444p each	<u>111,000</u>
	<u><u>111,000</u></u>
2 ordinary shares of 0.0444p each	<u>0.000888</u>
	<u><u>0.000888</u></u>

On incorporation the authorised share capital of the Company was £111,000 divided into 250,000,000 ordinary shares of 0.0444p each.

Two subscriber ordinary shares of 0.0444p were issued on 27 October 2006, one to IMCO Director Limited and one to IMCO Secretary Limited.

4. Post Balance Sheet Events

On 1 December 2006 the Company acquired the entire issued share capital of D.N. Porter Racing Limited and Neville Porter Racing Limited.

Yours faithfully

Jeffreys Henry LLP

PART SEVEN

ACCOUNTANT'S REPORT AND FINANCIAL INFORMATION ON NEVILLE PORTER RACING LIMITED

The Directors
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Registered Auditors
Business Advisors
Tax Specialists
Financial Services
Corporate Recovery
Accounting Outsourcing
Corporate Finance

22 February 2007

Dear Sirs

Neville Porter Racing Limited

We report on the financial information set out below. This financial information has been prepared for inclusion in the Admission Document dated 22 February 2007 in respect of Neville Porter plc (the "Admission Document"), on the basis of the accounting policies set out in note 1. This report is required by item 20.1 of Annex 1 of the AIM Rules and for no other purpose.

Basis of preparation

The financial information set out below is based on the unaudited financial statements of Neville Porter Racing Limited ("the Company") at 31 March 2005, 31 March 2006 and the audited financial statements as at 30 November 2006.

Responsibility

The directors of Neville Porter Racing Limited are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with accounting principles generally accepted in the United Kingdom.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatements whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information for the periods ended 31 March 2005, 31 March 2006 and 30 November 2006 give, for the purposes of the Admission Document, a true and fair view of the state of affairs of the company as at the dates stated and of its results and cash flows, for the periods then ended in accordance with the basis of preparation and in accordance with the basis of preparation and the accounting policies set out in note 1.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM rules, we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

The financial information included herein comprises:

- a statement of accounting policies;
- balance sheets as at 31 March 2005, 31 March 2006 and 30 November 2006; and
- notes to the balance sheets.

Notes to 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 Neville Porter Racing Limited's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except where otherwise stated).

Dormant status

The company was dormant (within the meaning of Section 249AA of the Companies Act 1985) throughout the periods ended 31 March 2005, 31 March 2006 and 30 November 2006. The Company has not traded during these periods. During these periods, the company received no income and incurred no expenditure and therefore made neither a profit nor a loss.

2. Balance Sheet at 30 November 2006, 31 March 2006 and 31 March 2005

	<i>30 November Notes</i>	<i>30 November 2006</i>	<i>31 March 2006</i>	<i>31 March 2005</i>
		£	£	£
Assets				
Debtors		1	1	1
		<u>1</u>	<u>1</u>	<u>1</u>
Capital and Reserves				
Called Up Share Capital	3	1	1	1
		<u>1</u>	<u>1</u>	<u>1</u>

3. Called up share capital

	<i>30 November 2006</i>	<i>31 March 2006</i>	<i>31 March 2005</i>
	£	£	£
Authorised:			
1 Ordinary share of £1 each	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>
Allotted, called up and fully paid			
1 Ordinary share of £1 each	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>

On incorporation the authorised and issued share capital of the Company was £1 divided into 1 Ordinary Share of £1.

One ordinary share of £1 was issued on 12 January 1999 to JL Nominees One Limited and subsequently transferred to the Director, David Neville Porter.

4. Post-balance sheet events

On 1 December 2006 three shares were issued, two to B. Morton and one to Mrs C. Porter. On the same day the company acquired a number of on-course pitches from the Neville Porter Partnership for a consideration of £1. Finally, on 1 December 2006 the entire share capital of Neville Porter Racing Limited was acquired by Neville Porter plc for £945,000. The consideration was settled by the issuance of 4 new Ordinary shares in Neville Porter PLC at a premium of £945,000.

5. Auditors

The auditors for the period ended 30 November 2006 were Jeffreys Henry LLP, Chartered Accountants & Registered Auditors, Finsgate, 5-7 Cranwood Street, London EC1V 9EE.

Yours faithfully

Jeffreys Henry LLP

PART EIGHT

ACCOUNTANT'S REPORT AND FINANCIAL INFORMATION ON D.N. PORTER RACING LIMITED

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22 February 2007

Dear Sirs

D.N. Porter Racing Limited

We report on the financial information set out below. This financial information has been prepared for inclusion in the Admission Document dated 22 February 2007 in respect of Neville Porter plc (the "Admission Document"), on the basis of the accounting policies set out in note 1. This report is required by item 20.1 of Annex 1 of the AIM Rules and for no other purpose.

Basis of preparation

The financial information set out below is based on the unaudited financial statements of D.N. Porter Racing Limited ("the company") at 31 March 2005, 31 March 2006 and the audited financial statements as at 30 November 2006.

Responsibility

The directors of D.N. Porter Racing Limited are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with accounting principles generally accepted in the United Kingdom.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatements whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information for the periods ended 31 March 2005, 31 March 2006 and 30 November 2006 give, for the purposes of the Admission Document, a true and fair view of the state of affairs of the company as at the dates stated and of its results and cash flows, for the periods then ended in accordance with the basis of preparation and in accordance with the basis of preparation and the accounting policies set out in Note 1.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM rules, we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

The financial information included herein comprises:

- a statement of accounting policies;
- balance sheets as at 31 March 2005, 31 March 2006 and 30 November 2006; and
- notes to the balance sheets.

Notes to 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 D.N. Porter Racing Limited's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except where otherwise stated).

Dormant status

The company was dormant (within the meaning of Section 249AA of the Companies Act 1985) throughout the periods ended 31 March 2005, 31 March 2006 and 30 November 2006. The company has not traded during these periods. During these periods, the company received no income and incurred no expenditure and therefore made neither a profit nor a loss.

2. Balance Sheet at 30 November 2006, 31 March 2006 and 31 March 2005

	<i>30 November</i>	<i>31 March</i>	<i>31 March</i>
	<i>Notes</i>	<i>2006</i>	<i>2005</i>
		£	£
Assets			
Debtors		1	1
		<u>1</u>	<u>1</u>
Capital and Reserves			
Called Up Share Capital	3	1	1
		<u>1</u>	<u>1</u>

3. Called Up Share Capital

	<i>30 November</i>	<i>31 March</i>	<i>31 March</i>
	<i>2006</i>	<i>2006</i>	<i>2005</i>
	£	£	£
Authorised:			
1 Ordinary share of £1 each	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>
Allotted, called up and fully paid			
1 Ordinary share of £1 each	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>

On incorporation the authorised and issued share capital of the Company was £1 divided into one ordinary share of £1.

One ordinary share of £1 was issued on 2 February 1999 to JL Nominees One Limited and subsequently transferred to the Director, David Neville Porter.

4. Post balance sheet events

On 1 December 2006, the company acquired non-pitch assets of the Neville Porter Partnership for a consideration of £50,000. The consideration was left outstanding until the share capital of the company was reorganised into shares of £0.000444 each and 28,153,154 shares were issued to Mrs C. Porter, 28,150,902 to D. N. Porter and 56,306,308 to B. Morton. The amounts due in respect of the aforementioned share issue and the previously unpaid subscriber share capital of the company were offset against the consideration due.

The entire share capital of D.N. Porter Racing Limited was then acquired by Neville Porter plc for £50,000 of which 100 per cent was payable by the issue of new ordinary shares in Neville Porter plc.

5. Auditors

The auditors for the period ended 30 November 2006 were Jeffrey's Henry LLP, Chartered Accountants & Registered Auditors, Finsgate, 5-7 Cranwood Street, London EC1V 9EE.

Yours faithfully

Jeffrey's Henry LLP

PART NINE

ACCOUNTANT'S REPORT AND PRO FORMA FINANCIAL INFORMATION ON NEVILLE PORTER PARTNERSHIP

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22 February 2007

Dears Sirs

Independent accountant's review report on the Neville Porter Partnership ("NPP")

Introduction

We have been instructed to review the financial information set out below in respect of NPP for the year ended 31 March 2004, 15 months ended 30 June 2005, year ended 30 June 2006 and 5 months ended 30 November 2006.

Partners' responsibilities

The financial information is the responsibility of, and has been approved by the Partners of NPP.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented.

Yours faithfully

Jeffreys Henry LLP

Profit and loss account

	<i>5 months ended 30 November 2006 £'000</i>	<i>Year ended 30 June 2006 £'000</i>	<i>15 months ended 30 June 2005 £'000</i>	<i>Year ended 31 March 2004 £'000</i>
Revenue	2,189	3,769	4,032	2,588
Cost of sales	<u>(2,050)</u>	<u>(3,422)</u>	<u>(3,703)</u>	<u>(2,322)</u>
Gross profit	138	347	329	266
On-course and associated costs	(76)	(130)	(148)	(100)
Administrative costs	<u>(23)</u>	<u>(100)</u>	<u>(117)</u>	<u>(60)</u>
Profit from Operations	39	117	64	106
Finance costs	<u>–</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
Profit before taxation and drawings	<u><u>39</u></u>	<u><u>116</u></u>	<u><u>63</u></u>	<u><u>105</u></u>

Notes:

1. The profit and loss account has been prepared on the basis that all operations are continuing operations.
2. Gains and losses are in respect of trading and do not include gains or losses on sales of on-course pitches.
3. The above information is extracted from the unaudited partnership accounts after making such adjustments as appropriate.

PART TEN

ACCOUNTANT'S REPORT AND PRO FORMA FINANCIAL INFORMATION ON NEVILLE PORTER PLC

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22 February 2007

Dear Sirs

Neville Porter Plc ("NP") – Acquisition, Placing and Admission of Ordinary Shares to trading on AIM

We report on the pro forma financial information (the "Pro Forma financial information") set out in Part Ten of the Admission Document dated 22 February 2007 which has been prepared on the basis described, for illustrative purposes only, to provide information about how the acquisition of certain assets of the Neville Porter Partnership, placing and admission of Ordinary Shares to trading on AIM might have affected the financial information presented on the basis of the accounting policies adopted by NP in preparing the results for the year ended 30 June 2006 and 5 months ended 30 November 2006 had it been incorporated on 1 July 2005 and made the acquisition on that date. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with the AIM rules and for no other purpose.

Responsibilities

It is the responsibility of the Directors of NP to prepare the Pro Forma financial information in accordance with the Schedule Two of the AIM rules.

It is our responsibility to form an opinion, as required by Schedule Two of the AIM rules as to the proper compilation of the Pro Forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source

documents, considering the evidence supporting the adjustments and discussing the Pro Forma financial information with the Directors of NP.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of NP.

Opinion

In our opinion:

- The pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of NP.

Declaration

For the purposes of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM rules.

Yours faithfully

Jeffreys Henry LLP

The unaudited pro forma statement has been prepared on the basis of the notes set out below to show the effect of the acquisition of the Neville Porter Partnership assets as if the acquisition had taken place on 1 July 2005.

The pro forma statement has been prepared for illustrative purposes only and, because of its nature, may not give a complete picture of the financial position which would have been reported if the acquisition had occurred on the date assumed. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position. Furthermore the pro forma financial information does not reflect any trading subsequent to 30 November 2006.

The pro forma financial information includes the on-course pitches at a valuation set out in the independent valuation report described in Part Three of the Admission Document. Any pitches sold during the period from 1 July 2005 to 30 November 2006 have been treated as if they were sold for no gain or loss. i.e. the pitches were acquired for the purposes of the pro forma information at the value sold.

Neville Porter plc

Pro Forma profit and loss account

	5 months ended 30 November 2006			Year ended 30 June 2006		
	<i>Pro forma profit and loss for the Company</i> £'000	<i>Adjustment 3</i> £'000	<i>Adjustment 2a</i> £'000	<i>Pro forma profit and loss for the Company</i> £'000	<i>Adjustment 3</i> £'000	<i>Adjustment 2a</i> £'000
Revenue	2,189	–	2,189	3,769	–	3,769
Cost of sales	(2,050)	–	(2,050)	(3,422)	–	(3,422)
Gross profit	138	–	138	347	–	347
On-course and associated costs	(76)	–	(76)	(130)	–	(130)
Administrative costs	(47)	(24)	(23)	(156)	(56)	(100)
Profit from Operations	15	(24)	39	61	(56)	117
Finance costs	–	–	–	(1)	–	(1)
Profit before taxation	15	(24)	39	60	(56)	116
Taxation	(4)	7	(11)	(18)	17	(35)
Retained Profit for the period	11	(17)	28	42	(39)	81

Pro Forma Balance Sheet

As at 30 June 2006 and 30 November 2006

	Neville Porter plc 30 November 2006 £'000		Neville Porter plc 30 June 2006 £'000		Neville Porter plc 1 July 2005 £'000	
	Adjustment 2a and 3 £'000	Adjustment 2b £'000	Adjustment 2a and 3 £'000	Adjustment 2a and 3 £'000	Adjustment 2a and 3 £'000	Adjustment 2a and 3 £'000
Fixed assets						
Intangible assets (note 4)	945	(7)	952	–	(26)	978
Tangible assets (note 4)	12	(83)	95	–	26	69
	<u>957</u>	<u>(90)</u>	<u>1,047</u>	<u>–</u>	<u>–</u>	<u>1,047</u>
Current assets						
Cash at bank and in hand	767	105	662	602	60	–
Creditors: amounts falling due within one year	<u>(22)</u>	<u>(4)</u>	<u>(18)</u>	<u>–</u>	<u>(18)</u>	<u>–</u>
Net current assets	745	101	644	602	42	–
Total assets less current liabilities	1,702	11	1,671	602	42	1,047
Creditors: amounts falling due after one year	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>1,702</u>	<u>11</u>	<u>1,671</u>	<u>602</u>	<u>42</u>	<u>1,047</u>
Capital and reserves						
Called up share capital	69	–	69	19	–	50
Share premium account	1,580	–	1,580	583	–	997
Profit and loss account	53	11	42	–	42	–
	<u>1,702</u>	<u>11</u>	<u>1,691</u>	<u>602</u>	<u>42</u>	<u>1,047</u>

Notes to the pro forma statement

- The balance sheet of the Company as at 1 July 2005 is a hypothetical situation as the Company was not incorporated until 27 October 2006. The balance sheet at 1 July 2005 assumes that the Company was incorporated on that date and acquired certain assets of the Neville Porter Partnership on that date. The pitches included within the assets acquired are included at a valuation placed on them by an independent valuation.
- The adjustments comprise:
 - The trade of the Neville Porter Partnership has been extracted without adjustment from the unaudited pro forma financial information in Part Nine of this document for the year ended 30 June 2006 and 5 months ended 30 November 2006. This includes the sale and purchase of several fixed assets, including pitches. Where pitches have been bought and sold during the year ended 30 June 2006 and 5 months ended 30 November 2006, they have been included at nil profit. Otherwise all pitches have been included as at 1 July 2005, or later if appropriate, at the independent valuation placed on them in February 2007.
 - The proceeds of £865,000 from the Placing Shares of 43,250,000 Ordinary shares of £0.000444 each at £0.02 per share less estimated costs of £263,000 as if it had taken place during the year ended 30 June 2006.

3. Both Mr D. N. Porter and Mr B. Morton are employed by NP as executive directors under service agreements dated 1 December 2006 at salaries of £50,000 per annum each. The pro forma profit and loss account has been adjusted for remuneration payable for Mr D. N. Porter and associated National Insurance costs. In July 2005, Mr Morton, took a 50 per cent stake in the Partnership with a view to developing the off-course betting activities of the business. Since the off-course betting activity had not commenced by 30 November 2006 no adjustment for his remuneration has been included.

4. Intangible fixed assets

	<i>On-course pitches £'000</i>
Cost	
Acquisition on 1 July 2005	978
Additions	199
Disposals	(225)
	<hr/>
At 30 June 2006	952
Additions	24
Disposals	(31)
	<hr/>
At 30 November 2006	945
	<hr/>
Depreciation	
At 1 July 2005	–
Charge for period	–
Disposals	–
	<hr/>
At 30 June 2006	–
Disposals	–
At 30 November 2006	–
	<hr/>
Net book value	
At 30 November 2006	945
	<hr/> <hr/>
At 30 June 2006	952
	<hr/> <hr/>
At 30 June 2005	978
	<hr/> <hr/>

The pitches are included at a valuation placed on them by an independent valuation carried out in January 2007. The pitches are deemed to have an indefinite useful life and are subject to annual impairment reviews.

Subsequent to 30 November 2006 a new pitch was acquired at Leopardstown costing £160,000. Therefore based on an independent valuation the net book value of pitches as at 31 December 2006 was £1,095,000.

5. **Tangible fixed assets**

	<i>Motor vehicles £'000</i>	<i>Equipment £'000</i>	<i>Total £'000</i>
Cost			
Acquisition on 1 July 2005	74	9	83
Additions	67	13	80
Disposals	(45)	–	(45)
At 30 June 2006	<u>96</u>	<u>22</u>	<u>118</u>
Additions	–	6	6
Disposals	(96)	–	(96)
At 30 November 2006	<u>–</u>	<u>28</u>	<u>28</u>
Depreciation			
At 1 July 2005	11	3	14
Charge for period	17	2	19
Disposals	(10)	–	(10)
At 30 June 2006	<u>18</u>	<u>5</u>	<u>23</u>
Charge for period	8	11	19
Disposals	(26)	–	(26)
At 30 November 2006	<u>–</u>	<u>16</u>	<u>16</u>
Net book value			
At 30 November 2006	<u>–</u>	<u>12</u>	<u>12</u>
At 30 June 2006	<u>78</u>	<u>17</u>	<u>95</u>
At 30 June 2005	<u>63</u>	<u>6</u>	<u>69</u>

PART ELEVEN

ADDITIONAL INFORMATION

1. Incorporation and Registration

- 1.1 The Company was incorporated in England & Wales as a public company with liability limited by shares on 27 October 2006 with registration number 5980987 under the name Neville Porter plc. On 4 December 2006 it was granted a certificate under Section 117 of the Act entitling it to commence business and borrow.
- 1.2 The principal legislation under which the Company operates is the Act and the regulations made under it.
- 1.3 The liability of the members of the Company is limited.
- 1.4 The Company has two wholly-owned subsidiaries:
 - 1.4.1 D.N. Porter Racing Limited (“DNPR”) was incorporated in England & Wales as a private company with liability limited by shares on 2 February 1999 under registration number 3706297.
 - 1.4.2 Neville Porter Racing Limited (“NPRL”) was incorporated in England & Wales as a private company with liability limited by shares on 12 January 1999 under registration number 3694111.

2. Share Capital

- 2.1 The Company was incorporated with an authorised share capital of £111,000 divided into 250,000,000 Ordinary Shares of £0.000444 each.
- 2.2 On incorporation, the subscribers to the Company’s Memorandum of Association took up two Ordinary Shares nil paid.
- 2.3 Pursuant to resolutions passed on 1 December 2006, it was resolved *inter alia*:
 - 2.3.1 that the Directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985, to allot relevant securities (as defined in that Section) up to an amount equal to the nominal amount of the authorised but unissued share capital provided that such authority shall expire on 30 November 2011, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the board may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired; and
 - 2.3.2 that the Directors be authorised pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by the resolution referred to in paragraph 2.3.1 as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (i) the allotment of equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of Ordinary Shares where the equity securities respectively attributable to the interests of all such shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in any way; and
 - (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate of the authorised but unissued capital of the Company;

and shall expire on 31 May 2008 or on the date of the next Annual General Meeting of the Company after the passing of this resolution (whichever is earlier) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if this power conferred had not expired.

- 2.4 On 1 December 2006, 2 Ordinary Shares were issued to Mr B Morton and paid up in cash at par.
- 2.5 On 1 December 2006, 112,612,612 Ordinary Shares were issued credited as fully paid to the members of DNPRL on its acquisition. The two subscriber shares in the Company were also credited as fully paid up.
- 2.6 On 1 December 2006, 4 Ordinary Shares were issued credited as fully paid to the members of NPRL on its acquisition.
- 2.7 On 21 February 2007, the Company allotted 9,333,333 Ordinary Shares to SVS credited as fully paid for cash at par conditional on Admission.
- 2.8 On 21 February 2007 Arc Management Services Limited, a company which has provided introductory services to the Company, subscribed for 7,583,333 Ordinary Shares credited as fully paid for cash at par conditional on Admission.
- 2.9 On 21 February 2007, the Company allotted 5,000,000 Placing Shares to Mr DJ Soley for cash at 2 pence per Ordinary Share, conditional on Admission.
- 2.10 On 21 February 2007, the Company allotted 38,250,000 Placing Shares to the Placees (other than Mr Soley) for cash at the Placing Price, conditional on Admission.
- 2.11 On Admission, the issued share capital of the Company will be £76,714.00 comprising 172,779,286 Ordinary Shares.
- 2.12 The Company does not provide for any rights of pre-emption attaching to its securities in its Articles of Association. The rights of pre-emption provided by section 89 of the Act will apply to its securities, unless disapplied. The procedure for exercise of the right of pre-emption would be as detailed in section 90 of the Act. The section 89 rights are currently disapplied as described in paragraph 2.3.
- 2.13 Save as disclosed in this document:
 - 2.13.1 there has been no issue of share or loan capital of the Company for cash or otherwise or any change in the number of classes of which any such capital is comprised and no such issue is proposed;
 - 2.13.2 no person has any preferential subscription rights for any shares of the Company that are unissued;
 - 2.13.3 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option;
 - 2.13.4 no commission, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company; and
 - 2.13.5 no shares are currently in issue with a fixed date on which entitlement to a dividend arises, and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

3. Directors' and other interests

- 3.1 The interests of the Directors and persons connected with them (within the meaning of section 346 of the Act) and their immediate families in the ordinary share capital of the Company, which have been notified to the Company pursuant to sections 324 and 328 of the Act and which are recorded in the Company's register of Directors' interests maintained under section 325 of the Act are as follows at the date of this document and immediately following Admission:

<i>Director</i>	<i>At the date of this document</i>		<i>On Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>% of issued share capital</i>	<i>Number of Ordinary Shares</i>	<i>% of issued share capital</i>
D.J. Soley*	Nil	0.00%	5,000,000	2.89%
D.N. Porter**	56,306,310	50.00%	56,306,310	32.59%
B. Morton	56,306,310	50.00%	56,306,310	32.59%
S.H. Walters	Nil	0.00%	Nil	0.00%
A.S. Baker	Nil	0.00%	Nil	0.00%

* Mr Soley's interest is held by Ramscove Limited of which he is a director and shareholder.

** Mr D.N. Porter's interest includes 28,153,155 Ordinary Shares beneficially owned by his wife, Mrs C. Porter.

Subject to this, all of these interests are beneficial.

- 3.2 At the date of this document and immediately following Admission, save as disclosed in paragraph 3.1 above, the Company is only aware of the persons shown in the table below who are interested or will be interested whether directly or indirectly, jointly or severally in 3 per cent or more of the issued share capital of the Company or could exercise control over the Company. There are no major Shareholders with different voting rights.

<i>Shareholder</i>	<i>At the date of this document</i>		<i>On Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>% of issued share capital</i>	<i>Number of Ordinary Shares</i>	<i>% of issued share capital</i>
Mrs C. Porter*	56,306,310	50.00%	56,306,310	32.59%
Wills & Co	Nil	0.00%	10,000,000	5.79%
SVS Securities plc	Nil	0.00%	9,333,333	5.40%
Arc Management Services Limited	Nil	0.00%	8,333,333	4.82%
Hoodless Brennan plc	Nil	0.00%	6,250,000	3.62%

* The interest of Mrs C. Porter includes 28,153,155 Ordinary Shares beneficially owned by her husband Mr D.N. Porter.

Subject to this, all of these interests are beneficial.

- 3.3 There are no outstanding loans or guarantees which have been granted or provided by the Company to or for the benefit of any of the Directors.
- 3.4 Save as disclosed in this document, none of the Directors has any interest in any transaction which is of an unusual nature or contains unusual conditions or which is significant to the business of the Company and which remains in any respect outstanding or unperformed.
- 3.5 Save as specified in paragraph 4 below, there are no service agreements or proposed service agreements between any of the Directors and the Company (excluding contracts expiring or determinable by the Company within one year without payment of compensation).
- 3.6 The aggregate remuneration to be paid and benefits in kind (including pension contributions) to be granted to the Directors by the Company under the arrangements in force at the date of this document are estimated to be £90,000 for the financial period ending on 30 June 2007. No Group company traded prior to 1 December 2006.

3.7 Save as disclosed, no Director has, or has had, any direct or indirect interest in any asset which, during the 5 years immediately preceding publication of this document, has been, or is proposed to be, acquired or disposed of by, or leased to, the Company.

3.8 In addition to their directorships of the Company, the Directors have held the following directorships of UK companies and been partners in the following partnerships within the 5 years prior to the date of this document:

<i>Director</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
D.J. Soley	British Beer & Pub Association Camerons Brewery Limited Camerons Heritage Centre Limited Camerons Visitor Centre Limited Eye Spy Security Solutions Limited John Dee Limited Ramscope Limited Wilton Engineering Services Limited Wilton Marine Services Limited	None
D.N. Porter	D.N. Porter Racing Limited Neville Porter Racing Limited Neville Porter Racing (Partnership)	None
B. Morton	D.N. Porter Racing Limited Neville Porter Racing Limited Neville Porter Racing (Partnership)	None
S.H. Walters	D F M Limited (t/a FD Solutions) AFC Energy plc Ash Court Community Limited Aspen Village Limited Blackberry Hill Limited Forest Healthcare Limited Oak Tree Common Limited	Andrew Lynton Property Limited Andrew Lynton (Beaconsfield) Limited Betterware Limited Betterware Investment Limited Craigwell Developments Limited Dawcastle Limited Focalstudy Limited Hermia Properties Limited Loco Restaurants Limited Net FM (UK) Limited Net FM Radio Limited Pentamain Limited Sound Surfing Limited Tamefield Limited Uxbridge Properties Limited Wood Hall Land & Properties Limited Wood Hall Farm Limited Wood Hall Securities Limited Wood Hall Stud Limited
A.S. Baker	Arthur Baker & Associates Limited Blue Chip Casinos plc Casino Investments Limited Casino Management Limited Casino Projects Limited Innobox plc Innobox Hotels Limited Inntotall Limited I M Hotels Limited I F Hotels Limited Moss Cottage Hotels Limited Paddock Inns Limited Spencer Wire Products Limited	Celthaven Limited Daniell & Sons Breweries Limited Drayton Estates 1999 Limited Hunter Inns Limited Kean Inns Limited Mining and Land Reinforcement Limited Monkwell Inns Limited Skye Inns Limited Traditional Free Houses plc Wessex Country Inns Limited

- 3.9 Mr D.J. Soley was a director of John Dee Limited when this company was put into administration on 5 November 1996. On 14 July 2005, this company was put into compulsory liquidation.
- 3.10 Save as referred to above, no Director has been a director of any company or a partner of any partnership that was subject to any insolvency arrangement or procedure (including administration, administrative receivership, company voluntary arrangement, partnership voluntary arrangement or insolvent liquidation) whilst he was a director or partner or during the 12 months after his leaving it.
- 3.11 No Director:
- 3.11.1 has any unspent convictions in relation to any offence involving deception or fraud; or
- 3.11.2 has ever been declared bankrupt or been the subject of an individual voluntary arrangement; or
- 3.11.3 has ever had any public criticism by any professional, statutory or regulatory authority including any order or undertaking disqualifying him from serving as a director (whether in the UK or overseas).
- 3.12 Following Admission the Company will continue to be controlled by its present shareholders who will be in a position to influence substantially the outcome of any matters requiring a vote of shareholders.
- 3.13 The Directors are not aware of any potential conflicts of interest between the duties of the Company owed by the Directors and persons connected with them and their private interests or other duties.

4. Directors' Service Contracts and Emoluments

- 4.1 The services of Mr D.J. Soley are provided to the Company by Ramscope Limited. He serves as a non-executive Director and Chairman on the terms of a consultancy agreement dated 1 December 2006. The appointment is for an initial period of 12 months and will come into effect on Admission. Subsequently, it will be terminable at any time by either party on 1 month's notice. The fee payable for his services is £12,000 plus VAT per annum, on the basis of one day's commitment per month.
- 4.2 Mr D.N. Porter is employed by the Company as Managing Director under a service agreement dated 1 December 2006. The appointment is for an initial period of 24 months and will come into effect on Admission. Subsequently, it will be terminable at any time by either party on 12 months' notice. A salary of £50,000 per annum is payable in respect of his services. In addition, he is paid expenses for the use of his motor car.
- 4.3 Mr B. Morton is employed by the Company as an executive Director under a service agreement dated 1 December 2006. The appointment is for an initial term of 24 months and will come into effect on Admission. Subsequently, it will be terminable at any time by either party on 12 months' notice. A salary of £50,000 per annum is payable in respect of his services.
- 4.4 The services of Mr S.H. Walters as Finance Director are provided to the Company by DFM Limited under a consultancy agreement dated 1 December 2006. The appointment is for an initial period of 12 months and comes into effect on Admission. Subsequently, it will be terminable at any time by either party on 3 months' notice. Fees of £12,000 per annum plus VAT are payable on the basis of 12 days' work per annum. Additional fees would be payable on a pro rata basis, if further services were required.
- 4.5 The services of Mr A.S. Baker as non-executive director are provided to the Company by Arthur Baker & Associates Limited under a consultancy agreement dated 1 December 2006. The appointment is for an initial period of 12 months and comes into effect on Admission. Subsequently, it will be terminable at any time by either party on 1 month's notice. Fees of £12,000 plus VAT per annum are payable on the basis of 12 days' work per annum.

5. Employees

The Group has three employees (including executive directors) as at the date of this document. The majority of staff retained operate as self-employed consultants providing services to the Company's subsidiary DNPRL.

6. Memorandum and Articles of Association

6.1 The Memorandum of Association of the Company provides that the Company's principal objects and activities are to carry on the business of a holding and investment company and the business of a general commercial company. The objects of the Company are set out in full in Clause 4 of its Memorandum of Association. The liability of the members of the Company is limited.

6.2 The provisions of the Articles of Association of the Company are summarised below:

6.2.1 Dividends

Subject to relevant statutory provisions, and to the rights attaching to any class of shares, the holders of the Ordinary Shares are entitled, *pari passu* amongst themselves, to the profits of the Company available for distribution and resolved to be distributed according to the amounts paid up on the Ordinary Shares held by them provided that no dividend shall be declared in excess of the amount recommended by the Directors. Interim dividends may be paid if profits are available for distribution and if the Directors so resolve. No dividends payable in respect of an Ordinary Share shall bear interest. The Directors may, with the prior sanction of an ordinary resolution of the Company, offer the holders of the Ordinary Shares the right to elect to receive further Ordinary Shares, credited as fully paid, instead of cash in respect of all or part of such dividends.

6.2.2 Return of Capital

On a winding up of the Company, the balance of the assets available for distribution shall, subject to any sanction required by statute, be divided among the members in proportion to the amount of capital paid up on each Ordinary Share.

6.2.3 Voting

Subject to any special rights or restrictions as to voting attached to any class of shares, on a show of hands at any general meeting, every holder of Ordinary Shares who is present in person shall have one vote, and on a poll, every such holder who is present in person or by proxy shall have one vote for each Ordinary Share held by him. A corporate member may, by resolution of its directors or other governing body, authorise a person to act as its representative at general meetings, and such person shall be entitled to exercise such powers as the corporate member could exercise if it were an individual member.

6.2.4 Restrictions on Voting

6.2.4.1 A member of the Company shall not be entitled, in respect of any Ordinary Share held by him, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that Ordinary Share have been paid.

6.2.4.2 A member of the Company shall not, if the Directors so determine, be entitled to attend or vote, or to exercise rights of membership as aforesaid, if he or any other person appearing to be interested in such Ordinary Shares has failed to comply with a notice given under section 212 of the Act within 14 days from the date of service of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the Ordinary Shares in question are transferred or sold in the circumstances set out in the Articles.

6.2.5 Record Dates and Unclaimed Dividends

The Company or its Directors may fix any date as the record date on which registered holders of Ordinary Shares shall be entitled to receipt of any dividend, provided that such record date may be on or at any time within 6 months before or after any date on which

the dividend is declared or made. Any dividend unclaimed after a period of 12 years from the date when it became due for payment shall be forfeited and shall revert to the Company.

6.2.6 *Variation of Rights*

Subject to the statutory provisions, any rights attaching to any class of share in the Company may be varied with the written consent of the holders of not less than three quarters in nominal value of the issued shares of the class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the relevant class. The quorum for any such separate general meeting shall be persons holding, or representing by proxy, not less than one third in nominal value of the issued shares of the relevant class.

6.2.7 *Transfer*

Except as may be required by any procedures implemented pursuant to the Articles in accordance with the Act following the introduction of paperless trading, all transfers of shares must be effected by written instrument in any usual form or in any other form acceptable to the Directors and must be executed by or on behalf of the transferor and (in the case of a partly paid Ordinary Share) the transferee. The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of them. The Directors have discretion to refuse to register a transfer of any share which is not fully paid without giving a reason but must provide the transferee with a notice of the refusal within two months. The Directors may also decline to register any instrument of transfer unless (i) it is in respect of only one class of share; (ii) it is lodged with the Company, together with the relevant share certificate(s); and (iii) it is in favour of not more than four transferees jointly.

The Directors may, subject to the provision of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a notice under section 212 of the Act and which represent 0.25 per cent or more in nominal value of the issued shares of their class, and in respect of which the required information has not been received by the Company within 14 days.

6.2.8 *Alteration of Capital*

The Company may alter its share capital as follows:

- 6.2.8.1 by ordinary resolution, it may increase its share capital, consolidate and divide all or any of its shares into shares of larger or smaller amount, sub-divide all or any of its shares into shares of smaller amount and cancel any shares not taken or agreed to be taken by any person;
- 6.2.8.2 by special resolution and subject to the statutory provisions, it may reduce its share capital, any capital redemption reserve or any share premium account in any manner; and
- 6.2.8.3 subject to the statutory provisions and with the sanction of an extraordinary resolution of the holders of any class of shares carrying rights to convert into equity share capital of the Company, the Company may purchase any of its own shares.

6.2.9 *Directors*

- 6.2.9.1 Unless altered by ordinary resolution of the Company, the minimum number of Directors of the Company is 2, and the maximum is 10.
- 6.2.9.2 The aggregate fees paid to the Directors for their services in the office of Director in addition to any remuneration payable to a Director as the Board may in its discretion determine by reason of his or her appointment to any executive office or payable to a Director who performs services which, in the opinion of the Directors, go beyond the ordinary duties of a Director, shall not exceed £100,000 or such amount as may be determined by the Board.

6.2.9.3 At each annual general meeting of the Company, one third of the Directors who are subject to retirement by rotation (or, if their number is not 3 or a multiple of 3, the number nearest to but not more than one third) shall retire from office by rotation.

6.2.9.4 A person shall not be prevented from being appointed a Director and shall not be required to vacate the office of Director, by reason only of the fact that such person has attained the age of 70 years. A Director shall not be required to hold any shares in the Company.

6.2.10 *Directors' interests*

Save as provided in the Articles, a Director shall not vote or be counted in a quorum at a meeting in relation to any resolution concerning any contract or arrangement in which he or she is to his or her knowledge materially interested.

6.2.11 *Borrowing Powers*

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital and to issue debentures and other securities. The Directors shall restrict the borrowing of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to any subsidiary or subsidiary undertaking so as to secure (so far, as regards subsidiaries and subsidiary undertakings, as by such exercise they can secure) that the aggregate amount at any one time outstanding in respect of all money borrowed by the Company and/or any of its subsidiaries or subsidiary undertakings (other than intra-group borrowing) shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to four times the amount of the issued share capital and sums standing to the credit of the share premium account of the Group from time to time.

6.2.12 *General Meetings*

The provisions for convening and holding general meetings of the Company are as laid down by the Act.

7. Material Contracts

The following contracts (not entered into in the ordinary course of business) have been entered into by the Group in the 2 years prior to the date of this document and are or may be material:

7.1 By an incorporation agreement dated 1 December 2006 and made between the Partners (1) and DNPRL (2) the assets of the Partnership (other than pitches, cash balances and 2 motor vehicles) were transferred to DNPRL for a consideration consisting of £50,000 satisfied by the issue 112,610,364 ordinary shares in the capital of DNPRL credited as fully paid and the crediting as fully paid of a further 2,252 ordinary shares originally issued nil paid.

7.2 By a share exchange agreement dated 1 December 2006 and made between the Partners (1) and the Company (2) the entire issued share capital of DNPRL was transferred to the Company in consideration of the issue to the Partnership of an aggregate of 112,612,612 Ordinary Shares credited as fully paid at par and the payment up at par of the 2 Ordinary Shares issued on incorporation. Warranties were given by the Partners as to their unencumbered ownership of the DNPRL ordinary shares.

7.3 By an incorporation agreement dated 1 December 2006 and made between the Partners (1) and NPRL (2) the Partnership Pitches (other than the Duplicate Pitches) were transferred to NPRL for a consideration satisfied by the issue of 4 Ordinary Shares credited as fully paid.

7.4 By a share exchange agreement dated 1 December 2006 and made between the Partners (1) and the Company (2) the entire issued share capital of NPRL was transferred to the Company in consideration of the issue by the Company of 4 ordinary shares credited as fully paid at a premium of £945,000 entering into the incorporation agreement referred to in paragraph 7.3 of this Part Eleven, conditional only upon Admission.

- 7.5 By a declaration of trust (“the UK Trust Declaration”) dated 1 December 2006 and made between Mr D.N. Porter (1) NPRL (2) and Mr B. Morton (3) Mr D.N. Porter declared himself to be a trustee of the Duplicate Pitches for the benefit and on behalf of NPRL, subject only to Admission. The Duplicate Pitches have subsequently been transferred to DNPRL.
- 7.6 By a declaration of trust (“the Irish Trust Declaration”) dated 1 December 2006 and made between Mr D.N. Porter (1) NPRL (2) and Mr B. Morton (3). Mr Porter and Mr Morton declared that any Irish Pitches subsequently acquired by them on behalf of NPRL would be held by them for the benefit and on behalf of NPRL.
- 7.7 A letter of engagement dated 9 October 2006 accepted on 21 February 2007 between (1) the Company and (2) ARM for the provision of assistance and advice to the Company, in conjunction with SVS, in the drafting and preparation of this document; liaising with the London Stock Exchange regarding preparation of this document; and ensuring compliance with the AIM Rules. The fee under the letter of engagement is £48,750 (plus VAT as applicable) and will be payable upon Admission to trading on AIM. Abort fees are payable if Admission does not occur.
- 7.8 A letter of engagement dated 9 October 2006 appointing SVS as financial adviser to the Company for the Admission. SVS has agreed to bear the professional fees of Irwin Mitchell, ARM, Neville Registrars and itself, as relates to the placing, in return for the right to subscribe for a proportion of the equity in the Company on Admission (comprising 8,333,333 Ordinary Shares) in cash at par.
- 7.9 A broker agreement dated 21 February 2007 appointing SVS as broker to the Company. The initial term is 1 year. The Company has agreed to pay SVS a broker fee of £10,000 per annum plus VAT and 5 per cent of any future capital raised by SVS.
- 7.10 A letter of engagement dated 31 October 2006 appointing Jeffrey Henry LLP as the reporting accountants to the Placing and Admission for an estimated fee of £50,000 plus VAT.
- 7.11 A letter of engagement dated 7 November 2006 appointing Neville Registrars Limited as Registrars to the Company for a minimum fee of £600 per annum plus VAT.
- 7.12 A letter of engagement dated 22 November 2006 appointing PGA & Co Limited as Financial Public Relations consultants to the Company.
- 7.13 A Placing Agreement dated 21 February 2007 between the Company (1), the Directors (2), ARM (3) and SVS (4) pursuant to which, and conditional upon, *inter alia*, Admission taking place on or before 31 March 2007, SVS have agreed to use their reasonable endeavours to procure subscribers for the Placing Shares proposed to be issued by the Company at the Placing Price.

The Placing Agreement contains indemnities and warranties from the Company and the Directors in favour of ARM and SVS together with provisions which enable ARM and SVS to terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where any warranties are found to be untrue or inaccurate in any material respect. The liability of the Directors is limited. The Placing Agreement contains various obligations on SVS specifically in relation to the provision of evidence as to the existence and identity of placees to the Placing.

Under the Placing Agreement, the Company has agreed to pay SVS a commission of 5.0 per cent of the capital raising, corporate advisory fees £20,000 plus VAT if applicable to be satisfied by the issue of 1,000,000 Ordinary Shares, a marketing fee £18,750 plus VAT if applicable and to pay ARM corporate advisory fees of £48,750 plus VAT if applicable. SVS is also entitled to subscribe at par for 8,333,333 Ordinary Shares. The notional benefit attributable to the difference between the nominal value payable by SVS and the value of the shares at the Placing Price constitutes additional consideration payable to SVS for the provision of its services under the Placing Agreement. Without prejudice to the above, the maximum fees and expenses payable by the Company are capped at £263,190 inclusive of all applicable VAT pursuant to the pro forma invoice annexed to the Agreement.

The Placing Agreement includes an obligation on SVS to pay the first element of the Placing Proceeds (being not less than £250,000) to the Company, or at its discretion, by close of business on the first day following Admission with the balance of the Placing Proceeds (less their agreed expenses subject to the maximum stated in the pro forma invoice) payable to the Company, or at its discretion, by close of business on the twelfth day following Admission.

- 7.14 By a lease dated 19 December 2006, for Office 15, The Birtley Business Centre, Station Road, Birtley, County Durham for 3 years from and including 20 December 2006. The Company pays a fixed rent and maintenance charge to the landlord and reimburses a proportionate amount of the landlord's insurance premiums. The premises will serve as the Group's head office and as the operations centre for its new telephone and on-line betting centre.
- 7.15 On 20 December 2006, Mr B Morton made an unsecured loan of £160,000 to the Company to enable it to complete the purchase of the Leopardstown pitch in Ireland. The loan was repayable immediately after Admission from the proceeds of the Placing or on 31 January 2007. By a further written agreement dated 15 February 2007, the term of the loan was extended to the earlier of 3 days after Admission or 31 March 2007.
- 7.16 An engagement letter dated 16 February 2007, setting out the terms on which Straughans Accountants would provide bookkeeping and accountancy services to the Group was entered into.
- 7.17 A letter dated 14 February 2007 from Arc Management Services Limited ('Arc') confirming an arrangement with the Company whereby the Company will on Admission issue to Arc 7,583,333 Ordinary Shares at par credited as fully paid in settlement of an introductory fee.
- 7.18 The Nominated Adviser Agreement, dated 21 February 2007 between (1) the Company and (2) ARM, which is conditional on Admission, for the provision by ARM of its services as nominated adviser to the Company at an annual fee of £25,000 (plus VAT as applicable), payable by the Company in quarterly instalments in advance. No fee will be payable by the Company under the Nominated Adviser Agreement for the quarter immediately following Admission. This contract has an initial term of 12 months.

8. Litigation

The Group is not engaged in any litigation or arbitration proceedings which are having or may have a significant effect on the Group's financial position and no such material litigation, arbitration or claim is known to be pending or threatened against the Group.

9. Related-Party Transactions

Save as referred to in paragraph 7.15 of this Part Eleven, there have not been nor are there contemplated to be any related party transactions to which the Company was or will be a party.

10. Takeover Offers by Third Parties for the Company's Shares

Since the Company's incorporation, there has not been a takeover offer (within the meaning of Part XIII A of the Act) for any Ordinary Shares.

11. Working Capital

The Directors are of the opinion having made due and careful enquiry that the working capital available to the Company and its subsidiaries will be sufficient for its present requirements, that is for at least 12 months from the date of Admission of its securities.

12. Intellectual Property

The Company is considering applying for registration of the name and logo of "Neville Porter Racing" as a trademark. There is no guarantee that registration will be granted or that its use may not be

challenged. The Group has registered the domain names of www.npbetlive.co.uk, www.npbetlive.com, www.npbet.com, www.npbet.co.uk.

Save as disclosed the Group does not own or otherwise have any interest in any intellectual property rights that are material to the Group's business.

13. United Kingdom Taxation

The following paragraphs include advice received by the Directors about the tax position of shareholders who are resident or ordinarily resident in the UK for tax purposes and who hold their Ordinary Shares as investments. The statements below are intended only as a general guide and do not constitute advice to any shareholder on his or her personal tax position and may not apply to certain classes of investor (such as dealers or UK insurance companies). The comments are based on current legislation and HM Revenue & Customs practice. Any investor who is in doubt as to his or her tax position should consult his or her professional adviser.

13.1 Taxation of the Company

The Company will be liable to UK corporation tax at current rates (depending on the level of its profits for each accounting period) between 0 per cent and 30 per cent of its taxable profits.

13.2 Taxation of Shareholders

The following paragraphs summarise the tax position of shareholders, other than UK corporate shareholders, receiving dividends.

A UK resident shareholder who is an individual will be entitled, on receipt of a dividend, to a tax credit equal to one ninth of the net dividend (i.e. one tenth of the aggregate of the net dividend and associated tax credit).

However, the rate of income tax payable on such dividends by a UK individual shareholder whose total income, including the dividend and the associated tax credit, falls within the threshold for lower or basic rate tax, will be reduced to 10 per cent (known as the "Schedule F ordinary rate"). Accordingly, the tax credit will discharge such shareholder's liability to UK income tax on the dividend. To the extent that the tax credit exceeds that shareholder's liability to UK income tax, such shareholder will not be entitled to claim payment of the excess from HM Revenue & Customs.

In addition, the rate of income tax payable on such dividends by a UK individual shareholder whose total income, including the dividend and associated tax credit, falls above the threshold for higher rate tax, is 32.5 per cent (known as the "Schedule F upper rate"). Accordingly, a shareholder who is liable to tax at the higher rate will have an additional liability to tax in respect of the dividend and associated tax credit at 22.5 per cent, being the difference between the Schedule F ordinary rate and the Schedule F upper rate.

13.3 Enterprise Investment Scheme ("EIS") and VCT Relief

The Company has sought and obtained confirmation from the HM Revenue & Customs that it will, following the issue of the new Ordinary Shares, be a qualifying company for the purposes of EIS and VCT legislation. The Company cannot guarantee or undertake to conduct its activities in such a way that EIS and VCT relief will be obtained or preserved.

13.4 UK Corporate Shareholders

A shareholder which is a UK resident company will in general not be liable to UK corporation tax on dividends received on its Ordinary Shares and will be entitled to treat the dividend and the associated tax credit (to which a UK resident individual shareholder would be entitled) as franked investment income. UK pension funds (together with certain other tax exempt funds) and most UK corporate shareholders, will not be entitled to obtain payments of any tax credit associated to dividends.

13.5 *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

13.5.1 The allotment and issue of new Ordinary Shares by the Company will not give rise to a charge to stamp duty or SDRT.

13.5.2 Transfers of Ordinary Shares will be liable to stamp duty at the rate of 50 pence per £100 (or part thereof) of the actual consideration paid, subject to a minimum of £5. An unconditional agreement to transfer such shares will be subject to SDRT at the rate of 0.5 per cent of the consideration paid. The charge arises on the date the agreement is made or becomes unconditional and the tax is normally payable seven days after the end of the month in which the charge arises. However, when an instrument of transfer is executed and duly stamped before the expiry of a period of 6 years beginning with the date of that agreement, a claim can normally be made to cancel or obtain a repayment of the SDRT liability. The purchaser will normally assume the liability to pay the stamp duty and will be liable to pay the SDRT.

14. **General**

14.1 The total amount being raised by the Company through the Placing is £865,000 (before expenses).

14.1.1 The total costs and expenses of, or incidental to the Placing payable by the Company, are estimated to be approximately £239,611 (exclusive of value added tax).

14.1.2 The expected net proceeds of the Placing accruing to the Company, after deduction of such costs and expenses, are £601,897.

14.1.3 No expenses of the Placing are being specifically charged to subscribers under the Placing and no commission is payable by the Company to any person in consideration of them agreeing to subscribe for Ordinary Shares.

14.2 The Placing Price of 2 pence represents a premium of 1.999556 pence above the nominal value of £0.000444 per Ordinary Share. The Placing Price is payable in full on Admission.

14.3 There have been no interruptions in the Company’s business in the last 12 months which have had or may have had a significant effect on its financial position.

14.4 The Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made. It is intended to apply for admission of the Company’s Ordinary Shares to AIM.

14.5 The accounting reference date of the Company, DNPRL and NPRL is 30 June. As a consequence, the last dates for publication of financial reports for the period to 30 June 2007, the 6 months to 31 December 2007 and the year to 30 June 2008 will be 31 December 2007, 31 March 2008 and 31 December 2008 respectively.

14.6 Save as disclosed in this document, there are no investments in progress which are significant.

14.7 Save as disclosed in this document, as far as the Directors are aware there are no environmental issues that may affect the issuer’s utilisation of its tangible fixed assets.

14.8 The financial information set out in this document does not constitute statutory accounts as referred to in section 250 of the Act.

14.9 Save as described in this document, there are no patents or intellectual property rights, licences, or particular contracts which are or may be of fundamental importance to the Company’s business.

14.10 Save as disclosed elsewhere, no person (other than the Company’s professional advisers and trade suppliers) has in the last twelve months received, or is contractually entitled to receive, directly or indirectly from the Company on or after Admission, any payment or benefit from the Company to the value of £10,000 or more, or securities in the Company to such value, or entered into any contractual arrangements to receive the same from the Company at the date of this document.

- 14.11 ARM has given and has not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which it appears. It has made no enquiries and accepts no liability whatsoever for the content of or omissions from this document for which the Directors are solely responsible.
- 14.12 SVS has given and has not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which it appears. It has made no enquiries and accepts no liability whatsoever for the content of or omissions from this document for which the Directors are solely responsible.
- 14.13 Jeffreys Henry LLP has given and not withdrawn its written consent to the issue of this document with the inclusion of its reports as set out in this document, together with the references to its name in the form and context in which it appears.
- 14.14 Robin Grossmith has given and not withdrawn his written consent to the issue of this document with the inclusion of his report as set out in this document, together with reference to his name in the form and context in which it appears.
- 14.15 The ISIN of the Ordinary Shares is GB00B1KKFP62.
- 14.16 Save as disclosed in this document, the Directors are not aware of any exceptional factors that have influenced the Company's activities.
- 14.17 Each of the Directors and Mrs C. Porter has entered into a lock-in agreement with the Company, SVS and ARM to the effect that he or she will not dispose of any Ordinary Shares during the year following Admission (other than in limited circumstances) and that for a further year any disposals (which will require the consent of SVS and ARM) shall be conducted through SVS.
- 14.18 Arc Management Services Limited has entered into an orderly market agreement with the Company, SVS and ARM to the effect that any disposals will require the consent of SVS and ARM for a period of one year and shall be conducted through SVS.

15. Document Available for Inspection

Copies of this document will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) at the offices of Irwin Mitchell at 150 Holborn, London, EC1N 2NS for a period of one month from Admission.

Dated: 22 February 2007

