

Uncertainty remains over Betbrokers funds

The administrator to Betbrokers, the failed betting group whose board includes former Formula One team boss Eddie Jordan and City grandee Derek Tullett, is yet to establish whether funds deposited by punters were used in an abortive attempt to prop up the company.

Administrator Vantis said it was investigating whether gamblers' funds were indeed placed in trust and ring-fenced from the operating costs of the business.

Paul Atkinson, Vantis spokesman, said: „We are taking advice on whether they are trust monies. We are trying to resolve the situation as fast as we can.“

Aim-listed Betbrokers placed its core operating subsidiary, Betbrokers Ltd, into administration on August 22 with the loss of 28 jobs and yesterday said it had been forced to take the same route with the plc company after it failed to find a buyer for its remaining significant asset – Las Vegas-based tipping service Winning Edge, which it bought for USD 6.5m (GBP 3.65m).

„Until the administration of Betbrokers Ltd is completed and/or the company is able to effect a sale of Winning Edge, it is not possible for this subsidiary to repay a loan to Betbrokers plc,“ the group said, adding that „with regret“, the directors had no choice but to put the plc into administration.

Betbrokers, which was valued at GBP 31.7m in November 2006 when it raised GBP 2.5m and floated on Aim, acted as an intermediary for big punters, placing bets on their behalf at the best odds from 200 bookmakers. Betbrokers, whose clients were also bookies laying off bets, took a commission on wagers

placed.

Industry sources said the business collapsed after running out of cash to transact bets.

Mr Lochner, who could not be reached for comment, earlier this week told the Racing Post that punters funds were protected. „All customer funds were placed in a segregated client account with Barclays and those funds were always kept separate from the business,“ he said.

Vantis said it was too early to say how much punters had deposited or Betbrokers owed.