

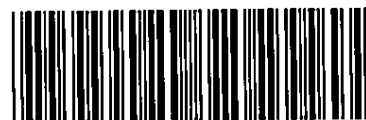
Company Registration No. 4153457

Attheraces Holdings Limited

Report and Financial Statements

31 December 2006

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Attheraces Holdings Limited

Report and financial statements 2006

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Attheraces Holdings Limited

Report and financial statements 2006

Officers and professional advisers

Directors

Richard Dovey
Mark Elliott
Ian Renton
David Rey
Charles Barnett

Company Secretary

Teresa A Walsh

Registered Office

James House
18-21 Corsham Street
London
N1 6DR

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Solicitors

Olswang
90 High Holborn
London
WC1V 6XX

Auditors

BDO Stoy Hayward LLP
8 Baker Street
London
W1U 3LL

Attheraces Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

Activities

The company's activities are that of a holding company for the group

The principal activities of the group during the year continued to be the worldwide exploitation of broadcast, media and other rights acquired from 29 UK and 27 Irish racecourses under the terms of individual media rights agreements. Through an agreement with the Horseracing Totalisator Board (the Tote), the group continues to facilitate pari-mutuel betting around the world, and continues to offer links to fixed-odds and Tote betting partners both via its interactive and web platforms

Review of developments and future prospects

During 2006, the group continued to develop its website, its horseracing television channel with interactive betting applications on digital platforms, its mobile telephone distribution and overseas markets for UK and Irish horseracing. The group's television channel viewing figures continued to grow during 2006, peaking at over 1.4 million viewers during July and with an average of nearly 50,000 people watching at any time during live UK and Irish racing. The success of the channel was recognised by the industry when At The Races was awarded "Best Specialist Channel" at the 2006 Broadcast Digital Channel Awards.

Attheraces remains committed to making its content available to as broad a television audience as possible in order to provide the strongest platform to grow the popularity of horseracing. At the beginning of 2007 a new Executive Producer was appointed to deliver on these objectives.

Attheraces continues to look for new ways to promote and sell its rights, in particular investment in mobile and broadband technology offers new distribution opportunities.

Post balance sheets events

In July 2006 the Court of Appeal heard the BHB's appeal against the High Court's judgment that the BHB had abused its dominant position. The Court of Appeal allowed the BHB's appeal on 2nd February 2007. Attheraces Limited, Attheraces (UK) Limited and the BHB agreed to settle the litigation between them on 7th March 2007 and, as a result, the group did not seek leave to appeal to the House of Lords and the group continues to have access to and use of BHB pre-race data.

Going concern

The directors believe that the company will continue to trade satisfactorily in the financial period commencing 1st January 2007, see note 1 to these accounts.

Results and dividends

The results of the group for the year ended 31 December 2006 are shown on page 8.

There were no dividends proposed during the year (2005 - £nil).

Attheraces Holdings Limited

Directors' report

Directors and their interests

The directors who served throughout the year, except as noted, were

Richard Dovey	(appointed 8 May 2006)
Mark Elliott	
Andrew Melvin	(resigned 8 May 2006)
Ian Renton	(appointed 8 May 2006)
David Rey	
Janet Walker	(resigned 10 July 2007)
Roger D Withers	(resigned 8 May 2006)
Charles Barnett	(appointed 10 July 2007)

No director had any interests in the share capital of the company or any group company throughout the year

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of the any information needed by the company's auditors for the purposes of the audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant information of which the auditors are unaware

Principle risks and uncertainties

Foreign currency risk

A proportion of the group's turnover is to countries outside of the United Kingdom and paid in a foreign currency. Consequently the company has an exposure to fluctuations in exchange rates relating to these transactions. The foreign currencies concerned are predominantly the Euro and the South African Rand. Management monitor the impact of movements in exchange rates on an ongoing basis to ensure any significant risks are mitigated

Interest rate risk

The company does not have any external debt. The loans due to the shareholding companies carry interest linked to the LIBOR index. Consequently, the company has an exposure to fluctuations in the LIBOR rate. Management monitor the impact of movements in the LIBOR rate on an ongoing basis to ensure any significant risks are mitigated

Credit risk

The risk of financial loss due to a counterparty's failure to honour its obligations arises principally in relation to transactions where the company provides services to customers. Company policies are aimed at minimising such losses, and require that terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored to ensure that the company's exposure to bad debts is not significant

Liquidity risk

The company seeks to mitigate liquidity risk by closely managing cash flows. The company relies predominantly on funding made available by the shareholding companies

Attheraces Holdings Limited

Directors' report

Key performance indicators

Turnover for the year increased from £10.9m to £13.4m, growth of 23%. Gross profits increased from £7.3m to £8.8m, although the margin reduced slightly from 67% to 66%. Overheads reduced by 1% as a result of tight cost controls and production methods. The operating loss before exceptional legal expenses reduced from £2.2m to £568k. The loss on ordinary activities before taxation for the year decreased from £4.2m to £2.0m principally due to increased gross profits and reduced exceptional legal expenses.

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office as auditors in accordance with section 385 of the Companies Act 1985, a written resolution to reappoint BDO Stoy Hayward LLP as auditors of the group will be proposed to the shareholders (in the absence of an Annual General Meeting of the company).

Approved by the Board of Directors
and signed by order of the Board



Teresa A Walsh
Company Secretary

17 October 2007

Attheraces Holdings Limited

Statement of directors' responsibilities

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

United Kingdom 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 as at the end of the financial year and of the profit or loss of 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 judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

Independent auditors' report to the shareholders Attheraces Holdings Limited

We have audited the group and parent company financial statements (the "financial statements") of Attheraces Holdings Limited for the year ended 31 December 2006 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, Reconciliation of Movement in Group shareholders' deficit 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).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 group's and 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.

Independent auditors' report to the shareholders Attheraces Holdings Limited

Opinion

In our opinion

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 December 2006 and of its loss for the year then ended,
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 December 2006,
- 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


BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors

London

22 October 2007

Attheraces Holdings Limited

Consolidated profit and loss account Year ended 31 December 2006

	Note	2006 £'000	2006 £'000	2005 £'000	2005 £'000
Turnover	2		13,365		10,854
Cost of sales			(4,522)		(3,530)
Gross profit			8,843		7,324
<i>Administrative expenses</i>					
Administrative expenses		(9,411)		(9,510)	
Exceptional costs in relation to legal proceedings	3	(1,088)		(1,815)	
Total administrative expenses			(10,499)		(11,325)
Operating loss	4		(1,656)		(4,001)
Interest receivable and similar income			103		44
Interest payable to shareholders			(436)		(237)
Loss on ordinary activities before taxation			(1,989)		(4,194)
Taxation credit	6		103		977
Loss for the year transferred to reserves	16		(1,886)		(3,217)

All transactions are derived from continuing operations

There are no recognised gains or losses in either the current or previous financial period other than the losses as shown above. Therefore no statement of total recognised gains and losses is presented.

The company has taken advantage of s230 Companies Act 1985 and has not prepared a separate profit and loss account. The loss after taxation dealt with in the account of the parent company is £436,000 (2005 Loss £237,000).

The notes on pages 14 -22 form part of these financial statements

Attheraces Holdings Limited

Reconciliation of movements in consolidated shareholders' deficit Year ended 31 December 2006

	2006	2005
	£'000	£'000
Loss for the year	(1,886)	(3,217)
Opening shareholders' deficit	<u>(5,863)</u>	<u>(2,646)</u>
Closing shareholders' deficit	<u><u>(7,749)</u></u>	<u><u>(5,863)</u></u>

The notes on pages 14 -22 form part of these financial statements

Attheraces Holdings Limited

Consolidated balance sheet 31 December 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	7	204	264
Current assets			
Debtors amounts due within one year	9	3,225	5,242
Cash at bank and in hand		398	1,205
		3,623	6,447
Creditors: amounts falling due within one year	10	(3,623)	(5,630)
Net current assets		-	817
Total assets less current liabilities		204	1,081
Creditors: amounts falling due after more than one year	11	(7,953)	(6,568)
Provisions for liabilities and charges	12	-	(376)
Net liabilities		(7,749)	(5,863)
Capital and reserves			
Called up share capital	13	3	3
Share premium	14	106,105	106,105
Profit and loss account	16	(113,857)	(111,971)
Shareholders' deficit		(7,749)	(5,863)

These financial statements were approved and authorised for issue by the Board of Directors on 7th Oct 2007
Signed on behalf of the Board of Directors



Director

The notes on pages 14 -22 form part of these financial statements

Attheraces Holdings Limited

Company balance sheet 31 December 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Investments	8	<u>14</u>	<u>14</u>
Current assets			
Debtors	9	7,142	6,193
Cash at bank and in hand		<u>3</u>	<u>3</u>
		<u>7,145</u>	<u>6,196</u>
Total assets less current liabilities		<u>7,159</u>	<u>6,210</u>
Creditors: amounts falling due after more than one year	11	<u>(7,953)</u>	<u>(6,568)</u>
Net liabilities		<u>(794)</u>	<u>(358)</u>
Capital and reserves			
Called up share capital	13	3	3
Share premium account	14	106,105	106,105
Profit and loss account		<u>(106,902)</u>	<u>(106,466)</u>
Shareholders' deficit	15	<u>(794)</u>	<u>(358)</u>

These financial statements were approved and authorised for issue by the Board of Directors on 17th Oct 2007
Signed on behalf of the Board of Directors



Director

The notes on pages 14 -22 form part of these financial statements

Attheraces Holdings Limited

Consolidated cash flow statement Year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Net cash outflow from operating activities	(i)	(2,492)	(4,900)
Returns on investments and servicing of finance			
Interest received		103	44
Taxation			
Payment received for consortium relief		665	2,990
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(60)	(48)
Proceeds from sale of tangible fixed assets		28	-
		<hr/>	<hr/>
Cash outflow before financing		(1,756)	(1,914)
Financing			
Loans received during the year	(ii)	<hr/> 949	<hr/> 175
Decrease in cash in the year	(ii)	<hr/> <hr/> (807)	<hr/> <hr/> (1,739)

The notes on pages 14 -22 form part of these financial statements

Attheraces Holdings Limited

Notes to the cash flow statement Year ended 31 December 2006

(i) Reconciliation of operating loss to net cash outflow from operating activities

	2006 £'000	2005 £'000
Operating loss	(1,656)	(4,001)
Depreciation	93	86
Decrease/(increase) in debtors (not including accrued consortium relief)	1,584	(2,509)
Increase/(decrease) in creditors and provisions (excluding loans)	(2,383)	1,524
Other non-cash transactions (WHT adjustment)	(130)	-
Net cash outflow from operating activities	(2,492)	(4,900)

(ii) Reconciliation of net cash flow to movement in net debt

	2006 £'000	2005 £'000
Decrease in cash in the period	(807)	(1,739)
Cash inflow from change in debt	(949)	(175)
Change in net debt resulting from cashflow	(1,756)	(1,914)
Capitalised loan interest – non cash	(436)	(411)
Movement in net debt in the year	(2,192)	(2,325)
Net debt at 1 January 2006	(5,363)	(3,038)
Net debt at 31 December 2006	(7,555)	(5,363)

(iii) Analysis of movement in net debt

	1 January 2006 £'000	Cash flow £'000	Non-cash transactions £'000 (note iv)	31 December 2006 £'000
Cash at bank and in hand	1,205	(807)	-	398
Debt due after 1 year	(6,568)	(949)	(436)	(7,953)
Total	(5,363)	(1,756)	(436)	(7,555)

(iv) Non-cash transactions

The shareholder loans bear interest at 1% over LIBOR and are repayable by Attheraces Holdings Limited. The shareholders have agreed that, when required, the interest may be added to the capital amount of the loan.

Attheraces Holdings Limited

Notes to the accounts

Year ended 31 December 2006

1 Accounting policies

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below, and have been applied consistently in the current and preceding year.

Basis of consolidation

The group financial statements consolidate the financial statements of Attheraces Holdings Limited and all its subsidiaries.

Turnover

Turnover, which excludes value added tax, represents the gross inflow of economic benefit from Attheraces Holdings Limited and all its subsidiaries' operating activities. The group's main sources of turnover are as follows:

The sale of broadcasting rights is recognised in the period in which the fixture occurred.

Turnover generated from betting commission agreements is recognised in the period in which the stakes were placed.

Advertising and sponsorship turnover is recognised when the advertising and sponsorship is broadcast. All turnover is shown gross of agency commission.

Other turnover is recognised when the relevant service is provided.

Foreign currency translation

Foreign currency transactions are converted to sterling at the rates ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling on the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are taken to the profit and loss account.

Going concern

The group incurred a loss of £1.89m for the year ended 31 December 2006 and had net liabilities of £7.7m at 31 December 2006. In connection with the preparation of these financial statements, the directors have reviewed in detail the current trading position, forecasts and prospects of the group, the funding position from lenders, the terms of trade in operation with customers and suppliers. On the basis of this review and having regard to the cash resources and loan facilities available to the group, the directors consider that the group is in a position to meet its commitments as they fall due. Accordingly, the directors believe that the group is a going concern and the accounts have been prepared on this basis.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Office equipment	Between 20% and 25% per annum
Computer software and equipment	25% per annum
Furniture and equipment	25% per annum
Channel Development	33% per annum
Leasehold Property	25% per annum

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Interest

Interest is charged to the profit and loss account as it is incurred.

Attheraces Holdings Limited

Notes to the accounts

Year ended 31 December 2006

1. Accounting policies (continued)

Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit those earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

Pension costs

The group operates a defined contribution personal pension scheme for its employees. Contributions payable into the scheme are charged to the profit and loss account on a monthly basis as they become due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

2. Turnover and segmental reporting

Turnover represents the amount derived from the provision of services which fall within the group's ordinary activities stated net of value added tax. All revenues during the period arose, except where indicated below, from activities conducted wholly within the United Kingdom.

All material assets and liabilities of the group are located within the United Kingdom

Turnover by activity is set out below. Operating profit and net assets by activity has not been included as the directors believe that to do so would be prejudicial to the interests of the group. For the same reason, an analysis of net assets by class of business has also been omitted

	2006 £'000	2005 £'000
Turnover by activity		
Exploitation of rights	7,271	5,597
Overseas income		
- South Africa	876	825
- Europe	2,318	1,696
- Other Fixed odds markets	1,870	1,920
Other	1,030	816
	<u>13,365</u>	<u>10,854</u>

Attheraces Holdings Limited

Notes to the accounts

Year ended 31 December 2006

3. Exceptional costs within administrative expenses

In accordance with FRS 3 (19) these items have been disclosed separately on the face of the profit and loss account

	2006 £'000	2005 £'000
Exceptional costs in relation to legal proceedings	1,088	1,815

4. Operating loss

Operating loss is stated after charging

	2006 £'000	2005 £'000
Depreciation of tangible fixed assets		
Owned assets	93	86
Operating lease payments		
- other	-	50
Auditors' remuneration		
- audit fees – group	30	30

No fees were paid to the group's auditors in 2006 & 2005 for non-audit related services

Attheraces Holdings Limited

Notes to the accounts Year ended 31 December 2006

5. Information regarding directors and employees

During the year the company did not pay any salaries or pension contribution to directors

At the year end, £17,517 (2005 £25,205) of outstanding pension contributions have been included in accruals

Average monthly number of persons employed including directors:

	2006 No.	2005 No
Sales and distribution	4	2
Administration	11	9
	<u>15</u>	<u>11</u>

Staff costs, including directors, comprised:

	2006 £'000	2005 £'000
Wages and salaries	1,220	1,070
Social security costs	155	85
Pension costs	84	57
	<u>1,459</u>	<u>1,212</u>

6. Tax on loss on ordinary activities

	2006 £'000	2005 £'000
(i) Analysis of tax credit on ordinary activities		
Consortium relief credit	232	977
Withholding tax charge	(129)	-
	<u>103</u>	<u>977</u>
Tax credit for the period		
	<u>2006</u>	<u>2005</u>
	%	%
(ii) Factors affecting tax charge for the current period		
Standard tax rate for year as a percentage of profits	30	30
Effects of		
Current year losses not recognised	(30)	(30)
Consortium relief	12	23
Withholding tax	(7)	-
	<u>5</u>	<u>23</u>
Current tax rate for period as a percentage of profits		

Attheraces Holdings Limited

Notes to the accounts

Year ended 31 December 2006

6. Tax on loss on ordinary activities (continued)

There is no current tax charge due to the losses incurred in the year (2005 - £nil). The tax credit of £232,324 in 2006 represents payments in respect of 2005 tax losses surrendered by way of consortium relief. The group's policy is to recognise a credit for consortium relief surrendered only at the time at which a payment is made or reasonably anticipated, following the formal submission of such a claim by a consortium member, and a corresponding consent by the company to Her Majesty's Revenue & Customs.

7. Tangible fixed assets

Group	Leasehold Property £'000	Office equipment £'000	Computer software and equipment £'000	Furniture and equipment £'000	Total £'000
Cost					
At 1 January 2006	24	243	217	5	489
Additions	10	9	40	1	60
Disposals	-	-	(28)	-	(28)
At 31 December 2006	34	252	229	6	521
Accumulated depreciation					
At 1 January 2006	(7)	(114)	(101)	(3)	(225)
Charge for year	(8)	(28)	(58)	(1)	(95)
Disposals	-	-	3	-	3
At 31 December 2006	(15)	(142)	(156)	(4)	(317)
Net book value					
At 31 December 2006	19	110	73	2	204
At 31 December 2005	17	129	116	2	264

The company does not own any tangible fixed assets

Attheraces Holdings Limited

Notes to the accounts

Year ended 31 December 2006

8. Fixed asset investments

Company	Subsidiary undertaking £'000
Cost and net book value At 31 December 2005 and 2006	14

The company owns shares in the following group companies

Subsidiary undertakings	Country of incorporation and principal place of business	% of ordinary share capital and voting rights	Principal activities
Attheraces Limited	Great Britain	100%	Exploitation of worldwide broadcasting, media and information rights
Attheraces (UK) Limited	Great Britain	100%	Exploitation of worldwide broadcasting, media and information rights
Go Racing Limited	Great Britain	100%	Dormant company
Attheraces (Gibraltar) Limited	Gibraltar	100%	Dormant company
Superbet Limited	Great Britain	100%	Dormant company
BET Attheraces Limited	Great Britain	100%	Dormant company

All of the above subsidiaries are included in the consolidated financial statements

9. Debtors: amounts falling due within one year

	2006		2005	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	2,149	-	2,420	-
Amounts owed by subsidiary undertakings	-	7,142	-	6,193
Other debtors	231	-	1,435	-
Prepayments and accrued income	845	-	1,387	-
	<u>3,225</u>	<u>7,142</u>	<u>5,242</u>	<u>6,193</u>

Group

Included within 2006's other debtors is nil (2005 £432,000) consortium relief receivable. Also included within 2006's other debtors is nil (2005 £1,000,000) held in escrow in respect of RCA court costs. The company had restricted access to the escrow funds until the case was concluded or it was so ordered by the court. Subsequent to the settlement between the group and the RCA on the 22nd March 2006, the escrow monies were returned to the group.

Attheraces Holdings Limited

Notes to the accounts

Year ended 31 December 2006

10. Creditors: amounts falling due within one year

	2006		2005	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	1,317	-	3,041	-
Other creditors including other taxation and social security	154	-	203	-
Accruals and deferred income	2,152	-	2,386	-
	<u>3,623</u>	<u>-</u>	<u>5,630</u>	<u>-</u>

11 Creditors: amounts falling due after more than one year

	2006		2005	
	Group £'000	Company £'000	Group £'000	Company £'000
Other loans (1)	7,953	7,953	6,568	6,568
Total Other loans	<u>7,953</u>	<u>7,953</u>	<u>6,568</u>	<u>6,568</u>
Analysis of creditors:				
After five years	7,953	7,953	6,568	6,568
	<u>7,953</u>	<u>7,953</u>	<u>6,568</u>	<u>6,568</u>

- (1) At 31 December 2006 Arena Leisure Plc and Sky Ventures Limited had made loans to the group amounting to £3 98 million each. These loans bear interest at 1% over LIBOR and are repayable by Attheraces Holdings Limited subject to giving 28 days notice to the noteholders. The noteholders may demand repayment of the loans on or at any time after 31 December 2013. Interest is charged to the profit and loss account as it is incurred.

12. Provision for liabilities and charges

	2006 £'000	2005 £'000
At 1 January 2006	376	494
Releases to profit and loss account	-	(21)
Utilised in year	<u>(376)</u>	<u>(97)</u>
At 31 December 2006	<u>-</u>	<u>376</u>

The provision related to property lease contracts on space the group exited during 2006

Attheraces Holdings Limited

Notes to the accounts

Year ended 31 December 2006

13. Called up share capital

Number and value of shares:

	2006 £	2005 £
Authorised:		
9,999 ordinary shares of £1 each	9,999	9,999
100 recoupment shares of 1p each	1	1
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
3,158 ordinary shares of £1 each	3,158	3,158
55 recoupment shares of 1p each	1	1
	<u>3,159</u>	<u>3,159</u>

The recoupment shares shall, subject to there being sufficient distributable reserves, entitle the holder to a preferential dividend of £500,000 per share. Recoupment shares rank in priority to 90% of any dividend or distribution paid to the holders of any other class of shares. There are no voting rights attached to the recoupment shares.

14. Share premium account

	2006 £'000	2005 £'000
Share premium account at 1 January	106,105	106,105
Share premium at 31 December	<u>106,105</u>	<u>106,105</u>

15. Reconciliation of movements in company shareholders' deficit

	2006 £'000	2005 £'000
Loss for the year	(436)	(228)
Opening shareholders' deficit	<u>(358)</u>	<u>(130)</u>
Closing shareholders' deficit	<u>(794)</u>	<u>(358)</u>

Attheraces Holdings Limited

Notes to the accounts

Year ended 31 December 2006

16 Reconciliation of movements in group reserves

	2006 £'000	2005 £'000
Loss for the year	(1,886)	(3,217)
Profit and loss account brought forward	(111,971)	(108,754)
Profit and loss account carried forward	(113,857)	(111,971)

17. Related party transactions

Related party	Transaction	Income/ (expenditure) £'000	Amounts owed to/ (owed by) the group at 31 December 2006 £'000
Arena Leisure Plc	Media rights & contribution to picture provision	(1,333)	(145)
	Shareholder loan interest	(218)	-
Ascot Racecourse Limited	Media rights & Contribution to picture provision and hospitality	(96)	(89)
British Sky Broadcasting Limited	Sale of broadcasting rights and commissions	3,365	350
	Programme related management charges	(1,122)	(383)
	Shareholder loan interest	(218)	-

At 31 December 2006, Arena Leisure Plc and Sky Ventures Limited had made loans to the Group amounting to £3 98 million each. These loans bear interest at 1% over LIBOR and repayable by Attheraces Holdings Limited subject to a 28 days notice given by the noteholders. The noteholders may demand repayment of the loans on or at any time after 31 December 2013. During 2006 the noteholders agreed to allow the company to add the interest element to the capital amount of the loan. Interest is charged to the Profit & Loss as it is incurred.

18 Post balance sheet events

In July 2006 the Court of Appeal heard the BHB's appeal against the High Court's judgment that the BHB had abused its dominant position. The Court of Appeal allowed the BHB's appeal on 2nd February 2007. Attheraces Limited, Attheraces (UK) Limited and the BHB agreed to settle the litigation between them on 7th March 2007 and, as a result, the group did not seek leave to appeal to the House of Lords and the group continues to have access to and use of BHB pre-race data.