

Regulatory Announcement

[Go to market news section](#)



Company [New Media Lottery Services PLC](#)
TIDM NMLS
Headline Accounts . Update and Posting
Released 16:17 31-Oct-07

31 October 2007

**NEW MEDIA LOTTERY SERVICES PLC
("NMLS" or "the Company")
(AIM:NMLS)**

**POSTING OF ANNUAL REPORT AND ACCOUNTS AND AUDITED
PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 APRIL 2007**

The Board of New Media Lottery Services PLC, the AIM traded supplier and white label operator of lottery systems and games for government sanctioned lottery programs and charities, today announces that it has posted its annual report and accounts for the year ended 30 April 2007 to shareholders. Copies of the accounts will be available from the Company's website www.nmlsplc.com. The Company also announces its audited preliminary results. The audited preliminary results reflect a number of adjustments made following the audit process and hence should be viewed by shareholders as the definitive preliminary results for the Company in relation to the year ended 30 April 2007.

The changes between the preliminary results announced on 15 August 2007 and those announced today are primarily due to certain adjustments made to the share capital and premium account, reclassification of certain debt obligations from non-current liabilities to current liabilities and foreign exchange adjustments in relation to both the previously referred to debt obligations and certain inter-company balances.

FINANCIAL HIGHLIGHTS

- NMLS revenues grew 957% to €415,797 (2006: €39,352) with sales continuing to grow quarter on quarter;
- Sales on client's Lottery Bingo site increased by 523% to €10.6 million (2006: €1.7 million); and
- Corresponding client player deposits increased by 651% to €867,000 (2006: €115,413); and
- NMLS loss for the year to 30 April 2007: €2.7 million (2006 loss: €1.1 million).

BUSINESS HIGHLIGHTS

- Well positioned to move into a period of rapid growth;
- Expected launch of mobile lottery systems in Venezuela in early 2008. This has been delayed due to the anticipated issuance of a new currency;
- Completed system testing of Server Based Lottery System;
- Ready to replicate lottery services in multiple jurisdictions throughout the coming year; and
- Filed for US patent protection on a prepaid mobile lottery application.

Commenting on today's announcement, Lord Mancroft, non-executive chairman, said: **"The Company has made considerable progress during the year. NMLS is well positioned to move into a period of rapid growth through its various operations, supported by the continued growth at its client websites. The Company intends to replicate lottery services in multiple jurisdictions throughout the coming year."**

---ENDS---

Enquiries:

**New Media Lottery Services PLC
437 1688**

(001) 540

John Carson
www.nmlsplc.com

**Bishopsgate Communications Ltd
7562 3350**

020

Nick Rome
Fran Read
www.bishopsgatecommunications.com

Arbuthnot Securities

020 7012 2000

Nicholas Marsh

Paul Vanstone

www.arbuthnotsecurities.co.uk

I am pleased to present New Media Lottery Services Public Limited Company ("NMLS plc") results for the year ended 30 April 2007. We have made considerable progress this year and our performance is very promising.

NMLS plc provides and operates white label lottery gaming platforms to a number of International Lottery programs including charities, sports associations and state lottery organisations. Unlike many internet gaming companies, NMLS plc only works with legitimate Government sanctioned Lottery Programs. It does not market to players in jurisdictions with regulatory uncertainties such as North America.

Financials

Client site sales for the year to 30 April 2007 increased by 523% to €10.6 million compared to €1.7 million for the year to 30 April 2006. The net revenue to the Company for this year was €415,797 compared to €39,352 for the year to 30 April 2006. Corresponding client player deposits similarly saw a substantial increase of 651% to €867,000 compared to €115,413 for the year to 30 April 2006.

A significant growth pattern has been established in the second half with client site sales growing 78% over the previous six-month period with demonstrable growth quarter on quarter.

NMLS' loss for the year to 30 April 2007 is €2.70 million (loss of €1.13 million in the year to 30 April 2006). Expenses were higher principally due to added staffing, professional costs associated with the AIM listing (March 2006) and increased travel and marketing. Additionally, in prior years, the Company's administrative expenses were predominantly paid by the Company's U.S. parent Company.

Review and Current Prospects

There has been a series of developments at the Company during the period. We now own a one-third share of the software being used by three relationship sites in Brazil (following a <http://www.match.com/> model) and the Company is developing its own for Ireland. We have spent a great deal of time developing the server-based platform and we expect it to be revenue generating this coming year. NMLS is well positioned to move into a period of rapid growth through its various operations, supported by the continued growth at its client websites. The Company intends to replicate lottery services in multiple jurisdictions throughout the coming year.

Our software development Group has now developed, tested and implemented NMLS' Server Based Lottery System. Inspired Gaming Group plc and NMLS are pursuing a number of lottery opportunities.

Rehab Lotteries

In July 2007, the Company announced that it had benefited from record sales at RehabBingo.com, the site it manages and markets on behalf of Rehab Lotteries in Ireland. Sales at Rehab Lotteries have been growing rapidly with the site benefiting from a growing profile on the back of a number of marketing initiatives which include the sponsorship of the 2007 Miss Ireland Pageant. This sponsorship resulted in a significant amount of media coverage, including 40 pages in the national press and two hours of TV exposure. Rehab Bingo continues to grow sales at pace with the site achieving record sales and player deposits for the six months to 30 June 2007.

Aragua

NMLS has a 10-year lottery contract in place with the Aragua Lottery, the Venezuelan state lottery programme. The Company owns 45% of the local Company in Venezuela established to hold the Aragua Lottery contract and the agreement includes mobile lottery games, internet gaming and sports betting. The plan is to introduce a variety of new products to the Venezuelan market. We have delayed the launch of NMLS' mobile lottery systems until early 2008 due to an expected issuance of a new currency. Recent National Government lottery legislation has been enacted which will eliminate illegal lottery activities and strengthen our lottery program.

US

The Company has filed for US patent protection on a prepaid mobile lottery application. Management reviewed existing Mobile and Prepaid Mobile patents and identified a process that improves security, offers a variety of game types and is more conducive to working with a lottery Central Management System.

This follows the signing, in November 2006, of an exclusive non-transferable software licence with Las Vegas Gaming Inc. ("LVGI"), a Nevada based operator, manufacturer and distributor of products for the gaming industry. As a result, NMLS will use LVGI's Optima Game Management Software, as a base engine for its developed games. NMLS expects to utilize this software in Venezuela and a number of other markets this coming year.

NMLS continues to leverage its investment in its software and expects to announce additional contracts over the coming year. I would like to take this opportunity to thank our staff for their support over this busy period and look forward to updating investors as to our further progress.

Lord Mancroft
Chairman

New Media Lottery Services Public Limited Company
Consolidated Income Statement
for the year ended April 30th 2007

	Note	Continuing Operations			Final YE Audited Apr-05 €
		YE Audited Apr-07 €	Interim 6 Months Unaudited Oct-06 €	Final YE Audited Apr-06 €	
Revenue	8	432,695	173,867	40,174	0
Administrative Expenses	7	-2,990,050	-1,669,965	-1,088,574	-260,002
Operating Loss		-2,557,355	-1,496,098	-1,048,400	-260,002
Finance Costs		-139,125	-65,734	-81,671	-757
Loss on Ordinary Activities before Taxation		-2,696,480	-1,561,832	-1,130,071	-260,759
Tax on Loss on Ordinary Activities		0	0	0	0
Loss for the period attributable to Equity Shareholders		-2,696,480	-1,561,832	-1,130,071	-260,759
Basic Loss per Ordinary Share		-€0.11	-€0.06	-€0.05	-€5.81
Diluted Loss per Ordinary Share		-€0.11	-€0.06	-€0.05	-€5.81

New Media Lottery Services Public Limited Company
Consolidated Balance Sheet
as at 30th April 2007

		YE	Interim 6 Months	Final YE	Final YE
	Note	Audited Apr-07	Unaudited Oct-06	Audited Apr-06	Audited Apr-05
		€	€	€	€
Non-Current Assets					
Property, Plant and Equipment		33,789	150,239	33,364	24,524
Intangible Assets		230,967	71,392	78,767	-
		264,756	221,631	112,131	24,524
Current Assets					
Trade and Other Receivables		460,023	373,096	244,714	219
Cash and Other Equivalentents		115,387	207,307	1,763,359	2,190
		575,410	580,402	2,008,073	2,409
Total Assets		840,166	802,033	2,120,204	26,933
Equity and Liabilities					
Equity attributable to equity holders of the Parent					
Issued Share Capital	3	241,618	240,621	238,130	449
Share Premium	4	3,845,566	3,771,935	3,619,414	1,063,615
Merger Reserve	5	539,377	539,377	539,377	-
Accumulated Loss	6	-6,794,368	-5,659,717	-4,097,888	-2,047,294
Total Equity		-2,167,807	-1,107,784	299,033	-983,230
Current Liabilities					
Trade and Other Payables		524,731	600,616	511,970	142,133
Bank Loan		1,281,113	-	-	-
Other Liabilities		1,202,130	-	-	-
		3,007,974	600,616	511,971	142,133
Non-Current Liabilities					
Other Liabilities		-	1,309,201	1,309,201	868,029

Total Liabilities	3,007,974	1,909,817	1,821,171	1,010,163
Total Equity and Liabilities	840,166	802,033	2,120,204	26,933

New Media Lottery Services Public Limited Company
Consolidated Cash Flow Statement
for the year ended April 30th 2007

	YE Audited Apr-07 €	Interim 6 Months Unaudited Oct-06 €	Final YE Audited Apr-06 €	Final YE Audited Apr-05 €
Cash Outflow from Operating Activities				
Operating Loss before Tax	-2,696,480	-1,561,832	-1,130,071	-260,762
Depreciation	18,777	10,546	11,139	15,287
Intangible Assets Amortised	31,352	7,375	997	0
Increase in debtors	-132,857	-128,377	-244,498	3,721
Increase in creditors	-94,310	88,645	-78,945	111,699
Costs incurred in exchange for shares	31,002	0	0	0
Finance Charges	139,125	65,734	81,671	757
Net Cash Outflow from Operating Activities	-2,703,391	-1,517,909	-1,359,704	-129,298
Cashflow from Investing Activities				
Purchase of Property, Plant and Equipment	-19,202	-127,420	-19,979	-170
Purchase of Intangible Assets	-59,542	0	-79,764	0
Amounts advanced to Joint Venture	-7,825	0	0	0
Net Cashflow used in Investing Activities	-86,569	-127,420	-99,743	-170
Cashflows from Financing Activities				
Proceeds from the Issue of Shares	0	155,012	2,658,191	0
Transaction Costs on the Issue of Shares	0	0	-665,105	0
Issue of Debentures	0	0	1,309,201	0
Loan Proceeds	1,281,111	0	0	0
Finance Costs	-139,125	-65,734	-81,671	-756
Net Cashflows from Financing Activities	1,141,986	89,278	3,220,616	-756
Net Increase / (decrease) in cash and cash equivalents at 31st October	-1,647,973	-1,556,051	1,761,169	-130,224

Cash and cash equivalents at beginning of period	1,763,359	1,763,357	2,190	132,414
Cash and cash equivalents at end of period	115,387	207,306	1,763,359	2,190

New Media Lottery Services Public Limited Company
Notes to the Consolidated Balance Sheet
as at April 30th 2007

1. Publication of Non-Statutory Accounts

The financial information set out in this draft statement, does not constitute statutory accounts within the meaning of Section 150 of the Companies Act 1963. The financial information for the full preceding period is based on the statutory accounts for the year ended 30th April 2006. Those accounts, on which the auditors issued an unqualified opinion, have been delivered to the registrar of Companies.

2. Accounting Policies and Going Concern

The financial information has been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the year ended 30th April 2007.

The financial statements are prepared on the historical cost basis. The financial statements are presented in euro ("€").

The Group does not have sufficient financing of its own to continue in operational existence for the foreseeable future and is dependent on the continuing support of its parent and ultimate shareholders for its cash requirements in that period. The Directors expect the support of its parent and ultimate shareholders to be forthcoming. The Directors consider that the Group has the ability to continue as a going concern for a period of one year from the date of approval of these financial statements. The financial statements have been prepared on this basis.

3. Share Capital

Authorised Equity	£	£	£	£
150,000,000 Ordinary Shares of £0.66667 pence each	1,000,000	1,000,000	1,000,000	1,000,000

Allotted, called up and fully paid equity	€	€	€	€
24,800,000 Ordinary Shares of £0.66667 pence each (Apr 2006: 24,450,000 , 2005: 20,205,150)	241,618	240,621	238,130	449

Share Capital Movement

Opening Balance May 1st 2006	238,130
- October 2006	
Issue of 100,000 Ordinary Shares of £0.66667 pence each	997

- 20th October 2006

Issue of 200,000 Ordinary Shares of £0.66667 pence each	1,993
- 20th October 2006	
Issue of 50,000 Ordinary Shares of £0.66667 pence each	498
Closing Balance April 30th 2007	241,618

On the 20th October 2006, 200,000 Ordinary Shares of £0.66667 pence each were issued to Las Vegas Gaming Inc, (LVGI) a Nevada Corporation for £0.66667 pence each in consideration for the International rights to the 'Optima' System being transferred to New Media Lottery Services Plc.

The value of the shares issued is €124,010.16, creating a share premium on this issue of €122,017.

On the 20th October 2006, 50,000 Ordinary Shares of £0.66667 pence each were issued to Tony Caporicci for £0.66667 pence each in consideration for services rendered in arranging the International rights to the 'Optima' System being transferred to New Media Lottery Services Plc.

The value of the shares issued is €31,002.54, creating a share premium on this issue of €30,504. The shares have been recognised as have the associated costs incurred in lieu of the shares. In October 2006, 100,000 Ordinary Shares of GBP£ 0.66667 pence each were issued to Lord Mancroft for GBP£50,000 in consideration for services rendered.

The value of the shares issued is €74,628, creating a share premium on this issue of €73,631.

4. Share Premium

Opening Balance May 1st 2006	3,619,414	
- October 2006		
Issue of 100,000 Ordinary Shares of £0.66667 pence each	73,631	(note 3)
- 20th October 2006		
Issue of 200,000 Ordinary Shares of £0.66667 pence each	122,017	(note 3)
- 20th October 2006		
Issue of 50,000 Ordinary Shares of £0.66667 pence each	30,504	(note 3)
Closing Balance April 30th 2007	3,845,566	

5. Merger Reserve

Opening Balance May 1st 2006	539,377
-------------------------------------	---------

No Movement

Closing Balance April 30th 2007	<u><u>539,377</u></u>
--	-----------------------

6. Accumulated Reserves

Opening Balance May 1st 2006	-4,097,887
-------------------------------------	------------

Audited results - YE April 2007	-2,696,480
---------------------------------	------------

Closing Balance April 30th 2007	-6,794,367
--	-------------------

7. Administrative Expenses

	YE	Interim 6	Final YE	Final YE
	Audited	Months	Audited	Audited
	Apr-07	Unaudited	Apr-06	Apr-05
	€	Oct-06	€	€
Accountancy Fees & Audit Fees	251,710	68,500	36,942	0
Employee wages, salary and benefits	941,490	479,753	246,319	0
Directors Fees	433,654	44,698	59,500	0
Programming Costs	55,899	29,617	30,137	91,081
Other Administration Expenses	174,057	376,708	190,826	25,291
Foreign Exchange Gains and Losses	-140,574	29,491	110,321	-37,179
Depreciation and Amortisation	51,126	17,921	12,136	15,287
Website Hosting	122,619	46,193	63,637	18,114
Advertising & Marketing	396,823	186,519	96,552	3,822
Consultancy Fees	323,041	131,553	121,746	104,701
Legal and Professional	298,046	151,739	105,607	38,886
Web Development	6,646	71,988	3,159	0
Rent	75,513	35,285	11,691	0
	2,990,050	1,669,965	1,088,573	260,002

The Company's administrative expenses appear to have increased substantially during this year end compared to the twelve months ended 30 April 2006 (the comparative period). The administrative expense increase is substantially due to a change in the allocation of such expenses. Prior to the 17th March 2006, significant administrative expenses were paid by the

Company's U.S. parent company, named New Media Lottery Services, Inc., a Delaware corporation. After the 17 March 2006, the Company began funding all of their administrative expenses.

8. Revenue

	2007	2006
	€	€
Turnover from client sites	415,797	39,352
Interest Income		<u>16,898</u>
<u>822</u>	<u>432,695</u>	<u>40,174</u>

END

Close

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.