

Company Registration No. 4153457

Attheraces Holdings Limited

Report and Financial Statements

31 December 2012

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Attheraces Holdings Limited

Report and financial statements 2012

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Attheraces Holdings Limited

Report and financial statements 2012

Officers and professional advisers

Directors

Stephane Nahum
Claire Sheppard
Richard Verow
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 For the year ended 31 December 2012

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

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 Tote (Successor Company) Limited (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

2012 was At The Races most successful year since launch. Operating profit increased by 32% to £4.6m from £3.5m, with turnover increasing by 17% from £22.4m to £26.1m

The Channel continues to be available to over 13m households in the UK and Ireland and is now distributed into over 6,000 commercial premises via agreements with Sky Business. Advertising impacts in the UK exceeded £1.2 billion in 2012 and the Channel delivered, for the first time, a dedicated advertising service in Ireland. The Irish advertising operation is managed by Sky Media Ireland and secured additional revenues for the business. Importantly for industry and racecourse partners, the Channel is now officially measured in Ireland and average monthly Irish reach in Ireland across 2012 was over 320,000 individuals.

All production and broadcast operations made a successful transition to a new, purpose built facility in Milton Keynes in June 2012. A new on air look and new HD-ready studio were launched from the facilities.

Attheraces.com attracted an average unique user audience of over 1.37m per month in 2012, an increase of more than 35% on 2011. The site achieved a record audience in June 2012 of almost 1.9m and is the largest horse racing website in the UK and Ireland. Mobile streaming services have now launched with six leading bookmakers and the total number of broadband and mobile streams delivered by ATR each month now exceeds 3 million.

Through GBI Racing, the company's joint venture with Racing UK, At The Races increased its revenues from international distribution in 2012. A new service was launched in Cyprus after several years of anticipated legislation change. Strong year on year growth was recorded in the US where UK/Irish racing continues to grow its appeal. New launches in 2013 will include Israel, Finland and Sweden.

Attheraces Holdings Limited

Directors' report For the year ended 31 December 2012

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 2012 are shown on page 9

There were no dividends paid or proposed during the year (2011 - £nil)

Attheraces Holdings Limited

Directors' report (continued) For the year ended 31 December 2012

Directors and their interests

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

Richard Dovey	(resigned 18 th July 2012)
Mark Elliott	(resigned 30 th March 2012)
Ian Renton	(resigned 7 th August 2012)
Charles Barnett	(resigned 7 th February 2012)
Anthony Kelly	
Claire Sheppard	(appointed 23 rd November 2012)
Richard Verow	(appointed 26 th October 2012)
Stephane Nahum	(appointed 31 st March 2012)
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 to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures

Attheraces Holdings Limited

Directors' report (continued) For the year ended 31 December 2012

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 £22.4m to £26.0m, growth of 17%. Gross profits increased from £13.9m to £16.1m, gross margin remained at 62%. Overheads increased by 10%. The operating profit improved from a profit of £3.52m in 2011 to £4.64m in 2012. The group made a profit on ordinary activities before taxation for the year of £4.58m compared to the previous year of £3.40m.

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

13 May 2013

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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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 2012 which comprise the consolidated profit and loss account, the reconciliation of movements in consolidated 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 2012 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

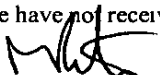
In our opinion the information given in the directors' report for the financial year 31 December 2012 for which the financial statements are prepared is consistent with the financial statements.

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

14 May 2013

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 2012

	Note	2012 £'000	2011 £'000
Turnover	2	26,077	22,426
Cost of sales		(10,000)	(8,518)
Gross profit		16,077	13,908
Administrative expenses		(11,437)	(10,386)
Operating profit	3	4,640	3,522
Interest receivable and similar income		-	1
Interest payable to shareholders	11	(58)	(122)
Profit on ordinary activities before taxation		4,582	3,401
Taxation charge	5	(22)	77
Profit for the year transferred to reserves	15	4,560	3,478

All transactions are derived from continuing operations

There are no recognised gains or losses in either the current or previous financial year 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 loss after taxation dealt within the accounts of the parent company is £0.06m (2011: £7.211m).

The notes on pages 14 -25 form part of these financial statements

Attheraces Holdings Limited

Reconciliation of movements in consolidated shareholders' funds For the year ended 31 December 2012

		2012	2011
		£'000	£'000
Profit for the year	15	4,560	3,478
Opening shareholders' funds/(deficit)		191	(3,287)
Closing shareholders' funds		4,751	191

The notes on pages 14 -25 form part of these financial statements

Attheraces Holdings Limited

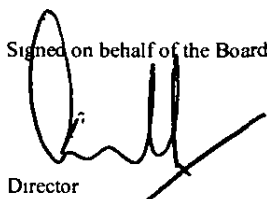
Consolidated balance sheet As at 31 December 2012

Company Number: 4153457

	Note	2012 £'000	2011 £'000
Fixed assets			
Intangible assets	6	122	-
Tangible assets	7	635	401
		<u>757</u>	<u>401</u>
Current assets			
Debtors	9	8,346	7,553
Cash at bank and in hand		2,119	1,667
		<u>10,465</u>	<u>9,220</u>
Creditors: amounts falling due within one year	10	(5,408)	(4,617)
		<u>5,057</u>	<u>4,603</u>
Net current assets			
Total assets less current liabilities		<u>5,814</u>	<u>5,004</u>
Creditors: amounts falling due after more than one year	11	(1,063)	(4,813)
		<u>4,751</u>	<u>191</u>
Net assets			
Capital and reserves			
Called up share capital	12	3	3
Share premium	13	-	-
Profit and loss account	15	4,748	188
		<u>4,751</u>	<u>191</u>
Shareholders' funds			
		<u>4,751</u>	<u>191</u>

These financial statements were approved and authorised for issue by the Board of Directors on 23rd April 2013

Signed on behalf of the Board of Directors



Director

Anthony Kelly

The notes on pages 14-25 form part of these financial statements

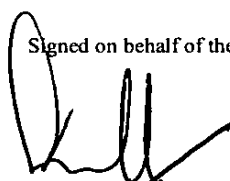
Attheraces Holdings Limited

Company balance sheet As at 31 December 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Investments	8	1,614	1,614
Current assets			
Debtors	9	4,355	8,164
Cash at bank and in hand		8	8
		4,363	8,172
Creditors: amounts falling due within one year	10	-	(1)
Net current assets		4,363	8,171
Total assets less current liabilities		5,977	9,785
Creditors, amounts falling due after more than one year	10	(1,063)	(4,813)
Net assets		4,914	4,972
Capital and reserves			
Called up share capital	12	3	3
Share premium account	13	-	-
Profit and loss account	14	4,911	4,969
Shareholders' funds		4,914	4,972

These financial statements were approved and authorised for issue by the Board of Directors on 23rd April 2013

Signed on behalf of the Board of Directors



Director

Anthony Kelly

The notes on pages 14 -25 form part of these financial statements

Attheraces Holdings Limited

Consolidated cash flow statement For the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Net cash inflow from operating activities	(i)	4,793	4,002
Returns on investments and servicing of finance			
Interest received		-	1
Shareholder interest payments		(58)	(122)
Taxation			
Payment received for consortium relief		-	-
Capital expenditure and financial investment			
Payments to acquire tangible and intangible fixed assets		(533)	(184)
Cash inflow before financing		<u>4,202</u>	<u>3,697</u>
Financing			
Loans repaid during the year	(ii)	<u>(3,750)</u>	<u>(3,700)</u>
Increase/(decrease) in cash in the year	(iii)	<u>452</u>	<u>(3)</u>

The notes on pages 14 -25 form part of these financial statements

Attheraces Holdings Limited

Notes to the cash flow statement For the year ended 31 December 2012

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

	2012 £'000	2011 £'000
Operating profit	4,640	3,522
Depreciation	177	193
Increase in debtors	(595)	47
Increase in creditors and provisions	791	435
Other non-cash transactions	(220)	(195)
Net cash inflow from operating activities	4,793	4,002

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

	2012 £'000	2011 £'000
Increase/(decrease) in cash in the period	452	(3)
Cash outflow from change in debt	3,750	3,700
Movement in net funds in the year	4,202	3,697
Net debt at 1 January	(3,146)	(6,843)
Net funds/(debt) at 31 December	1,056	(3,146)

(iii) Analysis of movement in net funds

	1 January 2012 £'000	Cash flow £'000	Non-cash transactions £'000 (note iv)	31 December 2012 £'000
Cash at bank and in hand	1,667	452	-	2,119
Debt due after 1 year	(4,813)	3,750	-	(1,063)
Total	(3,146)	4,202	-	1,056

(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 2012

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.

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 £4.6 million for the year ended 31 December 2012 and had net assets of £4.8m as at 31 December 2012. 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 2012 the group had drawn down £1.06m 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.

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.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2012

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 2010 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

Intangible fixed assets

Capitalised development costs

Development costs are charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- The project is clearly defined and related expenditure is separately identifiable,
- The project is technically feasible and commercially viable,
- Current and future costs are expected to be exceeded by future sales, and
- Adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over the expected useful economic life commencing in the year the group starts to benefit from the expenditure.

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.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2012

1 Accounting policies (continued)

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.

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.

	2012 £'000	2011 £'000
Turnover by activity		
Exploitation of rights	15,982	13,430
Overseas income		
- South Africa	949	1,003
- Europe	3,599	2,808
- Other Pari-mutuel markets	3,253	2,896
- Other Fixed odds markets	1,689	1,906
Other	605	383
	<u>26,077</u>	<u>22,426</u>

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2012

3. Operating profit

Operating profit is stated after charging

	2012 £'000	2011 £'000
Depreciation of tangible fixed assets	177	193
Hire of assets		
- Operating leases	429	65
Auditors' remuneration		
- audit of parent company	2	2
- audit of subsidiary undertakings	25	28
- other taxation services	9	19
	<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 (2011 £nil)

At the year end, £nil (2011 £17,983) of outstanding pension contributions have been included in accruals

Average monthly number of persons employed including directors:

	2012 No.	2011 No.
Sales and distribution	5	5
Administration	19	18
	<u>24</u>	<u>23</u>

Staff costs, including directors, comprised:

	2012 £'000	2011 £'000
Wages and salaries	1,753	1,686
Social security costs	243	199
Pension costs	122	106
	<u>2,118</u>	<u>1,991</u>

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2012

5 Tax on loss on ordinary activities

	2012 £'000	2011 £'000
(i) Analysis of tax credit on ordinary activities		
Consortium relief credit	-	-
Withholding tax charge	(220)	(195)
Total current tax	(220)	(195)
Deferred tax asset (note 9)	198	272
Taxation on profit on ordinary activities	(22)	77
	<u>2012</u>	<u>2011</u>
	%	%
(ii) Factors affecting tax charge for the current period		
Standard tax rate for year as a percentage of profits	24.5	26.5
Effects of		
Utilisation of brought forward losses	(24.5)	(26.5)
Consortium relief	-	-
Withholding tax	5	6
Deferred tax	(4)	(8)
Current tax rate for period as a percentage of profits	<u>1</u>	<u>(2)</u>

A withholding tax charge of £220,307 (2011: £194,801) 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 2012

6 Intangible fixed assets

Group	Streaming costs £'000	Total £'000
Cost		
At 1 January 2012	-	-
Additions	122	122
At 31 December 2012	122	122
Accumulated ammortisation		
At 1 January 2012	-	-
Charge for year	-	-
At 31 December 2012	-	-
Net book value		
At 31 December 2012	122	122
At 31 December 2011	-	-

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 2012

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 2012	185	462	554	49	1,250
Additions	12	246	153	-	411
At 31 December 2012	197	708	707	49	1,661
Accumulated depreciation					
At 1 January 2012	(80)	(335)	(419)	(15)	(849)
Charge for year	(40)	(50)	(78)	(9)	(177)
At 31 December 2012	(120)	(385)	(497)	(24)	(1,026)
Net book value					
At 31 December 2012	77	323	210	25	635
At 31 December 2011	105	127	135	34	401

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 2012

8. Fixed asset investments

Company	Subsidiary undertaking £'000
Cost and net book value	
At 31 December 2011	1,614
Debt release to subsidiary	-
At 31 December 2012	1,614

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

9. Debtors

	2012		2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	4,446	-	4,124	-
Amounts owed by subsidiary undertakings	-	4,352	-	8,164
Other debtors	571	3	214	-
Other taxation and social security	55	-	252	-
Prepayments and accrued income	2,004	-	1,891	-
Deferred tax asset	1,270	-	1,072	-
	<u>8,346</u>	<u>4,355</u>	<u>7,553</u>	<u>8,164</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 2012

Deferred Tax

	2012		2011	
	Group £'000	Company £'000	Group £'000	Company £'000
At 1 January	1,072	-	800	-
Credited to the profit and loss account (note 5)	198	-	272	-
At 31 December	<u>1,270</u>	<u>-</u>	<u>1,072</u>	<u>-</u>

All deferred tax relates to brought forward losses

10 Creditors: amounts falling due within one year

	2012		2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	1,472	-	1,574	-
Other creditors including other taxation and social security	413	-	240	1
Accruals and deferred income	3,523	-	2,803	-
	<u>5,408</u>	<u>-</u>	<u>4,617</u>	<u>1</u>

11 Creditors: amounts falling due after more than one year

	2012		2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Other loans (i)	1,063	1,063	4,813	4,813
	<u>1,063</u>	<u>1,063</u>	<u>4,813</u>	<u>4,813</u>
Analysis of financial liabilities:				
Two to five years	1,063	1,063	4,813	4,813
	<u>1,063</u>	<u>1,063</u>	<u>4,813</u>	<u>4,813</u>

- (i) At 31 December 2012 Arena Leisure Plc and Sky Ventures Limited had made loans to the group amounting to £532k each (2011 - £2,406m). 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 and amounted to £58k (2011 - £122k).

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2012

12. Called up share capital

Number and value of shares

	2012 £	2011 £
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.

13. Share premium account

	2012 £'000	2011 £'000
Share premium account at 1 January	-	106,105
Reduction in Share Premium	-	(106,105)
Share premium at 31 December	<u>-</u>	<u>-</u>

14. Reconciliation of movements in company shareholders' funds

	2012 £'000	2011 £'000
(Loss)/profit for the year	(58)	7,211
Opening shareholders' funds/(deficit)	4,969	(2,242)
Closing shareholders' funds	<u>4,911</u>	<u>4,969</u>

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2012

15 Reconciliation of movements in group reserves

	2012 £'000	2011 £'000
Profit for the year	4,560	3,478
Profit and loss account brought forward	188	(109,395)
Reduction in Share Premium	-	106,105
Profit and loss account carried forward	4,748	188

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 2012 £'000
Arena Leisure Limited	Media rights & contribution to picture provision	(4,218)	92
	Shareholder loan interest	(29)	-
Ascot Racecourse Limited	Media rights & Contribution to picture provision and hospitality	(813)	6
British Sky Broadcasting Limited	Sale of broadcasting rights and commissions	4,648	(562)
	Programme related management charges	(1,005)	89
	Shareholder loan interest	(29)	-
	Consortium relief	6	-

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2012

17. Commitments under operating leases

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

	2012 £	2011 £
Operating leases which expire		
In two to five years	129,514	64,757
Greater than 5 years	300,000	-

18. 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 2012.