

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002



Company Registration No. 1939932

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

The directors submit their report for the year ended 31 March 2002.

Principal activity

The group's principal activity is the provision of an integrated television and information service delivered via satellite to licensed betting offices.

Business review and future developments

The detailed results for the year and proposed transfer to reserves are set out in the profit and loss account on page 5.

The group provides live racing information and televised coverage for the United Kingdom, Ireland and overseas betting markets.

During the year the group acquired the rights to show horse racing from the 10 UK courses signed to GG-Media Limited, Ireland and South Africa, into Licensed Betting Offices, principally in the UK. The group also acquired the rights to show Bookmakers Afternoon Greyhounds.

The media rights agreement between Satellite Information Services Limited (SIS) and The Racecourse Association ended on 30 April 2002. With effect from 1 May 2002 SIS acquired the rights to allow the inclusion of pictures from the other 49 UK racecourses within its service.

Dividends

No dividends were proposed during the year.

Charitable donations

Donations totalling £2,590 (2001 - £6,114) were paid during the year.

Disabled persons

The group's policy is that applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. Furthermore, in the event of members of staff becoming disabled every effort would be made to ensure that their employment with the group continued and appropriate training arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account in decisions which are likely to affect their interests, and that all employees are aware of the financial and economic performance of their business units, and of the company as a whole.

Policy on payment of creditors

The group and its subsidiaries agree terms and conditions for their business transactions with their suppliers. Payment is made on these terms, subject to these terms and conditions being met by the supplier. The group has approximately 42 days purchases outstanding at 31 March 2002 (2001-41 days) based on the average daily amount invoiced by suppliers during the year.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
REPORT OF THE DIRECTORS continued

Directors

The following held office during the year:

H S Perlin	Chairman
D K Holdgate	Chief Executive
C Bell	
J M Brown	
M A M Carver	
P I Jones	
N Topazio	

Alternates

W J Heaton	Alternate for P I Jones	(resigned 20 September 2001)
T J Phillips	Alternate for P I Jones	(appointed 20 September 2001)
T J Phillips	Alternate for P I Jones	(resigned 17 January 2002)
W J Heaton	Alternate for P I Jones	(re-appointed 17 January 2002)
I J Spearing	Alternate for J M Brown	
A Ross	Alternate for C Bell	
C Gregson	Alternate for MAM Carver	

Directors' interests

None of the directors had an interest in the share capital of the company.

Auditors

The company has passed a resolution under Sections 379a and 386 of the Companies Act 1985 (as amended), electing to dispense with the appointment of auditors annually.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
REPORT OF THE DIRECTORS continued

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company and the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

17 Corsham Street
London N1 6DR

By order of the board



H Organ
Secretary

Date 4/7/02

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

We have audited the financial statements on pages 5 to 22.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.


Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 March 2002 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

Date 4 July 2002

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £'000	As restated 2001 £'000
Turnover	1,2	96,618	91,118
Operating Expenses	3	(70,868)	(62,628)
Operating profit		25,750	28,490
Interest receivable and similar income	5	880	1,595
Interest payable and similar charges	5	(535)	(1,606)
Profit on ordinary activities before taxation		26,095	28,479
Tax on profit on ordinary activities	6	(7,660)	(8,318)
Profit on ordinary activities after taxation		18,435	20,161
Equity minority interest		-	88
Retained profit for the year transferred to reserves	12	18,435	20,249

As permitted under Section 230 of the Companies Act 1985, the profit and loss account of the company is not published as part of these accounts. The loss for the year of the company is shown in note 12 to the accounts.

There is no difference between the reported profit and the profit on a historical cost basis.

All operations are continuing.

The notes on pages 10 to 22 form part of these accounts.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
STATEMENT OF GROUP TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2002

	2002	2001
	£'000	£'000
Retained profit for the financial year	18,435	20,249
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	18,435	20,249
		<hr/>
Prior year adjustment (Note 6)	914	
	<hr/>	
Total gains and losses recognised since last annual report	19,349	
	<hr/>	

The notes on pages 10 to 22 form part of these accounts.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002 £'000	As restated 2001 £'000
Fixed assets			
Tangible assets	7	17,983	15,433
Investment in own shares	8	-	-
		<hr/>	<hr/>
		17,983	15,433
Current assets			
Debtors	9	10,938	6,665
Cash at bank and in hand		15,436	12,548
		<hr/>	<hr/>
		26,374	19,213
Creditors (amounts falling due within one year)	10	(26,111)	(34,920)
		<hr/>	<hr/>
Total assets less current liabilities		263	(15,707)
		<hr/>	<hr/>
Net assets / (liabilities)		18,246	(274)
		<hr/>	<hr/>
Capital and reserves			
Called up equity share capital	11	22	22
Share premium account	12	9,836	9,836
Profit and loss account	12	8,388	(10,047)
		<hr/>	<hr/>
Equity shareholders' funds/(deficit)	13	18,246	(189)
Equity minority interest		-	(85)
		<hr/>	<hr/>
Capital employed		18,246	(274)
		<hr/>	<hr/>

Approved by the board of directors on 4/7/02 and signed on its behalf by

D Holdgate



The notes on pages 10 to 22 form part of these accounts.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
COMPANY BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002 £'000	2001 £'000
Fixed assets			
Investments in own shares	8	-	-
Investment in subsidiaries	8	16	13
		<u>16</u>	<u>13</u>
Current assets			
Debtors	9	11,003	11,003
Cash at bank and in hand		7	7
		<u>11,010</u>	<u>11,010</u>
Creditors (amounts falling due within one year)	10	(526)	(523)
Net current assets		<u>10,484</u>	<u>10,487</u>
Total assets less current liabilities		<u>10,500</u>	<u>10,500</u>
Capital and reserves			
Called up equity share capital	11	22	22
Share premium account	12	9,836	9,836
Profit and loss account	12	642	642
Equity shareholders' funds	13	<u>10,500</u>	<u>10,500</u>

Approved by the board of directors on 4/7/02 and signed on its behalf by

D Holdgate



The notes on pages 10 to 22 form part of these accounts.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2002

	Note	2002 £'000	2001 £'000
Net cash inflow from operating activities	17	35,902	35,978
Returns on investments and servicing of finance			
Interest received		881	1,595
Interest paid		(1,061)	(2,147)
		(180)	(552)
Taxation		(8,993)	(8,976)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	7	(9,022)	(5,470)
Proceeds from sale of tangible fixed assets		184	159
Purchase of own shares		-	(13)
Purchase of shares in subsidiary		(3)	-
Proceeds from sale of shares in subsidiary		-	3
		(8,841)	(5,321)
Cash inflow before financing		17,888	21,129
Financing			
Decrease in borrowings	18	(15,000)	(15,000)
Increase in cash at bank and in hand	19	2,888	6,129

The notes on pages 10 to 22 form part of these accounts.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation

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

The financial statements have been prepared on a going concern basis as the directors are confident that the Group will be able to meet its liabilities as and when they fall due.

The company has adopted FRS 19, 'Deferred taxation' which came into effect during the year. The effect of the adoption of this standard is detailed in Note 6 and a description of the revised accounting policy is given below. The comparative amounts have been restated to reflect this change in accounting policy.

In accordance with the requirements of FRS 18, 'Accounting Policies', which also came into effect during the year, the company's accounting policies have been reviewed and with the exception of the change to deferred taxation, no other changes have been made.

Basis of consolidation

The group financial statements are the result of the consolidation of the accounts of the company and its subsidiaries.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of services supplied less any amounts deferred into the following year plus any deferred from the previous year.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition and installation.

Tangible fixed assets are written off in equal instalments over the following estimated useful asset lives:

Installed equipment	:	3-8 years
Studio equipment	:	5 years
Motor vehicles	:	4 years
Fixtures, fittings and other equipment	:	4-7 years

Goodwill

Goodwill is capitalised and amortised over its economic life.

Operating leases

Costs in respect of operating leases are charged in arriving at the operating profit.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Pension scheme arrangements

The group operates a contributory money-purchase pension scheme. Payments made to the fund are charged in the financial statements as part of employment costs.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

Deferred taxation

The Group has adopted FRS 19, 'Deferred taxation'.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date and where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profit or loss and its results as stated in the consolidated financial statements. No deferred tax is recognised on permanent differences.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and law that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2 Segmental analysis

Revenue earned by destination is split as follows:

	2002	2001
	£'000	£'000
UK	89,614	84,410
Other	7,004	6,708
	<hr/>	<hr/>
	96,618	91,118
	<hr/>	<hr/>

Revenue is generated from the UK (£96 million) and France (£0.6 million).

The directors consider that operating profit relates to the UK (£25.8 million) and an operating loss to France (£56,000). Net assets relating to the UK amount to £18.3 million and net liabilities relating to France £66,000.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

3 Operating expenses

Operating expenses includes:	2002 £'000	2001 £'000
Employment costs (Note 4)	13,634	11,396
Operating lease rentals:		
Satellite	5,087	4,961
Other	996	953
Profit on disposal of fixed assets	(181)	(103)
Auditors' remuneration	30	30
Depreciation (Note 7)	6,107	5,989
Loss/ (gain) on foreign exchange	119	(5)
Write down of investment in own shares (Note 8)	-	516
Amortisation of goodwill (Note 8)	104	-

Payments to PricewaterhouseCoopers for non-audit services amounted to £11,522 (2001 - £32,996).

Auditors' remuneration includes £5,000 (2001 - £5,000) in respect of the parent company audit.

4 Employees and directors

The average number of persons employed by the group, including executive directors, during the year was 324 (2001 - 286).

Employment costs were:

	2002 £'000	2001 £'000
Wages and salaries	11,796	9,705
Social security costs	1,191	1,107
Pension contributions	647	584
	<u>13,634</u>	<u>11,396</u>
Directors' emoluments (excluding pension contributions)	<u>497</u>	<u>202</u>
Emoluments (excluding pension fund contributions) of the highest paid director were:	<u>472</u>	<u>177</u>

The group made contributions to a money-purchase pension scheme totalling £15,450 for the highest paid director (2001 - £15,000).

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

5 Interest

	2002	2001
	£'000	£'000
Bank interest receivable	880	1,595

	2002	2001
	£'000	£'000
Interest payable on bank loans and overdrafts	535	1,606

6 Taxation

	2002	2001
	£'000	£'000
Corporation tax at 30% (2001 - 30%)	7,698	8,708
Adjustment of current taxation in respect of prior years	(225)	(200)
Deferred taxation	187	(190)
	<u>7,660</u>	<u>8,318</u>

The group has adopted FRS 19 "Deferred taxation". The adoption of this standard resulted in an additional taxation charge for the year ended 31 March 2002 of £187,000 (2001: taxation credit of £190,000). Net assets at 1 April 2001 have been increased by £914,000.

SATELLITE INFORMATION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

6 Taxation (continued)

The group's effective tax rate reconciliation is as follows:

	2002	2001
	£'000	£'000
Profit before taxation	26,095	28,479
	<u> </u>	<u> </u>
Corporation tax at UK statutory rate (30%)	7,829	8,544
Effects of:		
Capital allowances in excess of depreciation	(147)	(9)
Short term timing differences	-	(17)
Disposal of fixed assets	(55)	(31)
Other adjustments not deductible for taxation purposes	71	221
	<u> </u>	<u> </u>
Actual current tax charge	7,698	8,708
	<u> </u>	<u> </u>

The Deferred taxation asset (Note 9) relates to:

	2002	2001
	£'000	£'000
Accelerated capital allowances	673	860
Other short term timing differences	54	54
	<u> </u>	<u> </u>
	727	914
	<u> </u>	<u> </u>

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

7 Fixed assets - group

Cost	Installed equipment £'000	Studio equipment £'000	Motor vehicles £'000	Other equipment £'000	Total £'000
At 1 April 2001	48,778	5,409	9,815	20,304	84,306
Additions	6,138	793	781	1,310	9,022
Disposals	(9,666)	-	(26)	-	(9,692)
At 31 March 2002	45,250	6,202	10,570	21,614	83,636
Depreciation					
At 1 April 2001	42,376	4,351	8,424	13,722	68,873
Charge for the year	2,482	398	1,153	2,074	6,107
Disposals	(9,304)	-	(23)	-	(9,327)
At 31 March 2002	35,554	4,749	9,554	15,796	65,653
Net book amount					
At 31 March 2002	9,696	1,453	1,016	5,818	17,983
At 31 March 2001	6,402	1,058	1,391	6,582	15,433

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

8 Investments in subsidiaries and own shares

Name	Country of Incorporation	Ownership and voting rights %	Cost of investment 31 March 2002 £'000	Cost of investment 31 March 2001 £'000
Satellite Information Services Limited	UK	100%	-	-
Satellite Sports Services Ltd*	UK	100%	-	-
Satellite Racing Services Ltd*	UK	100%	-	-
Frontrelay Ltd*	UK	100%	-	-
Spacebit Ltd*	UK	100%	-	-
Intercontinental Racing Limited	UK	50%	-	-
Sister Networks plc (Owned 75.3% until 31 st July 2001)	UK	100%	12	9
SISLink SARL	France	100%	4	4
			<hr/>	<hr/>
* Dormant		Total	<u>16</u>	<u>13</u>

The trading activities of subsidiaries are the same as the principal activity of the group except for Sister Networks plc which designs, implements and operates digital broadband networks. Intercontinental Racing Limited has been treated as a subsidiary of Satellite Information Services (Holdings) Limited on the basis that Satellite Information Services (Holdings) Limited has a participating interest in Intercontinental Racing Limited and the two companies are managed on a unified basis. The above companies have been consolidated in the group accounts.

On 1 August 2001 the company acquired the remaining 24.7% of Sister Networks plc. The consideration for the purchase was £3,000. The net liabilities of Sister Networks plc at 1 August 2001 were £409,000. Goodwill of £104,000 therefore arose on purchase of the remaining 24.7% share. The Goodwill was immediately written off to the profit and loss account. At 31 March 2002 Goodwill has been fully amortised.

Investment in own shares

	2002 £'000	2001 £'000
Investment at cost	516	516
Less provision	(516)	(516)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

The group also owns the entire issued share capital of Frontrelay Limited, a company incorporated in the United Kingdom, which acts as trustee to the Satellite Information Services Limited Profit Sharing Share Scheme. The Profit Sharing Share Scheme allows for the allocation to employees on an annual basis of shares in Satellite Information Services (Holdings) Limited, the number of shares allocated to an employee being determined by that employee's salary. The most recent allocation was in the year ended 31 March 1994. Frontrelay Limited holds 952 10p ordinary shares in Satellite Information Services (Holdings) Limited and receives any dividends paid on the shares. Shares held by Frontrelay Limited are recorded in the balance sheet of Satellite Information Services (Holdings) Limited within fixed asset investments at cost less amounts written off.

The shares in Satellite Information Services (Holdings) Limited have been written down to a nominal value.

9 Debtors

	2002 Group £'000	2002 Company £'000	As restated 2001 Group £'000	2001 Company £'000
Trade debtors	2,042	-	1,987	-
Amounts owed by group undertakings	-	11,003	-	11,003
Other debtors	6,240	-	1,210	-
Prepayments and accrued income	1,929	-	2,554	-
Deferred taxation (Note 6)	727	-	914	-
	<u>10,938</u>	<u>11,003</u>	<u>6,665</u>	<u>11,003</u>

10 Creditors (falling due in less than one year)

	2002 Group £'000	2002 Company £'000	2001 Group £'000	2001 Company £'000
Bank Loan	-	-	15,000	-
Trade creditors	1,540	-	1,096	-
Amounts owed to group undertakings	-	526	-	523
Other creditors	5,337	-	2,951	-
UK corporation and overseas tax	4,338	-	5,785	-
Other taxation and social security	946	-	924	-
Deferred income and payments in advance	3,811	-	823	-
Accruals	10,139	-	8,341	-
	<u>26,111</u>	<u>526</u>	<u>34,920</u>	<u>523</u>

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

11 Called up equity share capital

Ordinary shares of 10p	Authorised		Allotted and fully paid	
	Number of shares	£	Number of shares	£
At 1 April 2001 and 31 March 2002	295,000	29,500	221,606	22,161

12 Reserves - group

	Share premium account £'000	Profit and loss account £'000
At 1 April 2001 as previously stated	9,836	(10,961)
Prior year adjustment (see Note 6)	-	914
At 1 April 2001 as restated	9,836	(10,047)
Retained profit for the year	-	18,435
At 31 March 2002	9,836	8,388

Reserves - company

	Share premium account £'000	Profit and loss account £'000
At 1 April 2001 and 31 March 2002	9,836	642

The company profit for the year ended 31 March 2002 was £nil.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

13 Reconciliation in movements in shareholders' funds - group

	2002	As restated
	£'000	2001
		£'000
Opening shareholders' deficit as previously reported	(1,103)	(21,162)
Prior year adjustment	914	724
	<hr/>	<hr/>
Opening shareholders' deficit as restated	(189)	(20,438)
Retained profit for the year	18,435	20,249
	<hr/>	<hr/>
Closing shareholders' funds / (deficit)	18,246	(189)
	<hr/>	<hr/>

Reconciliation in movements in shareholders' funds - company

	2002	2001
	£'000	£'000
Opening and closing shareholders' funds	10,500	10,500
	<hr/>	<hr/>

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

14 Operating lease commitments - group

Payments which are committed to be made during the next year, in respect of operating leases are analysed as follows:

	2002		2001	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiring within one year	74	364	-	445
Expiring between 1 & 5 years	384	1,969	416	3,799
Expiring in five years or more	188	-	166	-

15 Capital commitments - group

At the year end committed expenditure was as follows:

	2002 £'000	2001 £'000
Capital expenditure	11,921	2,814

The committed capital expenditure principally relates to the conversion of Licensed Betting Offices from an analogue to digital service.

16 Related party transactions

The company and its shareholders are members of a consortium for corporation taxation purposes. During the year tax repayments totalling £0.4million (2001- £2.9million) were paid to Hilton Group plc, £0.3million (2001- £2.7million) to Miller Freeman Internet BV, a subsidiary of United Business Media plc and £0.3million (2001- £1.6million) to William Hill Organization Limited.

At 31 March 2002 the following amounts were owed to shareholders:

	2002 £'000	2001 £'000
Hilton Group plc	5,123	365
Miller Freeman Internet BV	1,599	321
William Hill Organization Limited	1,519	311

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

16 Related party transactions (continued)

Trading and Material Contracts

During the year the group earned revenue from Hilton Group plc £13.6 million (2001 - £12.4 million), William Hill Organization Limited £11.2 million (2001 - £9.4 million) and Horserace Totalisator Board £2.4 million (2001 - £1.8 million).

During the year the Racecourse Association Limited (a 10% shareholder in Satellite Information Services (Holdings) Limited) earned £13.7 million (2001 - £15.3 million) from the group. At 31 March 2002 £3.2 million was owed to The Racecourse Association Limited.

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

	2002	2001
	£'000	£'000
Operating profit	25,750	28,490
Depreciation charges	6,107	5,989
Loss/(Profit) on sale of fixed assets	181	(103)
Decrease in debtors	554	1,554
Increase/(decrease) in creditors	3,310	(468)
Write down of investment in own shares	-	516
	<hr/>	<hr/>
Net cash inflow from operating activities	35,902	35,978
	<hr/>	<hr/>

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

	2002
	£000
Increase in cash	2,888
Decrease in borrowings	15,000
	<hr/>
Movement in net debt in the year	17,888
	<hr/>
Net debt at 1 April 2001	(2,452)
	<hr/>
Net cash at 31 March 2002	15,436
	<hr/>

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

19 **Analysis of net (debt) / cash**

	1 April 2001 £000	Cash flow £000	31 March 2002 £000
Cash at bank and in hand	12,548	2,888	15,436
Debts falling due	(15,000)	15,000	-
	<hr/>		
Total	(2,452)	17,888	15,436
	<hr/> <hr/>		