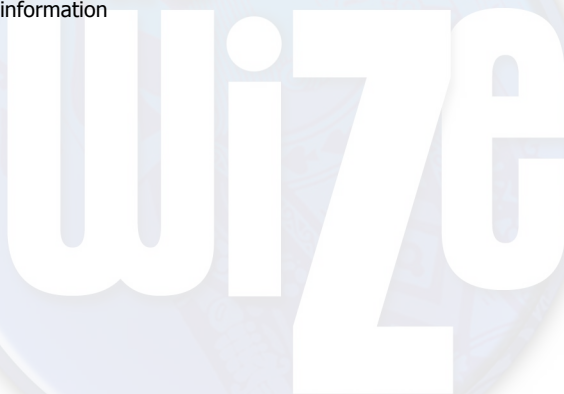


contents

Page:

2	Chairman's statement
4	Consolidated profit and loss account
5	Statement of total recognised gains and losses
6	Consolidated balance sheet
7	Consolidated cash flow statement
8	Notes to the interim financial statements
11	Company information



chairman's statement

I am pleased to announce the Group's results for the six months ended 30 September 2007.

Results

Turnover for the six months ended 30 September 2007 was £15,000 compared with £46,000 in the same period last year. The loss (both before and after tax) for the half year was £657,000 compared with a loss of £915,000 in the same period last year. The Group finished the period with net funds of £67,000 compared to £342,000 at 30 September 2006.

No dividend is proposed for the period (2006: £nil).

Operating Review and Current Developments

The period under review was a period of transition for the Group. In May 2007, your Board announced that it had resolved to undertake a new commercial strategy for the company's online poker product whereby it intended to pursue licensing arrangements with various online poker rooms to licence the Company's Internet poker technology. At that time, the Board also sought authority to raise additional capital to enable the Company not only to fund continued development of new technologies to be used in the internet gaming market, including the online poker and casino markets, but also to market its technology to a wider audience, and this authority was granted by shareholders at the EGM held in June 2007. In September 2007, we were pleased to announce the first of these licensing agreements, with Ladbrokes International Ltd. ("Ladbrokes"), a wholly owned subsidiary of Ladbrokes plc, a world-leading provider of interactive betting and gaming services. The technology was licensed to Ladbrokes for two-years in exchange for an upfront payment and ongoing licensing fees in the form of a revenue sharing arrangement. Ladbrokes launched Ladbrokes 3-D Poker featuring the company's video gaming technology in November 2007. Whilst it is too soon to judge how successful this will be, I am pleased to report that Ladbrokes are delighted with the software and are happy with the initial pre marketing take-up of the technology to date. No income from this source is included in the accounts under review. It is anticipated that this will be the first of a number of such agreements to license the Company's Internet poker technology.

chairman's statement *(continued)*

In November 2007, we were also pleased to announce that a successful Placing of shares had taken place, raising a net sum of £1.15 million. The raising of these funds indicates that our new strategy has substantial support in the investment community.

The Board has recently decided, to place our wholly owned subsidiary, Bits Studios Ltd (the Group company previously involved in the production of video games, an activity no longer carried on by the Group) into Creditors Voluntary Liquidation, and notices have now been sent to creditors. Although the accounts for the period under review reflect continuing substantial losses, this should not be looked at as an indication for the future, as the second six months of the year will reflect a continuing reduction in overheads, and income from the Ladbrokes licensing agreement, and possibly others of a similar nature.

I would like to take this opportunity to thank our staff and shareholders for their continued support during a difficult time for the Group in the past year or so. The Board believes that the long-term business outlook remains positive.

John Corre
Chairman

21 December 2007

consolidated profit and loss account

for the six months ended 30 September 2007

	Note	Unaudited 6 months ended 30 September 2007 £'000	Unaudited 6 months ended 30 September 2006 £'000	Audited Year ended 31 March 2007 £'000
Turnover		15	46	71
Cost of sales		(478)	(725)	(1,504)
Gross loss		(463)	(679)	(1,433)
Operating loss		(627)	(918)	(1,954)
Interest receivable		1	12	16
Interest payable		(31)	(9)	(24)
Loss on ordinary activities before taxation		(657)	(915)	(1962)
Retained loss for the period		(657)	(915)	(1962)
Loss per share		Pence	pence	Pence
Basic	2	(1.09)	(1.56)	(3.3)
Diluted	2	(1.09)	(1.54)	(3.3)

The results relate wholly to continuing operations.

There is no material difference between the results stated above and the results shown on an historical basis.

There are no other gains or losses other than those recognised in the profit and loss account.

consolidated balance sheet

as at 30 September 2007

	Unaudited As at 30 September 2007 £'000	Unaudited As at 30 September 2006 £'000	Audited As at 31 March 2007 £'000
Fixed assets			
Tangible assets	20	6	29
	20	6	29
Current assets			
Debtors	119	151	105
Cash at bank and in hand	67	342	130
	186	493	235
Creditors: amounts falling due within one year	(1,756)	(362)	(1174)
Net current assets (liabilities)	(1,570)	131	(939)
Net assets (liabilities)	(1,550)	137	(910)
Capital and reserves			
Called up share capital	620	604	604
Share premium account	5,770	5,770	5,770
Merger reserve	736	735	735
Profit and loss account	(8,676)	(6,972)	(8,019)
Shareholders' funds (deficit)	(1,550)	137	(910)

consolidated cash flow statement

for the six months ended 30 September 2007

	Unaudited 6 months ended 30 September 2007	Unaudited 6 months ended 30 September 2006	Audited Year ended 31 March 2007	
Note	£'000	£'000	£'000	
Net cash (outflow)/inflow from operating activities	3	(394)	332	(2100)
Returns on investments and servicing of finance				
Interest received	1	12	16	
Interest payable	(31)	(9)	-	
	(30)	3	16	
Taxation				
Research and Development Tax Credit	-	-	35	
Capital expenditure				
Purchase of tangible fixed assets	-	(5)	(39)	
	-	(5)	(39)	
Net cash (outflow)/inflow before use of liquid resources and financing		(424)	330	(2,088)
Financing				
Issue of ordinary share capital	16	266	1572	
Increase/(decrease) in short term borrowings	345	(230)	670	
	361	36	2242	
(Decrease)/increase in cash		(63)	(366)	154

notes to the interim financial statements

for the six months ended 30 September 2007

1 Basis of preparation

The interim financial statements have been prepared on the basis of the accounting policies set out in the Group's Annual Report and Accounts for the year ended 31 March 2007. The financial information for the year ended 31 March 2007 has been extracted from the Annual Report and Accounts, which have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statements under section 237(2) or (3) of the Companies Act 1985. The financial information contained in this document does not constitute statutory financial statements as defined in section 240 of the Companies Act 1985.

2 Loss per share

Basic earnings per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Six months ended 30 September 2007

Loss per share has been calculated using the following:

	Earnings	Weighted average number Of shares
Basic	(£657,000)	60,413,631
Diluted	(£657,000)	60,413,631

Six Months ended 30 September 2006

Earnings per share has been calculated using The following:

	Earnings	Weighted average number Of shares
Basic	(£914,946)	58,536,674
Diluted	(£914,946)	59,389,149

Year ended 31 March 2007

Earnings per share has been calculated using The following:

	Earnings	Weighted average number Of shares
Basic	(£1,962,000)	59,500,297
Diluted	(£1,962,000)	59,500,297

notes to the interim financial statements

for the six months ended 30 September 2007 *(continued)*

3 Net cash inflow/(outflow) from operating activities

	Unaudited 6 months ended 30 September 2007 £'000	Unaudited 6 months ended 30 September 2006 £'000	Audited Year ended 31 March 2007 £'000
Operating loss	(627)	(918)	(1,954)
Depreciation and amortisation of fixed assets	9	4	15
Loan arrangement fees settled in shares	-	-	11
(Increase)/decrease in debtors	(14)	1,493	(29)
Increase/(decrease) in creditors	238	(247)	(143)
Net cash (outflow)/inflow from operating activities	(394)	332	(2,100)

4 Reconciliation of net cash flow to movement in net funds/(debt)

	Unaudited 6 months ended 30 September 2007 £'000	Unaudited 6 months ended 30 September 2006 £'000	Audited Year ended 31 March 2007 £'000
(Decrease)/increase in cash in the period	(408)	366	(316)
Decrease in liquid resources	-	-	-
Change in net funds resulting from cash flows	(408)	366	(316)
Opening net (deficit)/funds	(570)	(24)	(254)
Closing net (deficit)/funds	(978)	342	(570)

notes to the interim financial statements

for the six months ended 30 September 2007 *(continued)*

5 Analysis of net funds

	At 1 April 2007 £'000	Cash Flows £'000	Translation differences £'000	At 30 September 2007 £'000
Cash at bank and in hand	130	(63)	-	67
Loans	(700)	(345)	-	(1,045)
	(570)	(408)	-	(978)
Short term deposits	-	-	-	-
Total net funds	(730)	(408)	-	(978)

company information

Directors

John H Corre FCA
Fouad ("Foo") M A Katan
Julian I Levy FCA

Non-executive chairman and finance director
Chief executive/Managing director
Non-executive finance director (resigned 28 November 2007)

Secretary

Dipak Pandya ACA

Registered office

2nd Floor, Britannia Business Centre, 11-13 Cricklewood Lane, Cricklewood,
London NW2 1ET

Company number

4064683

Financial Advisers and Stockbrokers

HB Corporate, 40 Marsh Wall, London, E14 9TP

Auditors

Auerbach Hope, 58-60 Berners Street, London, W1T 3JS

Solicitors

Jones Day, 21 Tudor Street, London EC4Y 0DJ

Bankers

Allied Irish Bank (GB), Mayfair Branch, 10 Berkeley Square, London W1J 6AA

Registrars

Capita IRG plc, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire
HD8 0LA