

Company Registration No. 4153457

Attheraces Holdings Limited

Report and Financial Statements

31 December 2010



Attheraces Holdings Limited

Report and financial statements 2010

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Attheraces Holdings Limited

Report and financial statements 2010

Officers and professional advisers

Directors

Richard Dovey
Mark Elliott
Ian Renton
Mark Winterbottom
Charles Barnett
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 2010

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

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

2010 was a record year for the group in terms of audience delivery across both the TV channel and website. BARB figures in 2010 reported regular monthly TV reach audiences for At The Races in excess of 1.9m viewers and taking Irish audiences into account the channel now regularly reaches more than 2m people each month. The channel continues to be available to over 13m households in the UK and Ireland via basic cable and satellite packages. Attheraces.com traffic peaked at over 970,000 monthly unique users with an average across the year of over 820,000 users per month. 2010 saw the site switch to a Flash based streaming service for all video content prompting a significant increase in streams served either directly to users or via bookmaker partner sites. Overall traffic, page impressions and video streams grew by an average of 40% year on year. The process for moving the website's hosting and development operations in-house began in 2010 and will be completed during 2011.

A five year renewal with BSkyB was agreed in respect of licensing the channel's distribution into commercial premises in the UK and Ireland. The deal will secure revenues from July 2011 until June 2016.

From March 1st 2010 the group 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 shareholders to the betting premises of international customers. The joint venture arrangements have already helped deliver further growth and increasing profitability to the group's international business. This trend is set to continue in 2011 with existing customers importing more product and potentially new markets opening up in Eastern Europe and Asia.

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 2010 are shown on page 8.

There were no dividends paid or proposed during the year (2009 - £nil).

Attheraces Holdings Limited

Directors' report (continued) For the year ended 31 December 2010

Directors and their interests

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

Richard Dovey

Mark Elliott

Ian Renton

Neil Martin (resigned 30th June 2010)

Charles Barnett

Anthony Kelly

Mark Winterbottom (appointed 1st July 2010)

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. 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 2010

Key performance indicators

Turnover for the year increased from £16.1m to £19.2m, growth of 19%. Gross profits increased from £10.2m to £11.8m, gross margin decreased to 61% (2009: 63%). Overheads increased by 7%. The operating profit improved from a profit of £1.41m in 2009 to £2.46m in 2010. The group made a profit on ordinary activities before taxation for the year of £2.78m compared to the previous year of £1.29m.

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

11 March 2011

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 2010 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 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 2010 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 2010 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 11 March 2011*

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 2010

	Note	2010 £'000	2009 £'000
Turnover	2	19,162	16,083
Cost of sales		(7,344)	(5,904)
Gross profit		11,818	10,179
Administrative expenses		(9,361)	(8,771)
Operating profit	3	2,457	1,408
Interest receivable and similar income		4	10
Interest payable to shareholders	15	(138)	(180)
Profit on ordinary activities before taxation		2,323	1,238
Taxation credit	5	455	55
Profit for the year transferred to reserves	14	2,778	1,293

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 £113,000 (2009 loss £150,000).

Attheraces Holdings Limited

Reconciliation of movements in consolidated shareholders' deficit For the year ended 31 December 2010

		2010	2009
		£'000	£'000
Profit for the year	14	2,778	1,293
Opening shareholders' deficit		<u>(6,065)</u>	<u>(7,358)</u>
Closing shareholders' deficit		<u>(3,287)</u>	<u>(6,065)</u>

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

Attheraces Holdings Limited

Consolidated balance sheet As at 31 December 2010

Company Number: 4153457

	Note	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	6	410	187
Current assets			
Debtors	8	7,328	5,811
Cash at bank and in hand		1,670	1,407
		8,998	7,218
Creditors: amounts falling due within one year	9	(4,182)	(4,157)
Net current assets		4,816	3,061
Total assets less current liabilities		5,226	3,248
Creditors: amounts falling due after more than one year	10	(8,513)	(9,313)
Net liabilities		(3,287)	(6,065)
Capital and reserves			
Called up share capital	11	3	3
Share premium	12	106,105	106,105
Profit and loss account	14	(109,395)	(112,173)
Shareholders' deficit		(3,287)	(6,065)

These financial statements were approved and authorised for issue by the Board of Directors on 9/3/2011

Signed on behalf of the Board of Directors

Director



Charles Barnett

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

Attheraces Holdings Limited

Company balance sheet As at 31 December 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Investments	7	<u>14</u>	<u>14</u>
Current assets			
Debtors	8	6,351	7,356
Cash at bank and in hand		<u>3</u>	<u>3</u>
		6,354	7,359
Creditors' amounts falling due within one year	9	(97)	(189)
Net current assets		<u>6,257</u>	<u>7,170</u>
Total assets less current liabilities		6,271	7,184
Creditors: amounts falling due after more than one year	10	<u>(8,513)</u>	<u>(9,313)</u>
Net liabilities		<u>(2,242)</u>	<u>(2,129)</u>
Capital and reserves			
Called up share capital	11	3	3
Share premium account	12	106,105	106,105
Profit and loss account		<u>(108,350)</u>	<u>(108,237)</u>
Shareholders' deficit	13	<u>(2,242)</u>	<u>(2,129)</u>

These financial statements were approved and authorised for issue by the Board of Directors on 9/3 / 2011

Signed on behalf of the Board of Directors

Director



Charles Barnett

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 2010

	Note	2010 £'000	2009 £'000
Net cash inflow from operating activities	(i)	1,594	1,206
Returns on investments and servicing of finance			
Interest received		4	10
Shareholder interest payments		(230)	(600)
Taxation			
Payment received for consortium relief		26	-
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(331)	(31)
Cash outflow before financing		<u>1,063</u>	<u>585</u>
Financing			
Loans repaid during the year	(ii)	<u>(800)</u>	<u>-</u>
Increase in cash in the year	(iii)	<u><u>263</u></u>	<u><u>585</u></u>

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 2010

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

	2010 £'000	2009 £'000
Operating profit	2,457	1,408
Depreciation	98	98
Increase in debtors (not including accrued consortium relief)	(876)	(754)
Increase in creditors and provisions (excluding loans and accrued interest)	116	569
Other non-cash transactions	(201)	(115)
Net cash inflow from operating activities	1,594	1,206

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

	2010 £'000	2009 £'000
Increase in cash in the period	263	585
Cash outflow from change in debt	800	-
Movement in net debt in the year	1,063	585
Net debt at 1 January	(7,906)	(8,489)
Net debt at 31 December	(6,843)	(7,906)

(iii) Analysis of movement in net debt

	1 January 2010 £'000	Cash flow £'000	Non-cash transactions £'000 (note iv)	31 December 2010 £'000
Cash at bank and in hand	1,407	263	-	1,670
Debt due after 1 year	(9,313)	800	-	(8,513)
Total	(7,906)	1,063	-	(6,843)

(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 2010

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 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 £2.78 million for the year ended 31 December 2010 and had net liabilities of £3.3m as at 31 December 2010. The group does not have any 3rd party debt and is funded via shareholders' loans which are set out in note 11 to these accounts. As at the 31 December 2010 the group had drawn down £8.5m 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 2010

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 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	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.

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2010

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.

	2010 £'000	2009 £'000
Turnover by activity		
Exploitation of rights	9,555	8,710
Overseas income		
- South Africa	1,048	933
- Europe	3,292	2,324
- Other Pari-mutuel markets	2,896	1,673
- Other Fixed odds markets	1,917	1,889
Other	454	554
	<u>19,162</u>	<u>16,083</u>

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2010

3 Operating profit

Operating profit is stated after charging

	2010 £'000	2009 £'000
Depreciation of tangible fixed assets	98	125
Hire of assets		
- Operating leases	97	50
Auditors' remuneration		
- audit of parent company	2	2
- audit of subsidiary undertakings	33	33
- other taxation services	13	138
	<u> </u>	<u> </u>

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, £20,187 (2009 £14,909) of outstanding pension contributions have been included in accruals

Average monthly number of persons employed including directors:

	2010 No.	2009 No.
Sales and distribution	4	3
Administration	12	12
	<u>16</u>	<u>15</u>

Staff costs, including directors, comprised.

	2010 £'000	2009 £'000
Wages and salaries	1,506	1,437
Social security costs	161	170
Pension costs	89	88
	<u>1,756</u>	<u>1,695</u>

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2010

5. Tax on loss on ordinary activities

	2010 £'000	2009 £'000
(i) Analysis of tax credit on ordinary activities		
Consortium relief credit	26	30
Withholding tax charge	(201)	(145)
Total current tax	(175)	(115)
Deferred tax asset (note 8)	630	170
Taxation on profit on ordinary activities	455	55
	2010	2009
	%	%
(ii) Factors affecting tax charge for the current period		
Standard tax rate for year as a percentage of profits	28	28
Effects of		
Utilisation of brought forward losses	(28)	(28)
Consortium relief	(1)	(2)
Withholding tax	9	12
Deferred tax	(27)	(14)
Current tax rate for period as a percentage of profits	(19)	(4)

A withholding tax charge of £200,159 (2009 £145,070) 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 2010

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 2010	39	346	389	7	781
Additions	144	27	126	24	321
At 31 December 2010	183	373	515	31	1,102
Accumulated depreciation					
At 1 January 2010	(35)	(257)	(296)	(6)	(594)
Charge for year	(11)	(37)	(48)	(2)	(98)
At 31 December 2010	(46)	(294)	(344)	(8)	(692)
Net book value					
At 31 December 2010	137	79	171	23	410
At 31 December 2009	4	89	93	1	187

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 2010

7. Fixed asset investments

Company	Subsidiary undertaking £'000
Cost and net book value At 31 December 2010 and 2009	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
GBI Racing Limited	Great Britain	50%	Exploitation of worldwide broadcasting, media and information rights

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

8. Debtors

	2010		2009	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	3,868	-	3,562	-
Amounts owed by subsidiary undertakings		6,327	-	7,326
Other debtors	321	24	591	-
Other taxation and social security	597	-	-	-
Prepayments and accrued income	1,742	-	1,488	-
Deferred tax asset	800	-	170	-
	<u>7,328</u>	<u>6,351</u>	<u>5,811</u>	<u>7,356</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 2010

Deferred Tax

	2010		2009	
	Group £'000	Company £'000	Group £'000	Company £'000
At 1 January	170	-	-	-
Credited to the profit and loss account (note 5)	630	-	170	-
At 31 December	800	-	170	-

All deferred tax relates to brought forward losses

9. Creditors: amounts falling due within one year

	2010		2009	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	1,303	-	1,804	-
Other creditors including other taxation and social security	221	97	277	189
Accruals and deferred income	2,658	-	2,076	-
	4,182	97	4,157	189

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

	2010		2009	
	Group £'000	Company £'000	Group £'000	Company £'000
Other loans (i)	8,513	8,513	9,313	9,313
	8,513	8,513	9,313	9,313
Analysis of financial liabilities:				
Two to five years	8,513	8,513	9,313	9,313
	8,513	8,513	9,313	9,313

- (i) At 31 December 2010 Arena Leisure Plc and Sky Ventures Limited had made loans to the group amounting to £4 257 million each (2009 - £4 656m). 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 2010

11. Called up share capital

Number and value of shares:

	2010 £	2009 £
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

	2010 £'000	2009 £'000
Share premium account at 1 January	106,105	106,105
Share premium at 31 December	<u>106,105</u>	<u>106,105</u>

13. Reconciliation of movements in company shareholders' deficit

	2010 £'000	2009 £'000
Loss for the year	(113)	(150)
Opening shareholders' deficit	(2,129)	(1,979)
Closing shareholders' deficit	<u>(2,242)</u>	<u>(2,129)</u>

Attheraces Holdings Limited

Notes forming part of the financial statements (continued) For the year ended 31 December 2010

14. Reconciliation of movements in group reserves

	2010 £'000	2009 £'000
Profit for the year	2,778	1,293
Profit and loss account brought forward	(112,173)	(113,466)
Profit and loss account carried forward	(109,395)	(112,173)

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 2010 £'000
Arena Leisure Plc	Media rights & contribution to picture provision	(2,501)	(261)
	Shareholder loan interest	(69)	(51)
Ascot Racecourse Limited	Media rights & Contribution to picture provision and hospitality	(462)	-
British Sky Broadcasting Limited	Sale of broadcasting rights and commissions	3,066	493
	Programme related management charges	(1,001)	-
	Shareholder loan interest	(69)	(51)
	Consortium relief	26	-
Northern Racing Limited	Media Rights and Sponsorship	(693)	-
The Ripon Race Company Limited	Media Rights and Sponsorship	(66)	-
Plumpton Racecourse Limited	Media Rights and Sponsorship	(76)	-
The Newton Abbot Races Limited	Media Rights and Sponsorship	(42)	(42)

At 31 December 2010, Arena Leisure Plc and Sky Ventures Limited had made loans to the Group amounting to £4 257 million each. These loans bear interest at 1% over LIBOR and are repayable by Attheraces Holdings Limited subject to giving 28 days notice to the noteholders. The noteholders may demand repayment of the loans on or at any time after 31 December 2013. Interest is charged to the Profit & Loss as it is incurred.

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Notes forming part of the financial statements (continued) For the year ended 31 December 2010

16 Commitments under operating leases

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

	2010	2009
	£	£
Operating leases which expire	<u> </u>	<u> </u>
In two to five years	<u>64,757</u>	<u>-</u>