

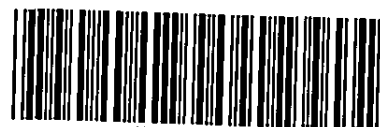
**Company Registration No. 4153457**

**Attheraces Holdings Limited**

**Report and Financial Statements**

**31 December 2009**

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# **Attheraces Holdings Limited**

## **Report and financial statements 2009**

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# **Attheraces Holdings Limited**

## **Report and financial statements 2009**

### **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 LLP  
55 Baker Street  
London  
W1U 7EU

# **Attheraces Holdings Limited**

## **Directors' report**

### **For the year ended 31 December 2009**

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

#### **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**

Notwithstanding some difficult market conditions, particularly in the first half of the year, the group enjoyed an exceptional 2009

The company recorded an operating profit of £1.41 million (up from £1.38 million in 2008) net of media rights payments. A record amount of over £3 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 Dubai for the first time, with a full year's distribution into Turkey. At The Races also provided the first regular schedule of UK Racing into Singapore during 2009

Domestically, commercial impacts on the At The Races Channel were down 6% on 2008 predominantly due to the volatile market conditions during the first half of 2009. However, viewing figures in the second half year were strong with record audiences in the months of August to December. Attheraces.com, the UK and Ireland's no. 1 racing website, now regularly attracts over 550,000 unique monthly users

Broadcasting 24 hours a day in basic subscription packages, At The Races is currently available to over 13 million multi-channel homes across the UK and Ireland through Sky, Virgin Media and UPC Ireland

In June, At The Races won 'Best Sports Service' at the Broadcast Digital Channel Awards, for the second year running. This was a significant achievement within a broad and prestigious category at UK television's pre-eminent, multi-channel industry awards. At The Races also won in June the 'Irish Independent Sport Betting Award – Best Broadcaster' for the first time. These achievements reflect the commitment and hard work of our talented production and presentation teams. They also put horseracing at the forefront of competitive categories. These successes again brought racing significant profile and prominence amongst mainstream television and media industry audiences

Growth in 2009 came from both domestic and international operations. Internationally, record levels of turnover were reported in established pari-mutuel markets. Australia, France and South Africa. Significant new revenues were also derived from the launch of At The Races content for the first time into Dubai and revenues in Turkey continued to grow following the launch of the product during the second half of 2008

## **Attheraces Holdings Limited**

### **Directors' report**

#### **For the year ended 31 December 2009**

The advent of 48 hour declarations in 2006 led Sky Channel in Australia to introduce a single day of UK Flat racing broadcast each week. By the end of 2009 Sky Channel regularly broadcast UK racing on three days each week. In 2010, 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 2009. The site redesign in 2008 combined with a constant pipeline of new features and services helped see traffic grow to a peak of 655,000 unique users over a 31 day rolling period. 11 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 brought top class racing back to West Wales for the first time since 1937 accommodating both Flat and National Hunt codes.

The group forecasts continued and improved profitability in 2010 from its diversified and established revenue streams. Expanding revenues in Dubai, France and Asian markets are expected to drive the international growth of the company.

#### **Post balance sheets events**

As disclosed in note 17, from March 1<sup>st</sup> 2010 the company entered into a joint venture with Racing UK Limited to enhance the worldwide exploitation of certain broadcast, media and other rights acquired from the combined 60 UK and 26 Irish racecourses. This has resulted in the formation of a new jointly owned company called GBI Racing Limited, which going forward will represent the joint rights of both companies to the betting premises of international customers.

#### **Results and dividends**

The results of the group for the year ended 31 December 2009 are shown on page 9.

There were no dividends paid or proposed during the year (2008 - £nil).

# **Attheraces Holdings Limited**

## **Directors' report (continued) For the year ended 31 December 2009**

### **Directors and their interests**

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

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

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 it 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 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 2009**

#### **Key performance indicators**

Turnover for the year increased from £15.6m to £16.1m, growth of 3%. Gross profits decreased from £10.5m to £10.2m due to increased media rights fees payable to our racecourse partners from June 2009 onwards, gross margin decreased to 63% (2008: 67%). Overheads reduced by 3% as a result of tight cost controls and production methods. The operating profit improved from a profit of £1.38m in 2008 to £1.41m in 2009. The company made a profit on ordinary activities before taxation for the year of £1.2m compared to the previous year of £0.85m.

#### **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

23 March 2010

## **Attheraces Holdings Limited**

### **Statement of directors' responsibilities**

The directors are responsible for the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair reflection of the state of affairs of the company and of the profit or loss for the 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,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 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 2009 which comprise the consolidated profit and loss account, reconciliation of movement in shareholders' deficit, 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 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 2009 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 2009 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 28 March 2010*

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 2009

	Note	2009 £'000	2008 £'000
Turnover	2	16,083	15,613
Cost of sales		(5,904)	(5,155)
<b>Gross profit</b>		<b>10,179</b>	<b>10,458</b>
Administrative expenses		(8,771)	(9,076)
<b>Operating profit</b>	3	<b>1,408</b>	<b>1,382</b>
Interest receivable and similar income		10	35
Interest payable to shareholders	16	(180)	(567)
<b>Profit on ordinary activities before taxation</b>		<b>1,238</b>	<b>850</b>
Taxation charge	5	55	(181)
<b>Profit for the year transferred to reserves</b>	15	<b>1,293</b>	<b>669</b>

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 loss after taxation dealt with in the accounts of the parent company is £150,000 (2008 loss £567,000).

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

## **Attheraces Holdings Limited**

### **Reconciliation of movements in consolidated shareholders' deficit For the year ended 31 December 2009**

		<b>2009</b>	<b>2008</b>
		<b>£'000</b>	<b>£'000</b>
Profit for the year	15	1,293	669
Opening shareholders' deficit		(7,358)	(8,027)
Closing shareholders' deficit		<u>(6,065)</u>	<u>(7,358)</u>

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

# Attheraces Holdings Limited

## Consolidated balance sheet As at 31 December 2009

Company Number: 4153457

	Note	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible assets	7	187	253
<b>Current assets</b>			
Debtors: amounts due within one year	9	5,811	4,886
Cash at bank and in hand		1,407	823
		7,218	5,709
<b>Creditors: amounts falling due within one year</b>	10	(4,157)	(4,007)
<b>Net current assets</b>		3,061	1,702
<b>Total assets less current liabilities</b>		3,248	1,955
<b>Creditors: amounts falling due after more than one year</b>	11	(9,313)	(9,313)
<b>Net liabilities</b>		(6,065)	(7,358)
<b>Capital and reserves</b>			
Called up share capital	12	3	3
Share premium	13	106,105	106,105
Profit and loss account	15	(112,173)	(113,466)
<b>Shareholders' deficit</b>		(6,065)	(7,358)

These financial statements were approved and authorised for issue by the Board of Directors on 23 March 2010

Signed on behalf of the Board of Directors



Director

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

# Attheraces Holdings Limited

## Company balance sheet As at 31 December 2009

	Note	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Investments	8	14	14
<b>Current assets</b>			
Debtors	9	7,356	7,926
Cash at bank and in hand		3	3
		7,359	7,929
<b>Creditors: amounts falling due within one year</b>	10	(189)	(609)
<b>Net current assets</b>		7,170	7,320
<b>Total assets less current liabilities</b>		7,184	7,334
<b>Creditors: amounts falling due after more than one year</b>	11	(9,313)	(9,313)
<b>Net liabilities</b>		(2,129)	(1,979)
<b>Capital and reserves</b>			
Called up share capital	12	3	3
Share premium account	13	106,105	106,105
Profit and loss account		(108,237)	(108,087)
<b>Shareholders' deficit</b>	14	(2,129)	(1,979)

These financial statements were approved and authorised for issue by the Board of Directors on ~~23 March~~ 2010

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 2009

	Note	2009 £'000	2008 £'000
Net cash inflow/(outflow) from operating activities	(i)	1,206	693
Returns on investments and servicing of finance			
Interest received		10	35
Shareholder interest payments		(600)	(600)
Taxation			
Payment received for consortium relief		-	115
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(31)	(190)
<b>Cash outflow before financing</b>		<b>585</b>	<b>53</b>
Financing			
Loans received during the year	(ii)	-	-
<b>Increase in cash in the year</b>	(iii)	<b>585</b>	<b>53</b>

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 2009

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

	2009 £'000	2008 £'000
Operating profit	1,408	1,382
Depreciation	98	81
Increase in debtors (not including accrued consortium relief)	(754)	(392)
Decrease in creditors and provisions (excluding loans and accrued interest)	569	(197)
Other non-cash transactions (WHT adjustment)	(115)	(181)
<b>Net cash inflow from operating activities</b>	<b>1,206</b>	<b>693</b>

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

	2009 £'000	2008 £'000
Increase in cash in the period	585	53
Cash inflow from change in debt	-	-
<b>Movement in net debt in the year</b>	<b>585</b>	<b>53</b>
<b>Net debt at 1 January 2009</b>	<b>(8,490)</b>	<b>(8,543)</b>
<b>Net debt at 31 December 2009</b>	<b>(7,905)</b>	<b>(8,490)</b>

(iii) Analysis of movement in net debt

	1 January 2009 £'000	Cash flow £'000	Non-cash transactions £'000 (note iv)	31 December 2009 £'000
Cash at bank and in hand	823	585	-	1,408
Debt due after 1 year	(9,313)	-	-	(9,313)
<b>Total</b>	<b>(8,490)</b>	<b>585</b>	<b>-</b>	<b>(7,905)</b>

(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 2009**

### **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 £1.29 million for the year ended 31 December 2009 and had net liabilities of £6.1m as at 31 December 2009. The group does not have any 3<sup>rd</sup> party debt and is funded via shareholders' loans which are set out in note 11 to these accounts. As at the 31 December 2009 the group had drawn down £9.3m of an available £10m in shareholder loans. These loans 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 2009**

### **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**

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.

# Attheraces Holdings Limited

## Notes forming part of the financial statements (continued) For the year ended 31 December 2009

### 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.

	2009 £'000	2008 £'000
<b>Turnover by activity</b>		
Exploitation of rights	8,710	8,986
Overseas income		
- South Africa	933	852
- Europe	2,324	2,559
- Other Pari-mutuel markets	1,673	858
- Other Fixed odds markets	1,889	1,748
Other	554	610
	<u>16,083</u>	<u>15,613</u>

### 3. Operating profit

Operating profit is stated after charging

	2009 £'000	2008 £'000
Depreciation of tangible fixed assets		
Owned assets	125	81
Auditors' remuneration		
- audit of parent company	2	2
- audit of subsidiary undertakings	33	33
- other taxation services	13	8
	<u></u>	<u></u>

# Attheraces Holdings Limited

## Notes forming part of the financial statements (continued) For the year ended 31 December 2009

### 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, £15,542 (2008 £14,909) of outstanding pension contributions have been included in accruals

#### Average monthly number of persons employed including directors:

	2009 No.	2008 No.
Sales and distribution	3	3
Administration	12	11
	<u>15</u>	<u>14</u>

#### Staff costs, including directors, comprised:

	2009 £'000	2008 £'000
Wages and salaries	1,437	1,349
Social security costs	170	165
Pension costs	88	86
	<u>1,695</u>	<u>1,600</u>

### 5. Tax on loss on ordinary activities

	2009 £'000	2008 £'000
(i) Analysis of tax credit on ordinary activities		
Consortium relief credit	30	-
Withholding tax charge	(145)	(181)
Total current tax	<u>(115)</u>	<u>(181)</u>
Deferred tax asset (note 9)	170	-
Taxation on profit on ordinary activities	<u>55</u>	<u>(181)</u>
	2009 %	2008 %
(ii) Factors affecting tax charge for the current period		
Standard tax rate for year as a percentage of profits	28	28
Effects of		
Consortium relief	2	-
Withholding tax	(12)	(21)
Deferred tax	14	-
Current tax rate for period as a percentage of profits	<u>4</u>	<u>(21)</u>

# Attheraces Holdings Limited

## Notes forming part of the financial statements (continued) For the year ended 31 December 2009

### 6. Tax on loss on ordinary activities (continued)

A withholding tax charge of £145,070 (2008 180,630) 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
<b>Cost</b>					
At 1 January 2009	39	327	377	6	749
Additions		19	12	-	31
At 31 December 2009	39	346	389	6	780
<b>Accumulated depreciation</b>					
At 1 January 2009	(31)	(221)	(239)	(5)	(496)
Charge for year	(4)	(36)	(57)	(1)	(98)
At 31 December 2009	(35)	(257)	(296)	(6)	(594)
<b>Net book value</b>					
At 31 December 2009	4	89	93	1	187
At 31 December 2008	8	106	138	1	253

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 2009

### 8. Fixed asset investments

Company	Subsidiary undertaking £'000
Cost and net book value At 31 December 2009 and 2008	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

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	3,562	-	3,842	-
Amounts owed by subsidiary undertakings		7,326	-	7,902
Other debtors	591	30	434	-
Prepayments and accrued income	1,488	-	610	-
Deferred tax asset	170	-	-	-
	<u>5,811</u>	<u>7,356</u>	<u>4,886</u>	<u>7,902</u>
<b>Deferred Tax</b>				
At 1 <sup>st</sup> January 2009	-	-	-	-
Credited to the profit and loss account (note 5)	170	-	-	-
	<u>170</u>	<u>-</u>	<u>-</u>	<u>-</u>

All deferred tax relates to brought forward losses

# Attheraces Holdings Limited

## Notes forming part of the financial statements (continued) For the year ended 31 December 2009

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

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	1,804	-	1,359	-
Other creditors including other taxation and social security	277	189	715	609
Accruals and deferred income	2,076	-	1,933	-
	<u>4,157</u>	<u>189</u>	<u>4,007</u>	<u>609</u>

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

	2009		2008	
	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>
<b>Analysis of financial liabilities:</b>				
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 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 and loss account as it is incurred.

# Attheraces Holdings Limited

## Notes forming part of the financial statements (continued) For the year ended 31 December 2009

### 12. Called up share capital

#### Number and value of shares:

	2009 £	2008 £
<b>Authorised:</b>		
9,999 (2008 9,999) ordinary shares of £1 each	9,999	9,999
100 (2008 100) recoupment shares of 1p each	1	1
	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid:</b>		
3,271 (2008 3,271) ordinary shares of £1 each	3,271	3,271
55 (2008 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

	2009 £'000	2008 £'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

	2009 £'000	2008 £'000
Loss for the year	(150)	(567)
Opening shareholders' deficit	<u>(1,979)</u>	<u>(1,412)</u>
Closing shareholders' deficit	<u>(2,129)</u>	<u>(1,979)</u>



# Attheraces Holdings Limited

## Notes forming part of the financial statements (continued) For the year ended 31 December 2009

### 15. Reconciliation of movements in group reserves

	2009 £'000	2008 £'000
Profit for the year	1,293	669
Profit and loss account brought forward	(113,466)	(114,135)
<b>Profit and loss account carried forward</b>	<b>(112,173)</b>	<b>(113,466)</b>

### 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 2009 £'000
Arena Leisure Plc	Media rights & contribution to picture provision	(1,722)	(59)
	Shareholder loan interest	(90)	(97)
Ascot Racecourse Limited	Media rights & Contribution to picture provision and hospitality	(326)	(-)
British Sky Broadcasting Limited	Sale of broadcasting rights and commissions	3,005	359
	Programme related management charges	(697)	(59)
	Shareholder loan interest	(90)	(97)
	Consortium relief	30	30
Northern Racing Limited	Media Rights and Sponsorship	(409)	(-)
The Ripon Race Company Limited	Media Rights	(32)	(-)
The Plumpton Racecourse Limited	Media Rights and Sponsorship	(23)	(10)
The Newton Abbot Races Limited	Media Rights and Sponsorship	(24)	-

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 repayable by Attheraces Holdings Limited subject to a 28 days notice given by the noteholders. The noteholders may demand repayment of the loans on or at any time after 31 December 2013. Interest is charged to the Profit & Loss as it is incurred.

## **Attheraces Holdings Limited**

### **Notes forming part of the financial statements (continued) For the year ended 31 December 2009**

#### **17. Post Balance Sheet Events**

From March 1<sup>st</sup> 2010 the company entered into a joint venture with Racing UK Limited to enhance the worldwide exploitation of broadcast, media and other rights acquired from the combined 60 UK and 26 Irish racecourses. This has resulted in the formation of a new jointly owned company called GBI Racing Limited, which going forward will represent the joint rights of both companies to the betting premises of international customers.