

Company Registration No. 4153457

Attheraces Holdings Limited

Report and Financial Statements

31 December 2011

THURSDAY



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LD2	26/04/2012	#55
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Attheraces Holdings Limited

Report and financial statements 2011

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Attheraces Holdings Limited

Report and financial statements 2011

Officers and professional advisers

Directors

Richard Dovey
Mark Elliott
Ian Renton
Mark Winterbottom
Anthony Kelly

Company Secretary

Teresa A Walsh

Registered Office

No 9 Kingsway
London
WC2B 6XF

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Solicitors

Olswang
90 High Holborn
London
WC1V 6XX

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Attheraces Holdings Limited

Directors' report (continued) For the year ended 31 December 2011

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

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 30 UK and 26 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

2011 was the group's most successful year since launch. Against a difficult economic backdrop operating profit increased year on year by £1.1m and an extra £1m was returned to the racing industry by way of media rights payments.

The group delivered 1.2 billion commercial advertising impacts in 2011 with a record 142 million impacts delivered in a single month in January. BARB figures in 2011 continued to report regular monthly TV reach audiences for At The Races in excess of 1.8 million viewers amongst UK homes only. The channel continues to be available to over 13 million households in the UK and Ireland via basic cable and satellite packages and is now distributed into 5,800 commercial premises by Sky. In 2011 At The Races increased its output of live international racing with improved Australian thoroughbred racing from Sky Channel, Australia, and a select portfolio of South African product. At The Races has become a genuine 24 hours a day sports broadcast service.

Attheraces.com attracted an average unique user audience of over 1 million per month in 2011, an increase of 22% on 2010. Broadband streaming services continued to thrive with over 2 million flash video streams served each month. July 2011 saw the launch of At The Races mobile streaming service. The product is ahead of the market in terms of quality and latency and is now live with four leading bookmaker partners delivering circa 180,000 streams each month. 2012 will see a re-design of the main site and a continuing focus on driving affiliate revenues.

Since the year end Attheraces Limited has signed a new six year production contract and will be relaunching its TV channel in 2012.

The group's joint venture arrangement with Racing UK (GBI Racing) for the distribution of racing overseas has helped deliver further growth and increasing profitability to the company. New markets launched in 2011 included Greece, Malta, Uruguay and Romania and there is further potential to exploit in 2012 in Eastern European markets. GBI Racing also won a tender to licence the only horse racing content to be broadcast in Israel. Launch there is expected in June 2012 and forecasts project that the market could become a top 5 worldwide customer for GBI Racing within a few years.

On 20 December 2011 the group completed a group reorganisation with the trade and assets of Attheraces (UK) limited being transferred to Attheraces Limited at book value. On the same day each company within the group completed a capital restructure resulting in a more appropriate reserves structure.

During the year the company made Shareholder loan repayments of £3.7 million (2010: £0.8m).

Attheraces Holdings Limited

Directors' report (continued) For the year ended 31 December 2011

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 2011 are shown on page 8

There were no dividends paid or proposed during the year (2010 - £nil)

Directors and their interests

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

Richard Dovey

Mark Elliott

Ian Renton

Charles Barnett (resigned 7th February 2012)

Anthony Kelly

Mark Winterbottom

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

Insurance

The company has directors' and officers' liability insurance and is intended to maintain such cover for the full term of their employment

Principal 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

Attheraces Holdings Limited

Directors' report (continued)

For the year ended 31 December 2011

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.

Key performance indicators

Turnover for the year increased from £19.2m to £22.4m, growth of 17%. Gross profits increased from £11.8m to £13.9m, gross margin increased to 62% (2010: 61.7%). Overheads increased by 11%. The operating profit improved from a profit of £2.46m in 2010 to £3.52m in 2011. The group made a profit on ordinary activities before taxation for the year of £3.40m compared to the previous year of £2.32m.

Auditors

BDO LLP have expressed their willingness to continue in office as auditors in accordance with section 485 of the Companies Act 2006. A written resolution to reappoint BDO 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

30th March 2012

Attheraces Holdings Limited

Statement of directors' responsibilities

The directors are responsible for preparing 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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Independent auditors' report to the members of Attheraces Holdings Limited

We have audited the financial statements of Attheraces Holdings Limited for the year ended 31 December 2011 which comprise the consolidated profit and loss account, reconciliation of movement in shareholders' funds, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year 31 December 2011 for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Attheraces Holdings Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



*Matthew White (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date 5 April 2012*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Attheraces Holdings Limited

Consolidated profit and loss account For the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Turnover	2	22,426	19,162
Cost of sales		(8,518)	(7,344)
Gross profit		13,908	11,818
Administrative expenses		(10,386)	(9,361)
Operating profit	3	3,522	2,457
Interest receivable and similar income		1	4
Interest payable to shareholders	10	(122)	(138)
Profit on ordinary activities before taxation		3,401	2,323
Taxation credit	5	77	455
Profit for the year transferred to reserves	14	3,478	2,778

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 profits as shown above. Therefore no statement of total recognised gains and losses is presented.

The company has taken advantage of s408 Companies Act 2006 and has not prepared a separate profit and loss account. The profit after taxation dealt with in the accounts of the parent company is £7 211m (2010 loss £113,000).

The notes on pages 14 -24 form part of these financial statements

Attheraces Holdings Limited

Reconciliation of movements in consolidated shareholders' funds For the year ended 31 December 2011

		2011	2010
		£'000	£'000
Profit for the year	14	3,478	2,778
Opening shareholders' deficit		<u>(3,287)</u>	<u>(6,065)</u>
Closing shareholders' funds/(deficit)		<u>191</u>	<u>(3,287)</u>

The notes on pages 14 -24 form part of these financial statements

Attheraces Holdings Limited

Consolidated balance sheet

As at 31 December 2011

Company Number: 4153457

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	6	401	410
Current assets			
Debtors	8	7,553	7,328
Cash at bank and in hand		1,667	1,670
		9,220	8,998
Creditors, amounts falling due within one year	9	(4,617)	(4,182)
Net current assets		4,603	4,816
Total assets less current liabilities		5,004	5,226
Creditors: amounts falling due after more than one year	10	(4,813)	(8,513)
Net assets/(liabilities)		191	(3,287)
Capital and reserves			
Called up share capital	11	3	3
Share premium	12	-	106,105
Profit and loss account	14	188	(109,395)
Shareholders' funds/(deficit)		191	(3,287)

These financial statements were approved and authorised for issue by the Board of Directors on 30th Nov. 2012

Signed on behalf of the Board of Directors


IAN RENTON
Director

The notes on pages 14 -24 form part of these financial statements

Attheraces Holdings Limited

Company balance sheet As at 31 December 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Investments	7	1,614	14
Current assets			
Debtors	8	8,164	6,351
Cash at bank and in hand		8	3
		8,172	6,354
Creditors: amounts falling due within one year	9	(1)	(97)
Net current assets		8,171	6,257
Total assets less current liabilities		9,785	6,271
Creditors: amounts falling due after more than one year	10	(4,813)	(8,513)
Net assets/(liabilities)		4,972	(2,242)
Capital and reserves			
Called up share capital	11	3	3
Share premium account	12	-	106,105
Profit and loss account	13	4,969	(108,350)
Shareholders' funds/(deficit)		4,972	(2,242)

These financial statements were approved and authorised for issue by the Board of Directors on ~~30th~~ 11th 2012

Signed on behalf of the Board of Directors



Director

The notes on pages 14 -24 form part of these financial statements

Attheraces Holdings Limited

Consolidated cash flow statement For the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Net cash inflow from operating activities	(i)	4,002	1,594
Returns on investments and servicing of finance			
Interest received		1	4
Shareholder interest payments		(122)	(230)
Taxation			
Payment received for consortium relief		-	26
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(184)	(331)
Cash outflow before financing		3,697	1,063
Financing			
Loans repaid during the year	(ii)	(3,700)	(800)
Decrease in cash in the year	(iii)	(3)	263

The notes on pages 14 -24 form part of these financial statements

Attheraces Holdings Limited

Notes to the cash flow statement For the year ended 31 December 2011

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

	2011 £'000	2010 £'000
Operating profit	3,522	2,457
Depreciation	193	98
Decrease in debtors (not including accrued consortium relief)	47	(876)
Increase in creditors and provisions (excluding loans and accrued interest)	435	116
Withholding tax deducted at source	(195)	(201)
Net cash inflow from operating activities	4,002	1,594

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

	2011 £'000	2010 £'000
Decrease in cash in the period	(3)	263
Cash outflow from change in debt	3,700	800
Movement in net debt in the year	3,697	1,063
Net debt at 1 January	(6,843)	(7,906)
Net debt at 31 December	(3,146)	(6,843)

(iii) Analysis of movement in net debt

	1 January 2011 £'000	Cash flow £'000	Non-cash transactions £'000 (note iv)	31 December 2011 £'000
Cash at bank and in hand	1,670	(3)	-	1,667
Debt due after 1 year	(8,513)	3,700	-	(4,813)
Total	(6,843)	3,697	-	(3,146)

(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 2011

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.

Leases

Operating lease rentals are charged to profit and loss in equal amounts over the lease term.

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 3 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 £3.5 million for the year ended 31 December 2011 and had net assets of £0.2m as at 31 December 2011. The group does not have any 3rd party debt and is funded via shareholders' loans which are set out in note 10 to these accounts. As at the 31 December 2011 the group had drawn down £4.8m 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 are satisfied with 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 2011

1. Accounting policies (continued)

Associates and joint ventures

FRS 9 "Associates and joint ventures" requires that a contractual arrangement under which the participants engage in joint activities that do not create an entity because it is not carrying on a trade or business of its own and not just part of its participants' trades or businesses be accounted for as a joint arrangement that is not an entity (JANE)

During the prior year the company entered into a licensing arrangement with GBI Racing Limited, a joint venture with Racing UK for the exploitation of the combined media rights of both companies. The Attheraces Limited licensing arrangement with GBI Racing Limited has been accounted for as a JANE. As such the group has accounted for its part of the income and expenditure, cash flows for the year and of the assets and liabilities as at the year end of GBI Racing Limited, measured according to the terms of the agreement governing the arrangement.

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	33% per annum
Furniture and equipment	25% 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

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 assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2011

1 Accounting policies (continued)

Deferred tax balances are recognised in respect of brought forward tax losses. The extent to which deferred tax assets are recognised is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the utilisation of the brought forward losses. Deferred tax balances 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.

	2011 £'000	2010 £'000
Turnover by activity		
Exploitation of rights - UK	13,430	9,555
Overseas income		
- South Africa	1,003	1,048
- Europe	2,808	3,292
- Other Pari-mutuel markets	2,896	2,896
- Other Fixed odds markets	1,906	1,917
Other	383	454
	<u>22,426</u>	<u>19,162</u>

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2011

3. Operating profit

Operating profit is stated after charging

	2011 £'000	2010 £'000
Depreciation of tangible fixed assets	193	98
Hire of assets		
- Operating leases	65	97
Auditors' remuneration		
- audit of parent company	2	2
- audit of subsidiary undertakings	28	33
- other taxation services	19	13
	<u> </u>	<u> </u>

4 Information regarding directors and employees

During the year the company did not pay any salaries or pension contributions to directors (2010 £nil)

At the year end, £17,983 (2010 £20,187) of outstanding pension contributions have been included in accruals

Average monthly number of persons employed including directors:

	2011 No.	2010 No.
Sales and distribution	5	4
Administration	18	12
	<u>23</u>	<u>16</u>

Staff costs, including directors, comprised:

	2011 £'000	2010 £'000
Wages and salaries	1,686	1,506
Social security costs	199	161
Pension costs	106	89
	<u>1,991</u>	<u>1,756</u>

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2011

5. Tax on loss on ordinary activities

	2011 £'000	2010 £'000
(i) Analysis of tax credit on ordinary activities		
Consortium relief credit	-	26
Withholding tax charge	(195)	(201)
Total current tax	(195)	(175)
Deferred tax asset (note 8)	272	630
Taxation on profit on ordinary activities	77	455
	2011 %	2010 %
(ii) Factors affecting tax charge for the current period		
Standard tax rate for year as a percentage of profits	26.5	28
Effects of		
Utilisation of brought forward losses	(26.5)	(28)
Consortium relief	-	(1)
Withholding tax	6	9
Deferred tax	(8)	(27)
Current tax rate for period as a percentage of profits	(2)	(19)

A withholding tax charge of £194,801 (2010: £200,159) 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.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2011

6. 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 2011	183	373	515	31	1,102
Additions	2	89	75	18	184
At 31 December 2011	185	462	590	49	1,286
Accumulated depreciation					
At 1 January 2011	(46)	(294)	(344)	(8)	(692)
Charge for year	(34)	(40)	(111)	(8)	(193)
At 31 December 2011	(80)	(334)	(455)	(16)	(885)
Net book value					
At 31 December 2011	105	128	135	33	401
At 31 December 2010	137	79	171	23	410

The company does not own any tangible fixed assets

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2011

7. Fixed asset investments

Company	Subsidiary undertaking £'000
Cost and net book value	
At 31 December 2010	14
Debt release to subsidiary	<u>1,600</u>
At 31 December 2011	<u>1,614</u>

On 20 December 2011, the trade and assets of Attheraces (UK) Limited were transferred to Attheraces Limited

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

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

8. Debtors

	2011		2010	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	4,124	-	3,868	-
Amounts owed by subsidiary undertakings	-	8,164	-	6,327
Other debtors	214	-	321	24
Other taxation and social security	252	-	597	-
Prepayments and accrued income	1,891	-	1,742	-
Deferred tax asset	1,072	-	800	-
	<u>7,553</u>	<u>8,164</u>	<u>7,328</u>	<u>6,351</u>

All amounts shown under debtors are due within one year with the exception of deferred tax

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2011

Deferred Tax

	2011		2010	
	Group £'000	Company £'000	Group £'000	Company £'000
At 1 January	800	-	170	-
Credited to the profit and loss account (note 5)	272	-	630	-
At 31 December	<u>1,072</u>	<u>-</u>	<u>800</u>	<u>-</u>

All deferred tax relates to brought forward losses

9. Creditors: amounts falling due within one year

	2011		2010	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	1,574	-	1,303	-
Other creditors including other taxation and social security	240	1	221	97
Accruals and deferred income	2,803	-	2,658	-
	<u>4,617</u>	<u>1</u>	<u>4,182</u>	<u>97</u>

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

	2011		2010	
	Group £'000	Company £'000	Group £'000	Company £'000
Other loans (i)	4,813	4,813	8,513	8,513
	<u>4,813</u>	<u>4,813</u>	<u>8,513</u>	<u>8,513</u>
Analysis of financial liabilities:				
Two to five years	4,813	4,813	8,513	8,513
	<u>4,813</u>	<u>4,813</u>	<u>8,513</u>	<u>8,513</u>

- (i) At 31 December 2011 Arena Leisure Plc and Sky Ventures Limited had made loans to the group amounting to £2 406m each (2010 - £4 257m) 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 2011

11. Called up share capital

Number and value of shares:

	2011 £	2010 £
Authorised:		
9,999 (2009 9,999) ordinary shares of £1 each	9,999	9,999
100 (2009 100) recoupment shares of 1p each	1	1
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
3,271 (2009 3,271) ordinary shares of £1 each	3,271	3,271
55 (2009 55) recoupment shares of 1p each	1	1
	<u>3,272</u>	<u>3,272</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.

12. Share premium account

	2011 £'000	2010 £'000
Share premium account at 1 January	106,105	106,105
Reduction in Share Premium	(106,105)	-
Share premium at 31 December	<u>-</u>	<u>106,105</u>

13. Reconciliation of movements in company shareholders' funds

	2011 £'000	2010 £'000
Profit/(loss) for the year	7,211	(113)
Opening shareholders' deficit	(2,242)	(2,129)
Closing shareholders' funds/(deficit)	<u>4,969</u>	<u>(2,242)</u>

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2011

14. Reconciliation of movements in group reserves

	2011 £'000	2010 £'000
Profit for the year	3,478	2,778
Profit and loss account brought forward	(109,395)	(112,173)
Reduction in Share Premium	106,105	-
Profit and loss account carried forward	188	(109,395)

15. 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 2011 £'000
Arena Leisure Plc	Media rights & contribution to picture provision	(2,698)	84
	Shareholder loan interest	(108)	1
Ascot Racecourse Limited	Media rights & Contribution to picture provision and hospitality	(602)	14
British Sky Broadcasting Limited	Sale of broadcasting rights and commissions	3,947	(767)
	Programme related management charges	(867)	86
	Shareholder loan interest	(108)	1
	Consortium relief	-	-
Northern Racing Limited	Media Rights and Sponsorship	(860)	-
The Ripon Race Company Limited	Media Rights and Sponsorship	(63)	-
Plumpton Racecourse Limited	Media Rights and Sponsorship	(76)	21
The Newton Abbot Races Limited	Media Rights and Sponsorship	(75)	-

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2011

16. Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	2011	2010
	£	£
Operating leases which expire	<u> </u>	<u> </u>
In two to five years	<u>64,757</u>	<u>64,757</u>

17. Derivatives not included at fair value

As at the year end, GBI Racing Limited held forward contracts which have not been included at fair value in these accounts in accordance with UK GAAP For further details see the accounts for GBI Racing Limited as at 31st December 2011