

Company Registration No. 4153457

Attheraces Holdings Limited

Report and Financial Statements

31 December 2008

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Attheraces Holdings Limited

Report and financial statements 2008

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Attheraces Holdings Limited

Report and financial statements 2008

Officers and professional advisers

Directors

Richard Dovey
Mark Elliott
Ian Renton
Neil Martin
Charles Barnett
Anthony Kelly

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
55 Baker Street
London
W1U 7EU

Attheraces Holdings Limited

Directors' report

For the year ended 31 December 2008

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

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 31 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

Notwithstanding some difficult market conditions, particularly in the second half of the year, At The Races enjoyed an exceptional 2008.

The company recorded an operating profit of £1.4 million (up from £348,000 in 2007) net of media rights payments. A record amount of over £2.4 million was paid to our racecourse partners during the year.

Revenues relating to the distribution of content to international territories reached record levels and At The Races distributed UK and Irish racing into Turkey for the first time.

Domestically, commercial impacts on the Channel were up 18% year on year and attheraces.com, the UK and Ireland's no. 1 racing website, now regularly attracts over 530,000 monthly unique users.

UK television homes within which At The Races is available at no additional cost increased from 12.5m to 13m across the Sky Digital and Virgin Media networks.

In June, At The Races won 'Best Sports Service' at the Broadcast Digital Channel Awards, beating shortlisted nominees British Eurosport, Racing UK and Setanta Sports News. This was a significant achievement within a broad and prestigious category at UK television's pre-eminent, multi-channel industry awards. Not only does it reflect the commitment and hard work of our talented production and presentation teams but it also put horseracing at the forefront of a competitive category at these awards.

Difficult trading conditions felt at the end of 2008 will continue into 2009 and the business successes of 2008 must be tempered with a realistic outlook for the coming year. However, the current strength of the business, with diversified and established revenue streams, leaves the company in an excellent position to contend both with the continuing, widespread downturn in the advertising and sponsorship market and with general economic conditions. The company intends to sustain strong profitability in 2009.

Growth in 2008 came from both domestic and international operations. Internationally, record levels of turnover were reported in established pari-mutuel markets: Italy, Australia, France and South Africa. Significant new revenues were also derived from the launch of At The Races content for the first time into Turkey. This new and important agreement will see a full and consistent schedule of UK racing fixtures exported to Turkish betting shop premises in 2009 and beyond.

Attheraces Holdings Limited

Directors' report

For the year ended 31 December 2008

The advent of 48 hour declarations in 2006 led Sky Channel, Australia to introduce a single day of UK Flat racing broadcast each week. By the end of 2008 Sky Channel regularly broadcast UK racing on three days each week. In 2009, live broadcasts of UK Flat racing will be seen in Australia on four days each week and comprehensive coverage will be given to all major Festivals.

The company has enjoyed continued, strong relations with its bookmaker partners through both on air and online channels. At The Races' pioneering Bet & Watch live streaming service is now available to customers of nine leading bookmakers: bet365, Betfair, BoyleSports, Ladbrokes, Paddy Power, Sky Bet, Stan James, VC Bet and William Hill in addition to an increasing number of online bookmakers based outside the domestic market.

Attheraces.com saw sustained growth again in 2008. A site redesign combined with a constant pipeline of new features and services helped see traffic grow to a peak of 603,000 unique users over a 31 day rolling period. 1.2 million video streams were served by attheraces.com in December and the site remains the market leading racing website in the UK and Ireland.

Media rights arrangements have been concluded with the latest of Britain's new racecourses. The opening of Ffos Las in 2009 will bring top class racing back to West Wales for the first time since 1937 accommodating both Flat and National Hunt codes.

Post balance sheets events

There are no post balance sheet events to be reported

Results and dividends

The results of the group for the year ended 31 December 2008 are shown on page 9.

There were no dividends paid or proposed during the year (2007 - £nil).

Attheraces Holdings Limited

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

Directors and their interests

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

Richard Dovey	
Mark Elliott	
Ian Renton	
David Rey	(resigned 24 th January 2008)
Neil Martin	(appointed 24 th January 2008)
Janet Walker	(resigned 10 July 2008)
Charles Barnett	(appointed 10 July 2008)
Anthony Kelly	(appointed 24 th July 2008)

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.

Principal risks and uncertainties

Foreign currency risk

A proportion of the group's turnover is from 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 (continued) For the year ended 31 December 2008

Key performance indicators

Turnover for the year increased from £14.5m to £15.6m, growth of 8%. Gross profits increased from £9.6m to £10.5m, with the gross margin increasing to 67% (2007: 66%). Overheads reduced by 2% as a result of tight cost controls and production methods. The operating profit before exceptional items improved from a profit of £348,000 in 2007 to £1.38m in 2008. The company made a profit on ordinary activities before taxation for the year of £0.85m compared to the loss in the previous year of £0.25m, this was due to the increased gross profits and reduced overhead costs.

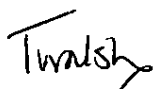
From a broadcast perspective the channel continued to be successful and delivered an increase of commercial impacts of 18% year on year. The company was also voted the winner of the Best Sports Service at the 2008 Broadcast Digital Channel Awards.

Online the company's website Attheraces.com continued to grow, peaking with over 603,000 unique users over a rolling 31 day period. This increase in web traffic has driven an increase in the company's web affiliate revenues of over 70%.

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

7 May 2009

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 2008 which comprise the consolidated profit and loss account, reconciliation of movement in consolidated shareholders' deficit, the consolidated and company balance sheets, the consolidated cash flow statement, 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 (continued)

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 2008 and of its profit 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 2008;
- 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

12 May²⁰⁰⁹

Attheraces Holdings Limited

Consolidated profit and loss account For the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Turnover	2	15,613	14,469
Cost of sales		(5,155)	(4,863)
Gross profit		10,458	9,606
Administrative expenses		(9,076)	(9,258)
Operating profit	3	1,382	348
Interest receivable and similar income		35	43
Interest payable to shareholders	16	(567)	(642)
Profit/(Loss) on ordinary activities before taxation		850	(251)
Taxation charge	5	(181)	(27)
Profit/(Loss) for the year transferred to/(from) reserves	15	669	(278)

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 accounts of the parent company is £567,000 (2007 loss: £618,000).

Attheraces Holdings Limited

Reconciliation of movements in consolidated shareholders' deficit For the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Profit/(Loss) for the year	15	669	(278)
Opening shareholders' deficit		<u>(8,027)</u>	<u>(7,749)</u>
Closing shareholders' deficit		<u><u>(7,358)</u></u>	<u><u>(8,027)</u></u>

The notes on pages 14 -23 form part of these financial statements

Attheraces Holdings Limited

Consolidated balance sheet As at 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	7	<u>253</u>	<u>144</u>
Current assets			
Debtors: amounts due within one year	9	4,886	4,610
Cash at bank and in hand		<u>823</u>	<u>770</u>
		5,709	5,380
Creditors: amounts falling due within one year	10	<u>(4,007)</u>	<u>(4,238)</u>
Net current assets		<u>1,702</u>	<u>1,142</u>
Total assets less current liabilities		1,955	1,286
Creditors: amounts falling due after more than one year	11	<u>(9,313)</u>	<u>(9,313)</u>
Net liabilities		<u>(7,358)</u>	<u>(8,027)</u>
Capital and reserves			
Called up share capital	12	3	3
Share premium	13	106,105	106,105
Profit and loss account	15	<u>(113,466)</u>	<u>(114,135)</u>
Shareholders' deficit		<u>(7,358)</u>	<u>(8,027)</u>

These financial statements were approved and authorised for issue by the Board of Directors on 7 May 2009.
Signed on behalf of the Board of Directors


Director

Attheraces Holdings Limited

Company balance sheet As at 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Investments	8	<u>14</u>	<u>14</u>
Current assets			
Debtors	9	7,926	8,526
Cash at bank and in hand		<u>3</u>	<u>3</u>
		7,929	8,529
Creditors: amounts falling due within one year	10	<u>(609)</u>	<u>(642)</u>
Net current assets		<u>7,320</u>	<u>7,887</u>
Total assets less current liabilities		7,334	7,901
Creditors: amounts falling due after more than one year	11	<u>(9,313)</u>	<u>(9,313)</u>
Net liabilities		<u>(1,979)</u>	<u>(1,412)</u>
Capital and reserves			
Called up share capital	12	3	3
Share premium account	13	106,105	106,105
Profit and loss account		<u>(108,087)</u>	<u>(107,520)</u>
Shareholders' deficit	14	<u>(1,979)</u>	<u>(1,412)</u>

These financial statements were approved and authorised for issue by the Board of Directors on 7 May 2009.
Signed on behalf of the Board of Directors



Director

Attheraces Holdings Limited

Consolidated cash flow statement For the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Net cash inflow/(outflow) from operating activities	(i)	693	(994)
Returns on investments and servicing of finance			
Interest received		35	44
Shareholder interest payments		(600)	-
Taxation			
Payment received for consortium relief		115	-
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(190)	(38)
Cash outflow before financing		<u>53</u>	<u>(988)</u>
Financing			
Loans received during the year	(ii)	<u>-</u>	<u>1,360</u>
Increase in cash in the year	(iii)	<u><u>53</u></u>	<u><u>372</u></u>

The notes on pages 14 -23 form part of these financial statements

Attheraces Holdings Limited

Notes to the cash flow statement For the year ended 31 December 2008

(i) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2008 £'000	2007 £'000
Operating profit	1,382	348
Depreciation	81	98
Increase in debtors (not including accrued consortium relief)	(392)	(1,270)
Decrease in creditors and provisions (excluding loans and accrued interest)	(197)	(28)
Other non-cash transactions (WHT adjustment)	(181)	(142)
Net cash inflow/(outflow) from operating activities	693	(994)

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

	2008 £'000	2007 £'000
Increase in cash in the period	53	372
Cash inflow from change in debt	-	(1,360)
Movement in net debt in the year	53	(988)
Net debt at 1 January 2008	(8,543)	(7,555)
Net debt at 31 December 2008	(8,490)	(8,543)

(iii) Analysis of movement in net debt

	1 January 2008 £'000	Cash flow £'000	Non-cash transactions £'000 (note iv)	31 December 2008 £'000
Cash at bank and in hand	770	53	-	823
Debt due after 1 year	(9,313)	-	-	(9,313)
Total	(8,543)	53	-	(8,490)

(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. No interest was capitalised in the current or preceding year.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2008

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's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Developments and Future Prospects review on page 2. On page 4 of the financial statements the directors have set out the group's objectives, policies and processes for managing foreign currency exposure and the group's exposures to interest risk, credit risk and liquidity risk.

The group generated a profit of £669,000 for the year ended 31 December 2008 and had net liabilities of £7.4m as at 31 December 2008. The group does not have any 3rd party debt and is funded via shareholders loans which are set out in note 11 to these accounts. As at the 31 December 2008 the group had drawn down £9.3m of an available £10m in shareholder loan notes. These loan notes are not repayable upon demand until after 31st December 2013.

The group still has adequate financial resources from its shareholders, and together with a number of long term contracts with customers and suppliers the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After having reviewed in detail the current trading position, forecasts and prospects of the group, the funding position from its shareholders, and the terms of trade in operation with customers and suppliers; the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future, furthermore the group continues to look at expanding new overseas territories and exploiting new commercial opportunities to grow revenues. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2008

1. Accounting policies (continued)

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 14% 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.

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.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2008

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.

	2008 £'000	2007 £'000
Turnover by activity		
Exploitation of rights	8,986	8,364
Overseas income:		
- South Africa	852	859
- Europe	2,559	2,132
- Other Pari-mutuel markets	858	388
- Other Fixed odds markets	1,748	1,848
Other	610	878
	<u>15,613</u>	<u>14,469</u>

3. Operating profit

Operating profit is stated after charging:

	2008 £'000	2007 £'000
Depreciation of tangible fixed assets		
Owned assets	81	98
Auditors' remuneration:		
- audit of parent company	2	2
- audit of subsidiary undertakings	33	31
- other taxation services	8	8
	<u>121</u>	<u>139</u>

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2008

4. Information regarding directors and employees

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

At the year end, £14,909 (2007: £13,882) of outstanding pension contributions have been included in accruals.

Average monthly number of persons employed including directors:

	2008 No.	2007 No.
Sales and distribution	3	4
Administration	11	11
	<u>14</u>	<u>15</u>

Staff costs, including directors, comprised:

	2008 £'000	2007 £'000
Wages and salaries	1,349	1,287
Social security costs	165	185
Pension costs	86	98
	<u>1,600</u>	<u>1,570</u>

5. Tax on loss on ordinary activities

	2008 £'000	2007 £'000
(i) Analysis of tax credit on ordinary activities		
Consortium relief credit	-	115
Withholding tax charge	(181)	(142)
Tax charge for the period	<u>(181)</u>	<u>(27)</u>
	2008 %	2007 %
(ii) Factors affecting tax charge for the current period:		
Standard tax rate for year as a percentage of profits	28	30
Effects of:		
Prior year losses not recognised	-	(30)
Consortium relief	-	46
Withholding tax	(21)	(57)
Current tax rate for period as a percentage of profits	<u>(21)</u>	<u>(11)</u>

The notes on pages 14 -23 form part of these financial statements

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2008

6. Tax on loss on ordinary activities (continued)

A current tax charge of £180,630 (2007: £26,953) was incurred in the year due to withholding tax on foreign income. 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 2008	34	252	267	6	559
Additions	5	75	110	-	190
At 31 December 2008	39	327	377	6	749
Accumulated depreciation					
At 1 January 2008	(23)	(175)	(213)	(4)	(415)
Charge for year	(8)	(46)	(26)	(1)	(81)
At 31 December 2008	(31)	(221)	(239)	(5)	(496)
Net book value					
At 31 December 2008	8	106	138	1	253
At 31 December 2007	11	77	54	2	144

The company does not own any intangible fixed assets.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2008

8. Fixed asset investments

Company	Subsidiary undertaking £'000
Cost and net book value At 31 December 2008 and 2007	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

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	3,842	-	3,232	-
Amounts owed by subsidiary undertakings	-	7,902	-	8,526
Other debtors	434	-	486	-
Prepayments and accrued income	610	-	892	-
	<u>4,886</u>	<u>7,902</u>	<u>4,610</u>	<u>8,526</u>

Group

Included within 2008's other debtors is £Nil (2007: £115,154) consortium relief receivable.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2008

10. Creditors: amounts falling due within one year

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	1,359	-	2,141	-
Other creditors including other taxation and social security	715	609	788	642
Accruals and deferred income	1,933	-	1,309	-
	<u>4,007</u>	<u>609</u>	<u>4,238</u>	<u>642</u>

11. Creditors: amounts falling due after more than one year

	2008		2007	
	Group £'000	Company £'000	Group £'000	Company £'000
Other loans (i)	9,313	9,313	9,313	9,313
	<u>9,313</u>	<u>9,313</u>	<u>9,313</u>	<u>9,313</u>
Analysis of financial liabilities:				
After five years	9,313	9,313	9,313	9,313
	<u>9,313</u>	<u>9,313</u>	<u>9,313</u>	<u>9,313</u>

- (i) At 31 December 2008 Arena Leisure Plc and Sky Ventures Limited had made loans to the group amounting to £4.66 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.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2008

12. Called up share capital

Number and value of shares:

	2008 £	2007 £
Authorised:		
9,999 (2007: 9,999) ordinary shares of £1 each	9,999	9,999
100 (2007: 100) recoupment shares of 1p each	1	1
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
3,271 (2007: 3,158) ordinary shares of £1 each	3,271	3,158
55 (2007: 55) recoupment shares of 1p each	1	1
	<u>3,272</u>	<u>3,159</u>

On the 24th July 2008 113 new ordinary £1 shares were issued at par.

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.

13. Share premium account

	2008 £'000	2007 £'000
Share premium account at 1 January	106,105	106,105
Share premium at 31 December	<u>106,105</u>	<u>106,105</u>

14. Reconciliation of movements in company shareholders' deficit

	2008 £'000	2007 £'000
Loss for the year	(567)	(618)
Opening shareholders' deficit	<u>(1,412)</u>	<u>(794)</u>
Closing shareholders' deficit	<u>(1,979)</u>	<u>(1,412)</u>

The notes on pages 14 -23 form part of these financial statements

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2008

15. Reconciliation of movements in group reserves

	2008 £'000	2007 £'000
Profit/(Loss) for the year	669	(278)
Profit and loss account brought forward	(114,135)	(113,857)
Profit and loss account carried forward	(113,466)	(114,135)

16. Related party transactions

The following are considered related parties due to their shareholding in the company.

Related party	Transaction	Income/ (expenditure) £'000	Amounts owed to/ (owed by) the group at 31 December 2008 £'000
Arena Leisure Plc	Media rights & contribution to picture provision	(1,372)	(133)
	Shareholder loan interest	(284)	(308)
Ascot Racecourse Limited	Media rights & Contribution to picture provision and hospitality	(131)	(50)
British Sky Broadcasting Limited	Sale of broadcasting rights and commissions	3,658	502
	Programme related management charges	(1,050)	(97)
	Shareholder loan interest	(284)	(308)
Northern Racing Limited	Media Rights and Sponsorship	(315)	(195)
The Ripon Race Company Limited	Media Rights	(30)	(19)
Plumpton Racecourse Limited	Media Rights and Sponsorship	(21)	(7)
The Newton Abbot Races Limited	Media Rights and Sponsorship	(25)	-

At 31 December 2009, Arena Leisure Plc and Sky Ventures Limited had made loans to the Group amounting to £4.66 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 & Loss as it is incurred.

The notes on pages 14 -23 form part of these financial statements