

Registered number 3891053

**PA Sport UK Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2008**

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# **PA Sport UK Limited**

## **Annual report and financial statements for the year ended 31 December 2008**

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# **PA Sport UK Limited**

## **Company information**

### **Directors**

SJ Brown

PJ Potts

JW Donnelley

DI Campbell

### **Company secretary**

ML Cole

### **Registered office**

PA Newscentre

292 Vauxhall Bridge Road

London

SW1V 1AE

### **Registered number**

3891053

### **Bankers**

Lloyds TSB plc

6/7 Park Row

Leeds

LS1 1NX

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Benson House

33 Wellington Street

Leeds

LS1 4JP

# **PA Sport UK Limited**

## **Directors' report for the year ended 31 December 2008**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

### **Principal activity**

The company's principal activity during the year was the provision of sports data and information to the media and other customers.

### **Results and dividend**

The profit for the financial year was £1,053,000 (2007: £1,521,000). Dividends were approved in the year of £8,250,000 (2007: Nil) and accordingly £7,197,000 has been transferred from reserves (2007 transfer to: £1,521,000). The results of the ultimate parent undertaking, PA Group Limited, which include those of the company, are discussed in the group's annual report, which does not form part of this report.

### **Business review**

On 31 December 2008 the trade and assets of Sportev Limited were transferred into PA Sport UK Limited at net book value.

### **Principle risks and uncertainties**

The directors of PA Group Limited manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of PA Sport UK Limited's business. The principle risks and uncertainties of PA Group Limited, which include those of the company, are discussed in the group's annual report, which does not form part of this report.

### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the company's directors are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Directors**

The following were directors of the company during the year and up to the date of signing the financial statements:

SJ Brown

PJ Potts

DI Campbell (appointed 10 July 2008)

JW Donnelley

A Elliott (resigned 18 June 2008)

C Buckley (resigned 10 July 2008)

NJ Teunon (resigned 11 January 2008)

# PA Sport UK Limited

## Directors' report for the year ended 31 December 2008 (continued)

### Employees

The involvement and participation of employees in the management of the company is encouraged. Staff are directly involved, through their elected representatives and alongside senior management, in staff forums. It continues to be company policy to provide equal opportunities for employment, training and career development for all employees. The policy for the employment of the disabled is that full and fair consideration should be given to their aptitudes and abilities. Copies of the annual report of PA Group Limited are available to all employees. Staff are also involved, through their elected representatives, in the conduct of The Press Association Limited group defined benefit pension scheme.

### Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

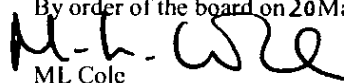
### Disclosure of information to auditors

As far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Independent auditors

PricewaterhouseCoopers LLP were appointed auditors during the period and have expressed their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

By order of the board on 20 May 2009.



ML Cole

Company secretary

# PA Sport UK Limited

## Independent auditors' report to the members of PA Sport UK Limited

We have audited the financial statements of PA Sport UK Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

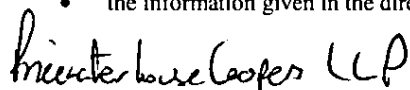
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Leeds  
20 May 2009

# PA Sport UK Limited

## Profit and loss account for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
<b>Turnover</b>	1	<b>20,857</b>	20,956
<b>Other operating income</b>		<b>-</b>	1
		<b>20,857</b>	20,957
Staff costs	2	(9,146)	(9,174)
Depreciation	6	(357)	(275)
Amortisation	7	(73)	(71)
Other operating charges		(9,182)	(8,709)
<b>Operating profit and profit for the financial year</b>	2	<b>2,099</b>	2,728
Tax on profit on ordinary activities	4	(1,046)	(1,207)
<b>Profit for the financial year</b>		<b>1,053</b>	1,521

All the company's results arose from continuing operations.

The company has no recognised gains or losses other than those noted above and therefore no separate statement of recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

# PA Sport UK Limited

## Balance sheet as at 31 December 2008

		2008	2007
	Note	£'000	£'000
<b>Fixed assets</b>			
Intangible assets	7	908	981
Tangible assets	6	1,224	708
		<b>2,132</b>	<b>1,689</b>
<b>Current assets</b>			
Debtors	9	21,450	26,497
Cash at bank and in hand		7	-
		<b>21,457</b>	<b>26,497</b>
<b>Creditors: amounts falling due within one year</b>	10	<b>(4,793)</b>	<b>(2,193)</b>
<b>Net current assets</b>		<b>16,664</b>	<b>24,304</b>
<b>Net assets</b>		<b>18,796</b>	<b>25,993</b>
<b>Capital and reserves</b>			
Called up share capital	12	10	10
Share premium	13	11,219	11,219
Profit and loss account	13	7,567	14,764
<b>Total shareholders' funds</b>	14	<b>18,796</b>	<b>25,993</b>

The financial statements on pages 5 to 16 were approved by the board on 20 May 2009 and signed on its behalf by:



SJ Brown  
Director



# PA Sport UK Limited

## Statement of accounting policies

### Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

### Turnover

Turnover comprises invoiced revenue and subscriptions net of value added tax arising on the sales of news and information services and is recognised as services are provided to customers.

### Tax

The charge for tax is based on the profit for the year and takes into account tax deferred or accelerated because of timing differences between the treatment of certain items for accounting and tax purposes. Full provision is made for deferred tax resulting from timing differences between profits computed for tax purposes and profits stated in the financial statements to the extent that there is an obligation to pay more tax, or a right to pay less tax, in the future as a result of the reversal of those timing differences. Deferred tax assets are recognised to the extent that they are expected to be recoverable. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws substantively enacted at the balance sheet date.

### Tangible fixed assets

The cost of tangible fixed assets includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation of tangible fixed assets is provided, from the date assets are acquired, on a straight line basis calculated to write-off each asset over the term of its useful life, at the following rates:

- |                      |           |
|----------------------|-----------|
| • Computer equipment | 20% - 50% |
| • Other equipment    | 20% - 25% |

### Intangible assets

Goodwill, representing the excess of cost over the fair value of assets acquired, is capitalised and amortised over either 20 or 10 years, being the period that the directors estimate that the value of the underlying business acquired is expected to exceed the value of the assets acquired. Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of the trademarks is their purchase cost, together with any incidental costs of acquisition. Intangible assets comprise trademarks that are capitalised and amortised over 10 years. Intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the rate of exchange at the balance sheet date. All currency differences are dealt with in the profit and loss account.

# **PA Sport UK Limited**

## **Statement of accounting policies (continued)**

### **Leases**

Rentals payable under operating leases are charged to the profit and loss account as incurred.

### **Pensions**

PA Group Limited operates a defined benefit pension scheme for the majority of its employees, under which contributions are paid by group companies and employees in order to provide pension and other benefits expressed in terms of percentage of pensionable salary. The company is unable to identify its share of the underlying assets and liabilities of the scheme for the purposes of accounting under FRS 17 'Retirement benefits'. Accordingly, the contribution payments made by the company are charged against profit on an accruals basis. PA Group Limited also operates defined contribution schemes for staff not eligible to join the defined benefit scheme and for certain senior employees. Further details of PA Group Limited pension schemes can be found in the annual report of that company.

### **Cash flow statement**

The company is exempt from publishing a cash flow statement because it is a wholly owned subsidiary undertaking of PA Group Limited which publishes a consolidated cash flow statement.

### **Dividends**

Dividends are recognised in the year in which they are paid.

# PA Sport UK Limited

## Notes to the financial statements for the year ended 31 December 2008

### 1. Turnover

	2008	2007
	£'000	£'000
Turnover by geographical destination is as follows:		
United Kingdom	17,635	18,636
Continental Europe	2,120	1,629
North America	496	45
Rest of the World	606	646
	20,857	20,956

The above analysis is based on the country in which the customer is located. The majority of the company's turnover originates from the United Kingdom.

### 2. Operating profit

	2008	2007
	£'000	£'000
Operating profit is stated after charging:		
Wages and salaries	7,919	7,678
Social security costs	657	689
Other pension costs (note 3)	570	807
Staff costs	9,146	9,174
Operating lease rentals		
- motor vehicles and other equipment	114	108
Services provided by the company's auditors and its associates		
- Fees payable to company auditor for the audit	-	8

Fees payable for the audit were borne by a fellow group company. The auditors did not perform any non-audit services in the year (2007: £nil).

# PA Sport UK Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 3. Directors and employees

The directors received no remuneration for their services to the company (2007: nil).

	2008 Number	2007 Number
Average monthly number of employees during the year:		
By activity:		
Enterprises	253	264
	253	264

The company is a member of a funded defined benefit group pension scheme operated by PA Group Limited and contributions are based on pension costs across the group as a whole.

Formal actuarial valuations of the pension scheme are carried out triennially by Lane Clark & Peacock, consulting actuaries, using the projected unit method. The most recent valuation was carried out as at 31 December 2005. Particulars of the actuarial valuations of the group scheme are contained in the annual report of PA Group Limited.

Whilst the scheme is a defined benefits pension scheme, the group is unable to identify the company's share of underlying assets and liabilities. The company accounts for contributions as if their section of the group scheme were a defined contribution scheme because it is a multi-employer scheme. The defined benefit pension costs of the company for the year were £327,000 (2007: £769,000). The group pension scheme had a liability of £1.6m at 31 December 2008 (2007: surplus £5.6m).

PA Group Limited group also operates defined contribution schemes for staff not eligible to join the defined benefit scheme and for certain senior employees. The defined contribution pension costs of the company for the year were £243,000 (period ended 31 December 2007: £38,000).

# PA Sport UK Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 4. Tax on profit on ordinary activities

	2008	2007
	£'000	£'000
<b>Current tax:</b>		
UK corporation tax	1,128	1,181
Double tax relief	(7)	-
Overseas tax	7	-
<b>Total current tax</b>	<b>1,128</b>	<b>1,181</b>
<b>Deferred tax:</b>		
Fixed asset timing differences (note 11)	(82)	26
<b>Tax on profit on ordinary activities</b>	<b>1,046</b>	<b>1,207</b>

The current tax for the year is higher (2007: higher) than the standard rate of UK corporation tax. The differences are explained below.

	2008	2007
	£'000	£'000
<b>Profit on ordinary activities before tax</b>	<b>2,099</b>	<b>2,728</b>
At standard rate of corporation tax of 28.5% (2007: 30%)	598	818
Effects of:		
Expenses not deductible for tax purposes	25	25
Capital allowances in excess of depreciation	100	(18)
Other timing differences	15	-
Adjustments in respect of UK transfer pricing	400	373
Utilisation of losses brought forward	(10)	(17)
<b>Current tax charge for the year</b>	<b>1,128</b>	<b>1,181</b>

# PA Sport UK Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 5. Dividends paid

	2008	2007
	£'000	£'000
Interim dividends (£825.00 per share)	8,250	-

### 6. Tangible assets

	Computer and other equipment
	£'000
<b>Cost</b>	
At 1 January 2008	2,341
Additions	778
Disposals	(56)
Transfer from group company	95
<b>At 31 December 2008</b>	<b>3,158</b>
<b>Accumulated depreciation</b>	
At 1 January 2008	1,633
Charge for the year	357
Eliminated on disposal	(56)
<b>At 31 December 2008</b>	<b>1,934</b>
<b>Net book amount</b>	
<b>At 31 December 2008</b>	<b>1,224</b>
At 31 December 2007	708

## PA Sport UK Limited

### Notes to the financial statements for the year ended 31 December 2008 (continued)

#### 7. Intangible assets

	Trade marks	Purchased goodwill	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2008 and 31 December 2008	44	1,346	1,390
<b>Accumulated amortisation</b>			
At 1 January 2008	12	397	409
Charge for the year	4	69	73
At 31 December 2008	16	466	482
<b>Net book amount</b>			
At 31 December 2008	28	880	908
At 31 December 2007	32	949	981

#### 8. Acquisition of the trade and assets of Sportev Limited

On 31 December 2008, the company acquired the trade and assets of Sportev Limited at net book value. The net book values attributed to the identifiable assets and liabilities of the acquired businesses are set out below.

	Book value £'000
<b>SportEV Limited assets acquired</b>	
Debtors	7
Creditors	(7)
<b>Net assets acquired</b>	-

# PA Sport UK Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 9. Debtors

	2008	2007
	£'000	£'000
Trade debtors	1,866	-
Amounts owed by group undertakings	19,098	26,044
Deferred tax asset (note 11)	165	82
Other debtors	29	-
Prepayments and accrued income	292	371
	<b>21,450</b>	<b>26,497</b>

Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment date.

### 10. Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Trade creditors	523	-
Amounts owed to group undertakings	1,752	10
Other taxation and social security	1,050	-
Corporation tax – Group relief payable	-	1,181
Other creditors	53	-
Accruals and deferred income	1,415	1,002
	<b>4,793</b>	<b>2,193</b>

Amounts owed to group undertakings are unsecured, interest free and have no fixed repayment date.



# PA Sport UK Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 11. Deferred tax asset

	£'000
At 1 January 2008	82
Charged to profit and loss account (note 4)	(82)
<b>At 31 December 2008</b>	<b>-</b>

The deferred tax asset comprises:

	2008	2007
	£'000	£'000
Excess of capital allowances of depreciation	-	82

### 12. Called up share capital

	2008	2007
	£'000	£'000
<b>Authorised, allotted and fully paid</b>		
10,000 ordinary shares of £1 each	10	10

### 13. Reserves

	Share premium £'000	Profit and loss account £'000
At 1 January 2008	11,219	14,764
Profit for the financial year	-	1,053
Dividends (note 5)	-	(8,250)
<b>At 31 December 2008</b>	<b>11,219</b>	<b>7,567</b>

# PA Sport UK Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 14. Reconciliation of movements in shareholders' funds

	2008	2007
	£'000	£'000
Profit for the financial year	1,053	1,521
Dividends (note 5)	(8,250)	-
(Decrease)/increase in shareholders' funds	(7,197)	1,521
Opening shareholders' funds	25,993	24,472
Closing shareholders' funds	18,796	25,993

### 15. Financial commitments

The company is committed to make the following annual payments under non-cancellable operating leases.

	2008	2007
	£'000	£'000
<b>Motor vehicles and equipment</b>		
Leases expiring within one year	26	25
Leases expiring between one and five years	44	62
	70	87

### 16. Contingent liability

The company has given an unlimited guarantee in favour of Lloyds TSB Plc (2007: Natwest plc) in respect of all monies due to the bank by the company's ultimate parent undertaking and its fellow subsidiary undertakings. At 31 December 2008 the amount outstanding under this guarantee was £16,635,895 (2007: Natwest £8,943,000).

### 17. Related party transactions

The company has taken advantage of the exemption under FRS 8, Related Party Disclosures, not to disclose transactions with other group undertakings of PA Group Limited.

### 18. Ultimate parent undertaking

The company's immediate parent company is PA Sport Limited, a company registered in England and Wales. The company's ultimate parent company is PA Group Limited, a company registered in England & Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Its group financial statements are available to the public from the company secretary at the address shown on page 1.