

Attheraces Holdings Limited

Report and Consolidated Financial Statements

Year Ended

31 December 2015

Company Number 04153457

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Attheraces Holdings Limited

Company Information

Directors

S Nahum
J Hutchinson
R Verow
M Winterbottom
M Cruddace
R Bowes

Company secretary T A Walsh

Registered number 04153457

Registered office

Millbank Tower
21-24 Millbank
London
SW1P 4QP

Independent auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Attheraces Holdings Limited

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Attheraces Holdings Limited

Group Strategic Report For the Year Ended 31 December 2015

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

Principal activity

The principal activities of the group during the year continued to be the worldwide exploitation of broadcast, media and other rights acquired from racecourses throughout the UK and internationally and the provision of content services.

Review of development and future prospects

The group's revenues were up 15% on 2014 at £31.7m. Returns to racecourses by way of media rights payments increased by 31%.

The At The Races Channel delivered record monthly reach audiences, twice hitting more than 2.5 million individuals in a month, with an average monthly reach of over 2.1 million individuals. Advertising impacts in the UK and Ireland totalled 1.8 billion across the year, up 6% on 2014 (BARB/Nielsen).

A new attheraces.com website and dedicated apps for IOS and Android were launched in the summer of 2015. Affiliate betting revenues were increased by 7% on a like for like basis despite betting operators suffering several adverse results. All of the company's key indicators - turnover (+16%), active accounts (+14%) and acquisition levels (+23%) - were positive and provide encouraging signs for future growth given a return to more stable bookmaker trading conditions.

The market for live racing streamed online via bookmaker websites continues to show significant growth. Sport Mediastream (the company's wholly owned streaming platform) delivered over 80 million live race streams in 2015 through its 'Bet & Watch' service to qualifying users, up from 50 million live race streams in 2014. Sport Mediastream launched live streaming of greyhound racing for the first time in a deal with BAGS (Bookmakers Afternoon Greyhound Service). Further streaming deals were concluded with South African, Australian and US racing rights holders.

International sales of the group's UK and Irish horseracing coverage through joint venture, GBI Racing, realised record revenues (+20% y/y) despite some adverse forex impact. Strong growth was delivered in markets including US and Israel. New business in 2016, notably in Greece and Spain, is likely to improve revenues further.

Principal risks and uncertainties

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.

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.

This report was approved by the board on 27 September 2016 and signed on its behalf.


T A Walsh
Company Secretary

Attheraces Holdings Limited

Directors' Report For the Year Ended 31 December 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

Results and dividends

The results of the group for the year ended 31 December 2015 are shown on page 8. Further details on the review of the business can be found within the Strategic Report.

Interim dividends paid during the year amounting to £1.5m (2014 - £3.75m).

The directors have not recommended the payout of a final dividend (2014 - £Nil).

Directors

The Directors who served during the year were:

S Nahum
J Hutchinson
R Verow
M Winterbottom
M Cruddace
K Hills (resigned 8 March 2016)
A Kelly (resigned 31 July 2015)

Subsequent to the year end, R Bowes was appointed as a director on 27 April 2016.

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 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.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Attheraces Holdings Limited

Directors' Report For the Year Ended 31 December 2015

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *27 September 2016* and signed on its behalf.



T A Walsh
Company secretary

Attheraces Holdings Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2015

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Attheraces Holdings Limited

Independent Auditor's report to the members of Attheraces Holdings Limited

We have audited the financial statements of Attheraces Holdings Limited for the year ended 31 December 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Attheraces Holdings Limited

Independent Auditor's 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.

BDO LLP

Dominic Stammers (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
London
United Kingdom

28 September 2016

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

Attheraces Holdings Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2015

	Note	2015 £000	2014 £000
Turnover		31,669	27,454
Cost of sales		(16,826)	(13,611)
Gross profit		14,843	13,843
Administrative expenses		(12,477)	(12,349)
Operating profit		2,366	1,494
Share of profits in joint venture for the year		10	-
Profit before taxation		2,376	1,494
Profit for the year		2,376	1,494
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,376	1,494

All profit and comprehensive income is attributable to the owners of the parent company.

The notes on pages 13 to 32 form part of these financial statements.

Attheraces Holdings Limited

Registered number:04153457

Consolidated Statement of Financial Position As at 31 December 2015

	Note	2015 £000	2014 £000
FIXED ASSETS			
Intangible assets	10	630	636
Tangible assets	12	1,494	784
Investments	10	10	-
		<u>2,134</u>	<u>1,420</u>
CURRENT ASSETS			
Debtors	14	8,656	7,598
Cash at bank and in hand	15	3,712	3,050
		<u>12,368</u>	<u>10,648</u>
Creditors: amounts falling due within one year	16	(6,364)	(4,888)
NET CURRENT ASSETS		<u>6,004</u>	<u>5,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,138</u>	<u>7,180</u>
Creditors: amounts falling due after more than one year	17	(82)	-
PROVISIONS FOR LIABILITIES			
NET ASSETS		<u><u>8,056</u></u>	<u><u>7,180</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	3	3
Profit and loss account	20	8,053	7,177
		<u><u>8,056</u></u>	<u><u>7,180</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27 September 2016

M | Cruddace

Director

MARTIN CRUDDACE

The notes on pages 13 to 32 form part of these financial statements.

Attheraces Holdings Limited
Registered number:04153457

Company Statement of Financial Position
As at 31 December 2015

	Note	2015 £000	2014 £000
FIXED ASSETS			
Investments		1,614	1,614
		<u>1,614</u>	<u>1,614</u>
CURRENT ASSETS			
Debtors	14	12	12
Cash at bank and in hand	15	8	8
		<u>20</u>	<u>20</u>
NET ASSETS			
Creditors: amounts falling due within one year	16	(1,475)	(475)
		<u>(1,455)</u>	<u>(455)</u>
NET CURRENT LIABILITIES			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>159</u>	<u>1,159</u>
NET ASSETS		<u>159</u>	<u>1,159</u>
CAPITAL AND RESERVES			
Called up share capital	21	3	3
Profit and loss account	20	156	1,156
		<u>159</u>	<u>1,159</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27 September 2016

Director

M Cruddace

Martin Cruddace

Attheraces Holdings Limited

Consolidated Statement of Changes in Equity As at 31 December 2015

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2015	3	7,177	7,180
Comprehensive income for the year			
Profit for the year	-	2,376	2,376
Total comprehensive income for the year	-	2,376	2,376
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,500)	(1,500)
Total transactions with owners	-	(1,500)	(1,500)
At 31 December 2015	3	8,053	8,056

Consolidated Statement of Changes in Equity As at 31 December 2014

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2014	3	9,433	9,436
Comprehensive income for the year			
Profit for the year	-	1,494	1,494
Total comprehensive income for the year	-	1,494	1,494
Contributions by and distributions to owners			
Dividends: Equity capital	-	(3,750)	(3,750)
Total transactions with owners	-	(3,750)	(3,750)
At 31 December 2014	3	7,177	7,180

The notes on pages 13 to 32 form part of these financial statements.

Attheraces Holdings Limited

Company Statement of Changes in Equity As at 31 December 2015

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2015	3	1,156	1,159
Comprehensive income for the year			
Profit for the year	-	500	500
Total comprehensive income for the year	-	500	500
Dividends: Equity capital	-	(1,500)	(1,500)
Total transactions with owners	-	(1,500)	(1,500)
At 31 December 2015	3	156	159

Company Statement of Changes in Equity As at 31 December 2014

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2014	3	4,906	4,909
Dividends: Equity capital	-	(3,750)	(3,750)
Total transactions with owners	-	(3,750)	(3,750)
At 31 December 2014	3	1,156	1,159

The notes on pages 13 to 32 form part of these financial statements.

Attheraces Holdings Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2015

	2015 £000	2014 £000
Cash flows from operating activities		
Profit for the financial year	2,376	1,494
Adjustments for:		
Amortisation of intangible assets	186	153
Depreciation of tangible assets	378	266
(Increase)/decrease in debtors	(1,058)	372
Increase/(decrease) in creditors	1,558	(979)
Share of profit in joint ventures	(10)	-
Net cash generated from operating activities	3,430	1,306
Cash flows from investing activities		
Purchase of intangible fixed assets	(180)	(176)
Purchase of tangible fixed assets	(1,088)	(283)
Net cash from investing activities	(1,268)	(459)
Cash flows from financing activities		
Dividends paid	(1,500)	(3,750)
Net cash used in financing activities	(1,500)	(3,750)
Net increase / (decrease) in cash and cash equivalents	662	(2,903)
Cash and cash equivalents at beginning of year	3,050	5,953
Cash and cash equivalents at the end of year	3,712	3,050
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,712	3,050
	3,712	3,050

The notes on pages 13 to 32 form part of these financial statements.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

1. General information

Attheraces Holdings Limited is a company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the joint venture. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in joint ventures are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

The company has 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 had been accounted for as a JANE under UK GAAP. On transition to FRS102 the company's investment in GBI Racing Limited is accounted for as a Joint Venture.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.4 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 1. On page 1 of the financial statements the directors have set out the group's objectives, policies and processes for managing the group's exposures to credit risk and liquidity risk.

The group generated a profit after tax of £2.376 million for the year ended 31 December 2015 (2014 - £1.494m) and had net assets of £8.056 million (2014 - £7.180m) as at 31 December 2015. The group does not have any 3rd party debt or shareholders loans. The Company is funded through equity and cashflows generated.

Integral to the future prospects of the business is the long term extension of the Media Rights Agreements. The agreements and arrangement between the licensors and licensees have been concluded and agreed in the year ended 31 December 2015.

The group has adequate 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, 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.

2.5 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.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.6 Intangible assets

Development costs are charged to the Statement of Comprehensive Income 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. The rates of amortisation are as follows:

Streaming assets	-	25% per annum
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2.7 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

Leasehold property	-	25% per annum
Office equipment	-	Between 14% and 25% per annum
Furniture and equipment	-	25% per annum
Computer equipment and fittings	-	33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.9 Investment

Investments held as fixed assets are stated at cost less provision for impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.12 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

2.15 Interest

Interest is charged to the Statement of Comprehensive Income as it is incurred.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred taxation is provided in full on timing differences which result in an obligation at the Statement of Financial Position 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.

2.19 Financial liability and equity

Financial liabilities and equity instruments are initially measured at the amount of the net proceeds received.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the directors have made the following judgements:

- Determine whether there are indicators or impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determination of whether expenditure on intangible assets meet the criteria for capitalisation.
- Determine the extent to which deferred tax assets are recognised upon the taxable profits that are expected to arise in the future.

Other key sources of estimation and uncertainty:

- Tangible and intangible fixed assets (see notes 10 & 12)
Tangible and intangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Analysis of turnover

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 and geographical location are set out below:

	2015 £000	2014 £000
Turnover by activity		
Exploitation of rights - UK	24,270	21,176
Exploitation of rights - International	5,724	4,962
Other Pari-mutuel markets	912	675
Other	763	641
	<u>31,669</u>	<u>27,454</u>

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

Turnover by country of destination

	2015 £000	2014 £000
United Kingdom	7,305	5,906
Rest of Europe	19,068	16,993
Rest of the World	5,296	4,555
	<u>31,669</u>	<u>27,454</u>

5. Operating profit

The operating profit is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets and amortisation of intangible assets	564	419
Operating leases	523	300
Fees payable to the Group's auditor and its associates for:		
- The audit of the parent company's annual accounts	2	2
- The audit of the Group's subsidiary undertakings	30	25
- Taxation compliance services	10	10
	<u>529</u>	<u>456</u>

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

6. Employees

Staff costs, including Directors' remuneration, were as follows:

	2015 £000	2014 £000
Wages and salaries	2,424	2,326
Social security costs	306	306
Pension costs	139	145
	<u>2,869</u>	<u>2,777</u>

During the year end, £Nil (2014 - £Nil) of outstanding pension contributions have been included in accruals.

The average monthly number of employees, including the Directors, during the year was as follows:

	2015 No.	2014 No.
Sales and distribution	6	5
Administration	31	27
	<u>37</u>	<u>32</u>

7. Directors' remuneration

	2015 £000	2014 £000
Directors' emoluments	388	376
Pension contributions	19	19
	<u>407</u>	<u>395</u>

The above emoluments relate to one director that received emoluments during the year (2014 - 1).

All emoluments are paid through Attheraces Limited, a subsidiary of Attheraces Holdings Limited.

Pension contributions were made on behalf of one director into a personal money purchase scheme.

At the year end, there were £Nil (2014 - £Nil) outstanding pension contributions.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

8. Taxation

	2015 %	2014 %
Standard rate of tax for the year as a percentage of profit:	20.25	21.50
Effects of:		
Brought forward losses utilised	(20.25)	(21.50)
Actual tax rate for the year	-	-

9. Dividends

	2015 £000	2014 £000
Dividends paid on ordinary shares of £473.48 per share (2014 - £1,146.44)	1,500	3,750
	1,500	3,750

10. Intangible assets

Group

	Streaming assets £000
Cost	
At 1 January 2015	838
Additions	180
At 31 December 2015	1,018
Amortisation	
At 1 January 2015	202
Charge for the year	186
At 31 December 2015	388
Net book value	
At 31 December 2015	630
At 31 December 2014	636
The company does not own any intangible fixed assets.	

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £500,000 (2014 - £Nil).

12. Tangible fixed assets

Group

	Leasehold property £000	Office equipment £000	Furniture and equipment £000	Computer equipment and fittings £000	Total £000
Cost or valuation					
At 1 January 2015	197	708	64	1,306	2,275
Additions	549	-	-	539	1,088
Disposals	(29)	(324)	(8)	(407)	(768)
At 31 December 2015	717	384	56	1,438	2,595
Depreciation					
At 1 January 2015	192	496	51	752	1,491
Charge owned for the period	102	59	7	210	378
Disposals	(29)	(324)	(8)	(407)	(768)
At 31 December 2015	265	231	50	555	1,101
Net book value					
At 31 December 2015	452	153	6	883	1,494
At 31 December 2014	5	212	13	554	784

The company does not own any tangible fixed assets.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

13. Fixed asset investments

Group

	Joint Venture £
Cost	
At 1 January and 31 December 2015	50
Share of retained profits	
Profit for the year	9,500
At December 2015	9,500
Net book value	
At December 2015	9,550
At December 2014	50
Subsidiary undertakings, associated undertakings and other investments	

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

Name	Country of incorporation	Class of shares	Proportion of voting rights and share capital	Principal activity
GBI Racing Limited	Great Britain	Ordinary	50 %	Exploitation of certain worldwide broadcasting, media and information rights to horseraces held at its affiliated racecourses.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

Fixed asset investments (continued) (continued)

Company

Investments
in
subsidiary
companies
£000

Cost

At 1 January 2015 and 31 December 2015

1,614

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation	Class of shares	Holding	Principal activity
Subsidiary undertakings				
Attheraces Limited	Great Britain	Ordinary	100%	Exploitation of worldwide broadcasting, media and information rights
Attheraces (UK) Limited	Great Britain	Ordinary	100%	Dormant company
Go Racing Limited	Great Britain	Ordinary	100%	Dormant company
Attheraces (Gibraltar) Limited	Gibraltar	Ordinary	100%	Dormant company
Joint ventures				
GBI Racing Limited	Great Britain	Ordinary	50%	Exploitation of certain worldwide broadcasting, media and information rights to horseraces held at its affiliated racecourses.

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

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

14. Debtors

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Due within one year				
Trade debtors	3,848	3,095	-	-
Other debtors	242	200	12	12
Prepayments and accrued income	3,176	2,924	-	-
Tax recoverable	11	-	-	-
Deferred taxation (note 19)	1,379	1,379	-	-
	<u>8,656</u>	<u>7,598</u>	<u>12</u>	<u>12</u>

15. Cash and cash equivalents

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Cash at bank and in hand	<u>3,712</u>	<u>3,050</u>	<u>8</u>	<u>8</u>

16. Creditors: Amounts falling due within one year

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Trade creditors	1,573	1,027	-	-
Amounts owed to group undertakings	-	-	1,475	475
Taxation and social security	217	129	-	-
Other creditors	6	8	-	-
Accruals and deferred income	4,568	3,724	-	-
	<u>6,364</u>	<u>4,888</u>	<u>1,475</u>	<u>475</u>

17. Creditors: Amounts falling due after more than one year

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Accruals and deferred income	<u>82</u>	<u>-</u>	<u>-</u>	<u>-</u>

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

18. Financial instruments

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	7,802	6,345	20	20
Financial liabilities				
Financial liabilities measured at amortised cost	(6,229)	(4,761)	(1,475)	(475)

Financial assets measured at amortised cost comprise cash and debtors (excluding prepayments and taxation).

Financial Liabilities measured at amortised cost comprise creditors (excluding taxation)

19. Deferred taxation

Group

	Deferred tax £000
At 1 January 2015	1,379
At 31 December 2015	1,379

The deferred tax asset relates to losses brought forward.

20. Reserves

Profit and loss account

Profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

21. Share capital

	2015 £000	2014 £000
Authorised		
9,999 (2014 - Nil) Ordinary Shares shares of £1 each	-	10
100 (2014 - Nil) Recoupment Shares shares of £0.01 each	-	-
	<u>-</u>	<u>10</u>
Allotted, called up and fully paid		
103 (2014 - Nil) D Shares shares of £1 each	-	-
616 (2014 - Nil) New Recoupment Shares shares of £0.00001 each	-	-
3,168 (2014 - 3,271) Ordinary Shares shares of £1 each	3	3
55 (2014 - 55) (2014 - Nil) Recoupment Shares shares of £0.01 each	-	-
	<u>3</u>	<u>3</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.

22. Commitments under operating leases

At 31 December 2015 the future minimum lease payments under non-cancellable operating leases were as follows:

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Operating leases which expire:				
Not later than 1 year	184	-	-	-
Later than 1 year and not later than 5 years	365	300	-	-
	<u>549</u>	<u>300</u>	<u>-</u>	<u>-</u>

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

23. Related party transactions

Transactions with Shareholders

The following have been identified as related parties due to the companies having a shareholding in the group during the year.

As at 31 December 2015 the group had the following amounts owed to/(owed by) related parties:

	2015 £000	2014 £000
Ripon Racecourse Limited	-	30
Plumpton Racecourse Limited	9	9
Ascot Racecourse Limited	-	2
Sky UK Limited	(1,017)	(491)

During the year the group made the following purchases from related parties:

	2015 £000	2014 £000
Arena Leisure Limited	5,867	5,260
Northern Racing Limited	1,645	1,487
Ripon Racecourse Limited	240	212
Plumpton Racecourse Limited	222	211
Ascot Racecourse Limited	-	114
Sky UK Limited	940	898

During the year the group made the following sales to related parties:

	2015 £000	2014 £000
Sky UK Limited	6,224	5,006

Transactions with Joint Venture

During the year, the group received licence fees of £5,724,000 (2014 - £4,962,000) from its joint venture GBI Racing Limited. The amount owed to the Group by GBI Racing Limited at the year end was £1,955,485 (2014 - £1,785,440).

24. Ultimate controlling party

The directors consider Arena Racing Corporation Limited to be the immediate controlling party by virtue of its combined ownership of 50.45% of the share capital in Attheraces Holdings Limited. At the year end the ultimate controlling party was Landal Worldwide Corp, a company registered in the British Virgin Islands.

On 31 March 2016 Omaha Business Holdings Corp, a company registered in the British Virgin Islands, became the ultimate controlling party.

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

25. First time adoption of FRS 102

Group

	As previously stated 1 January 2014 £000	Effect of transition 1 January 2014 £000	FRS 102 (as restated) 1 January 2014 £000	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Note						
Fixed assets	1,380	(44)	1,336	1,422	(2)	1,420
Current assets	13,933	(926)	13,007	12,088	(1,440)	10,648
Creditors: amounts falling due within one year	(5,860)	963	(4,897)	(6,323)	1,435	(4,888)
Net current assets	8,073	37	8,110	5,765	(5)	5,760
Total assets less current liabilities	9,453	(7)	9,446	7,187	(7)	7,180
Net assets	9,453	(7)	9,446	7,187	(7)	7,180
Capital and reserves	9,453	(7)	9,446	7,187	(7)	7,180

Attheraces Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

25. First time adoption of FRS 102 (continued)

		As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Turnover	Note	30,096	(2,642)	27,454
Cost of sales		(15,508)	1,897	(13,611)
		<hr/>	<hr/>	<hr/>
		14,588	(745)	13,843
Administrative expenses		(12,912)	563	(12,349)
		<hr/>	<hr/>	<hr/>
Operating profit		1,676	(182)	1,494
Taxation		(182)	182	-
		<hr/>	<hr/>	<hr/>
Profit on ordinary activities after taxation and for the financial year		<u>1,494</u>	<u>-</u>	<u>1,494</u>

Explanation of changes to previously reported profit and equity:

- 1 The company has a licensing agreement with GBI Racing Limited, its joint venture with Racing UK, for the exploitation of the combined media rights of both companies. The company's licensing arrangements with GBI Racing Limited had been accounted for as a JANE under UK GAAP. On transition to FRS102 the company's investment in GBI Racing Limited is accounted for as a joint venture.

Company

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.