

# **Attheraces Holdings Limited**

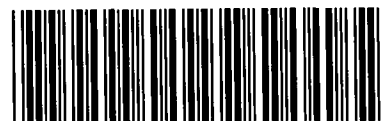
**Report and Financial Statements**

**Period ended**

**31 December 2019**

**Company Number 04153457**

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# **Attheraces Holdings Limited**

## **Report and financial statements for the period ended 31 December 2019**

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### **Directors**

S A J Nahum  
J M Hutchinson  
R Verow (resigned 07.11.2019)  
M J Winterbottom  
M J Cruddace  
J Conyers  
K S Robertson  
D J Thompson  
A J Thomson (appointed 30.01.2020)

### **Secretary and registered office**

T A Walsh, Millbank Tower, 21-24 Millbank, London, SW1P 4QP

### **Company number**

04153457

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# Attheraces Holdings Limited

## Strategic report for the period ended 31 December 2019

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The directors present their annual report and the audited financial statements for the 18 month period ended 31st December 2019.

### Principal activity

The principal activity of the company is that of an investment holding company. The company is the parent company of Attheraces Limited. The principal activities of Attheraces Limited are the exploitation of worldwide broadcast, media and other information rights acquired from racecourses throughout the UK and internationally and the provision of content services.

### Review of the business including developments future prospects and uncertainties facing the company

The results and position of the company are shown in the statement of comprehensive income on page 10 and the statement of financial position on page 11. The net assets of the company were £154,000 as at 31 December 2019, in line with the net assets of £154,000 as at 30 June 2018. Details of the dividends paid in the period are shown in the directors' report on page 4.

As an investment holding company, the review of the company's business is intrinsically linked to the performance of its subsidiary and as such the following is noted in respect of the performance of Attheraces Limited:

The company's revenues for the 18 month period ended 31 December 2019 were £64.0m compared to £40.6m for the year ended 30 June 2018. Profit before tax for the period was reduced to £4.9m (year ended 2018: £7.2m) as the company paid an increased proportion of revenues back as media rights returns to its racecourse partners. The company's net assets increased from £18.8m as at 30 June 2018 to £21.9m as at 31 December 2019.

The Sky Sports Racing TV channel had a successful launch in January 2019 broadcasting from its purpose-built studio at Sky, Osterley. New presenting talent joined the established team and production innovations were introduced including super-slow-motion cameras and Sky Pad touchscreen technology. Average monthly audience reach grew by +27% 2019 v 2018 (BARB).

This performance was despite the loss of Irish racing rights which led to an expected decline in viewing in Ireland. The period saw the commencement in March 2019 of new media rights agreements with Ascot Racecourse and Chester Race Company. Coinciding with the launch of Sky Sports Racing, the company also acquired exclusive, new broadcast rights for French racing and Hong Kong racing in the UK as well as North American racing from NYRA, Woodbine and Keeneland.

The company continued to grow its core distribution business, increasing revenues from the licensing and delivery of streaming content to UK online bookmaker customers. US racing, French racing and greyhound racing all contributed to growth.

Affiliate betting revenues suffered during the period, largely due to the impact on bookmakers of new GDPR and KYC regulations alongside Equine Flu and Cheltenham Festival trading performance. Underlying key metrics continued to perform well with the attheraces.com website and app generating 10m+ user sessions per month on average (+8% - Google Analytics) and numbers of active affiliate players and new affiliate customer acquisitions also increased, as reported by the company's multiple bookmaker customers.

# Attheraces Holdings Limited

## Strategic report for the period ended 31 December 2019 (*continued*)

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In the first year of operating an independent international licensing function outside of the previous GBI Racing joint venture, the business outperformed budget with strong growth in US, France, Japan and Turkey mitigating shortfall in Italy. All former GBI Racing customers moved over to direct deals with the company. New picture signal delivery processes were implemented in collaboration with Phumelela in South Africa which enabled costs of distribution to be managed and in some areas reduced. The company licensed and delivered the first ever UK racing simulcasts in Japan through its agreement with the Japan Racing Association. A tax refund was received from the Israeli Tax Authority in respect of the company's share of GBI Racing's revenues from Israel during the period 2013 to 2018.

The company was positioned well for growth in 2020 before the impact of the Covid-19 pandemic. From March 18<sup>th</sup> 2020 all UK horse racing was suspended. The loss of all domestic horse racing product for a period of 10 weeks until June 1<sup>st</sup> 2020 had a severe impact on core business revenues with domestic and international revenues from UK horse racing immediately reduced to zero.

Some of the company's international content remained operational through April and May 2020, however, the resilient and diversified nature of the business helped deliver an exceptional net break-even performance in June 2020. All cost bases were thoroughly reviewed through the period. The company was able to retain all its staff without furloughing. Despite the lack of live UK horse racing content during the period 18 March 2020 – 31 May 2020, audiences for the channel held up well [1.8 million average UK monthly reach, March-May – BARB] as Sky Sports Racing continued to show live international content from Hong Kong, USA and Australia during this period and French racing when it resumed on 11 May 2020. Once UK racing resumed in June 2020 the company produced increased revenues against UK streaming services versus prior year and was able to support its racecourse partners during the early stages of racing resumption and recovery and the channel audiences grew again [2.2 million monthly reach, June – BARB].

With a strong cash reserve and balance sheet, the business is well positioned to cope with further Covid-19-related interruptions to UK racing. The experience of managing the business through the initial wave of the pandemic, successfully establishing remote working practices and infrastructures and a positive reaction from the bookmaker market and public to what is normally seen as secondary product (compared with domestic racing) from the US, Hong Kong and France has in some ways left the business stronger – early signs indicate that customers are engaged with US and French racing more than they were pre-Covid-19.

# Attheraces Holdings Limited

## Strategic report for the period ended 31 December 2019 (*continued*)

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### Financial risk management objectives and policies

#### *Credit Risk*

The risk of financial loss due to a counter party'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.

Our credit control processes have ensured that over several years the business has incurred no material bad debts and we aim to maintain the same level of efficiency going forward.

#### *Foreign exchange risk*

The company will operate in a number of overseas markets and will invoice in local currencies, giving the company exposure to foreign exchange risk. The Board is responsible for managing foreign exchange risks and the company is exploring the use of derivative financial instruments in the form of forward foreign exchange contracts to mitigate risk and provide more budget certainty.

#### *Liquidity Risk*

The company seeks to mitigate liquidity risk by closely managing cash flows.

Despite the Covid-19 pandemic Attheraces Limited continues to generate strong operating profit and is in a position to meet all day to day business expenditure and make dividend payments to shareholders.

#### *Legislation and Regulation risk*

##### U.K. Exit from the European Union

The company's business is subject to risks relating to uncertainties and effects of the implementation of the United Kingdom's referendum to withdraw membership from the EU (referred to as "Brexit"), including financial, legal, tax and trade implications. At this stage we cannot predict the extent of any potential changes to the regulatory framework involving U.K. and EU regulation of media and broadcasting.

This report was approved by the board on *15 December 2020* and signed on its behalf.



T A Walsh  
Secretary

# Attheraces Holdings Limited

## Directors' report for the period ended 31 December 2019

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The directors present their report and the financial statements for the 18 month period ended 31 December 2019.

### Results and dividends

The results of the company for the period ended 31 December 2019 are shown on page 10. Further details on the review of the business can be found within the strategic report.

Interim dividends paid during the 18 month period amounted to £2m (30 June 2018 - £3m).

The directors have not recommended the payout of a final dividend (30 June 2018 - £Nil).

### Directors

The directors who served during the period were:

S A J Nahum  
J M Hutchinson  
R Verow (resigned 07.11.2019)  
M J Winterbottom  
M J Cruddace  
J Conyers  
K S Robertson  
D J Thompson

No director had any interests in the share capital of the company throughout the period.

### Insurance

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

### Going concern

The company achieved a profit of £2,000,000 for the period ended 31 December 2019 (30 June 2018 - £3,000,000) and had net assets of £154,000 (30 June 2018 - net assets of £154,000) as at 31 December 2019.

The company'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.

Attheraces Holdings Limited is dependent on the underlying trade of its principal investment Attheraces Limited, the information provided below is in respect of Attheraces Limited.

The COVID-19 pandemic affected the UK and most of the rest of the world significantly from mid-March 2020 with governments globally introducing restrictive measures to curb the spread of the virus. Attheraces Limited business was impacted primarily by the suspension of UK horse racing from 18 March 2020 until 1 June 2020 which led to a decline in domestic and international revenues from UK horse racing.

It was envisaged that Attheraces Limited would incur considerable operational losses across Q2 with revenues acutely down during a period of suspended UK racing and cost outlay largely being maintained. However, the diversified nature of the business and a positive recovery on resumption of racing in June meant Attheraces Limited was able to restrict accumulated losses across Q2 and deliver a break-even position for H1. Racing from US, Hong Kong and France was able to sustain certain revenue lines and support TV channel ratings which were higher than had been expected during the period without any live UK racing.

# Attheraces Holdings Limited

## Directors' report for the period ended 31 December 2019 (*continued*)

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### *Going concern (continued)*

As well as successfully navigating the height of the pandemic period and the suspension of UK racing, Attheraces Limited have also maintained strong cash reserves. This has enabled the business to remain self-sufficient, retain all employees on existing contracts without use of the Government furlough scheme and expedite rights payments to rights holders.

The resumption of UK racing on 1 June saw the business recover well with some revenue lines exceeding budget for that month.

Whilst the pandemic period has been highly challenging, Attheraces Limited is nonetheless projected to deliver a strong Y/E Operating profit as well as exceed both Revenue and Media Rights budgets.

Depending on the duration of the Covid-19 crisis and any sustained negative impact on general economic activity, Attheraces Limited could still see further challenges. Several stress tests have been performed which examine such issues as potential losses of domestic and/or international racing content coupled with mitigation plans. As part of these scenarios a forecast was prepared on the assumption that UK racing was suspended throughout the period to December 2021. Also assumed was revenue delivery in line with April 2020 when only a limited amount of international racing was operational as well as cuts in certain expenditure. Even under this stress test scenario, which the directors consider to be remote, the forecasts indicate that the Attheraces Limited will have sufficient cash resources throughout the forecast period to meet its liabilities as they fall due, supporting the conclusion that ultimately the Attheraces Holdings Limited as a parent company of Attheraces Limited is able to continue to operate as a going concern.

### **Directors' responsibilities statement**

The directors are responsible for preparing the 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Attheraces Holdings Limited

## Directors' report for the period ended 31 December 2019 (continued)

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### Matters covered in the strategic report

As permitted by paragraph 1A of Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the directors' report have been included within the strategic report. The relevant matters are: Information on financial risk management objectives and policies; information on exposures to risks and likely future developments in the business of the company.

### 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 the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the 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's auditors are aware of that information.

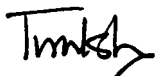
### Post balance sheet events

On 18 March 2020 all UK horseracing was suspended and the country went into lockdown on 23 March 2020 as a result of the COVID-19 pandemic. Notwithstanding the absence of UK horseracing content, Sky Sports Racing continued to broadcast international live horseracing and other content on a daily basis until UK horseracing resumed on 1 June 2020 'behind closed doors'. The company has performed much better than anticipated during lockdown, tight controls have been kept on costs and, with effective debt recovery processes in place, the company has emerged from lockdown with a strong cash position

### 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 15 December 2020 and signed on its behalf.



**T A Walsh**  
Secretary

# Attheraces Holdings Limited

## Independent auditor's report

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### TO MEMBERS OF ATTHERACES HOLDINGS LIMITED

#### Opinion

We have audited the financial statements of Attheraces Holdings Limited ("the Company") for the 18 month period ended 31 December 2019 which comprise Statement of comprehensive income, Statement of financial position, Statement of changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the period 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Attheraces Holdings Limited**

## **Independent auditor's report (*continued*)**

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### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

# Attheraces Holdings Limited

## Independent auditor's report (*continued*)

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### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

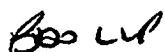
### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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.



*Dominic Stammers (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

Date 15 December 2020

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

# Attheraces Holdings Limited

## Statement of comprehensive income for the period ended 31 December 2019

	Note	18 months ended 31 December 2019 £'000	Year ended 30 June 2018 £'000
Dividends received from equity investments	6	2,000	3,000
Administrative expenses		-	-
<b>Profit and total comprehensive income before and after taxation for the financial period</b>		<b>2,000</b>	<b>3,000</b>

There was no other comprehensive income for 2019 (30 June 2018 - £Nil).


The notes on pages 13 to 20 form part of these financial statements.

# Attheraces Holdings Limited

## Statement of financial position at 31 December 2019

<b>Company number 04153457</b>	<b>Note</b>	<b>31 December 2019 £'000</b>	<b>31 December 2019 £'000</b>	<b>30 June 2018 £'000</b>	<b>30 June 2018 £'000</b>
<b>Fixed assets</b>					
Investments	9	1,614			1,614
<b>Current assets</b>					
Debtors	10	12		12	
Cash at bank and in hand		3		3	
		<u>15</u>		<u>15</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	11	(1,475)		(1,475)	
<b>Net current liabilities</b>		<u></u>	<u>(1,460)</u>	<u></u>	<u>(1,460)</u>
<b>Net assets</b>			<u>154</u>		<u>154</u>
<b>Capital and reserves</b>					
Called up share capital	12		3		3
Profit and loss account	13		151		151
<b>Shareholders' funds</b>			<u>154</u>		<u>154</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2020



K S Robertson  
Director

The notes on pages 13 to 20 form part of these financial statements.

# Attheraces Holdings Limited

## Statement of changes in equity for the period ended 31 December 2019

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 July 2018	3	151	154
<b>Comprehensive income for the period</b>			
Profit for the period	-	2,000	2,000
<b>Total comprehensive income for the period</b>	-	2,151	2,154
<b>Contributions by and distributions to owners</b>			
Dividends paid	-	(2,000)	(2,000)
<b>Total transactions with owners</b>	-	(2,000)	(2,000)
<b>At 31 December 2019</b>	<b>3</b>	<b>151</b>	<b>154</b>

## Statement of changes in equity for the year ended 30 June 2018

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 July 2017	3	151	154
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,000	3,000
<b>Total comprehensive income for the year</b>	-	3,151	3,154
<b>Contributions by and distributions to owners</b>			
Dividends paid	-	(3,000)	(3,000)
<b>Total transactions with owners</b>	-	(3,000)	(3,000)
<b>At 31 December 2018</b>	<b>3</b>	<b>151</b>	<b>154</b>

The notes on pages 13 to 20 form part of these financial statements.

# Attheraces Holdings Limited

## Notes forming part of the financial statements for the period ended 31 December 2019

### 1 General information

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

On 22 January 2019 the accounting reference date changed to 31 December to be coterminous with the group's year end.

### 2 Accounting policies

#### *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.

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

The following principal accounting policies have been applied:

#### *Financial reporting standard 102 - reduced disclosure exemptions*

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Sky Limited as at 31 December 2019 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### *Going concern*

The company achieved a profit of £2,000,000 for the period ended 31 December 2019 (30 June 2018 - £3,000,000) and had net assets of £154,000 (30 June 2018 - net assets of £154,000) as at 31 December 2019.

The company'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.

Attheraces Holdings Limited is dependent on the underlying trade of its principal investment Attheraces Limited, the information provided below is in respect of Attheraces Limited.

The COVID-19 pandemic affected the UK and most of the rest of the world significantly from mid-March 2020 with governments globally introducing restrictive measures to curb the spread of the virus. Attheraces Limited's business was impacted primarily by the suspension of UK horse racing from 18 March 2020 until 1 June 2020 which led to a decline in domestic and international revenues from UK horse racing.

# Attheraces Holdings Limited

## Notes forming part of the financial statements for the period ended 31 December 2019 (*continued*)

### 2 Accounting policies (*continued*)

#### *Going concern (continued)*

It was envisaged that Attheraces Limited would incur considerable operational losses across Q2 with revenues acutely down during a period of suspended UK racing and cost outlay largely being maintained. However, the diversified nature of the business and a positive recovery on resumption of racing in June in fact meant that Attheraces Limited was able to restrict accumulated losses across Q2 and deliver a break-even position for H1. Racing from US, Hong Kong and France was able to sustain certain revenue lines and support TV channel ratings which were higher than had been expected during the period without any live UK racing.

As well as successfully navigating the height of the pandemic period and the suspension of UK racing, the company has also maintained strong cash reserves. This has enabled the business to remain self-sufficient, retain all employees on existing contracts without use of the Government furlough scheme and expedite rights payments to rights holders.

The resumption of UK racing on 1 June saw the business recover well with some revenue lines exceeding the budget for that month.

Whilst the pandemic period has been highly challenging, Attheraces Limited is nonetheless projected to deliver a strong Y/E Operating profit as well as exceed both Revenue and Media Rights budgets.

Depending on the duration of the Covid-19 crisis and any sustained negative impact on general economic activity, Attheraces Limited could still see further challenges. Several stress tests have been performed which examine such issues as potential losses of domestic and/or international racing content coupled with mitigation plans. As part of these scenarios a forecast was prepared on the assumption that UK racing was suspended throughout the period to December 2021. Also assumed was revenue delivery in line with April 2020 when only a limited amount of international racing was operational as well as the cuts in certain expenditure. Even under this stress test scenario, which the directors consider to be remote, the forecasts indicate that the Attheraces Limited will have sufficient cash resources throughout the forecast period to meet its liabilities as they fall due, supporting the conclusion that ultimately the Attheraces Holdings Limited as a parent company of Attheraces Limited is able to continue to operate as a going concern.

#### *Consolidated financial statements*

The financial statements contain information about Attheraces Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

#### *Investment*

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

#### *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.

# Attheraces Holdings Limited

## Notes forming part of the financial statements for the period ended 31 December 2019 (*continued*)

### 2 Accounting policies (*continued*)

#### *Financial instruments*

Financial assets including cash at bank and trade and other debtors are measured initially at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

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. Financial liabilities including trade and other creditors as well as bank overdrafts are measured initially at transaction price (including transactions costs) and subsequently held at amortised cost.

Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

#### *Foreign currency translation*

Functional and presentation currency

**The company's functional and presentational currency is GBP.**

#### *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.

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

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

- Determining whether there are indicators of impairment of the company's investments in subsidiaries. Factors taken into consideration into reaching such a decision include the expected future performance of the subsidiaries.

### 4 Auditors' remuneration

The auditors of the company are remunerated through a fellow subsidiary.

### 5 Employees

The company has no employees. The directors do not receive any remuneration in respect of their services as directors to the company.

### 6 Income from investments

	18 months ended 31 December 2019 £'000	Year ended 30 June 2018 £'000
Income from fixed asset investments	2,000	3,000

# Attheraces Holdings Limited

Notes forming part of the financial statements  
for the period ended 31 December 2019 (continued)

## 7 Taxation

	18 months ended 31 December 2019 £'000	Year ended 30 June 2018 £'000
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

### Factors affecting tax charge for the period

The tax assessed for the period is lower than (30 June 2018 - lower than) the standard rate of corporation tax in the UK of 19.00 % (30 June 18 - 19.00%). The differences are explained below:

	18 months ended 31 December 2019 £'000	Year ended 30 June 2018 £'000
Profit on ordinary activities before tax	2,000	3,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00 % (30 June 2018 – 19.00%)	380	570
Effects of:		
Non-taxable income	(380)	(570)
Adjustment to opening and closing deferred tax to the average rate	-	-
Deferred tax not recognised	-	-
Total tax charge for the period	-	-

# Attheraces Holdings Limited

Notes forming part of the financial statements  
for the period ended 31 December 2019 (*continued*)

## 8 Dividends

	18 months ended 31 December 2019 £'000	Year ended 30 June 2018 £'000
<b>D Shares</b>		
Interim dividend of £1,941 (30 June 2018 - £2,912) per share	200	300
<b>Recoupment Shares</b>		
Interim dividend of £32,568 (30 June 2018 - £48,853) per share	1,791	2,687
<b>New Recoupment Shares</b>		
Interim dividend of £14 (30 June 2018 - £21) per share	9	13
	<u>2,000</u>	<u>3,000</u>

## 9 Fixed asset investment

	Investments in subsidiary companies £'000
<i>Cost or valuation</i>	
At 1 July 2018 and 31 December 2019	1,614
<i>Net book value</i>	
At 31 December 2019	1,614
At 30 June 2018	1,614

### Subsidiary undertakings, associated undertakings and other investments

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

Name	Class of shares	Holding	Principal activity
<b>Subsidiary undertakings</b>			
Attheraces Limited	Ordinary	100%	Exploration of worldwide broadcasting, media and information rights
Attheraces (UK) Limited	Ordinary	100%	Dormant company
Go Racing Limited	Ordinary	100%	Dormant company

The registered office of all the above companies is Millbank Tower 14th Floor, 21-24 Millbank, London, SW1P 4QP.

The above companies are all incorporated in Great Britain.

# Attheraces Holdings Limited

Notes forming part of the financial statements  
for the period ended 31 December 2019 (*continued*)

## 9 Fixed asset investment (*continued*)

### Joint venture

The joint venture held by the company during the period is as follows, it ceased trading on 31 December 2018:

Name	Country of incorporation	Holding	Nature of business
GBI Racing Limited	UK	50%	Exploitation of certain worldwide broadcasting, media and information rights to horseraces held at its affiliated racecourses.

## 10 Debtors

	31 December 2019 £'000	30 June 2018 £'000
Other debtors	12	12

## 11 Creditors: amounts falling due within one year

	31 December 2019 £'000	30 June 2018 £'000
Amounts owed to group undertakings	1,475	1,475

# Attheraces Holdings Limited

Notes forming part of the financial statements  
for the period ended 31 December 2019 (*continued*)

## 12 Share capital

	31 December 2019 £'000	30 June 2018 £'000
<b>Shares classified as equity</b>		
<i>Allotted, called up and fully paid</i>		
103 - (30 June 2018 - 103) D Shares of £1 each	-	-
616 - (30 June 2018 - 616) New Recoupment Shares of £0.00001 each	-	-
3,168 - (30 June 2018 - 3,168) Ordinary Shares of £1 each	3	3
55 - (30 June 2018 - 55) - Recoupment Shares of £0.01 each	-	-
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>

10% of the Distributable Profits in the relevant financial year shall be distributed in the first instance to the holders of D Shares and Ordinary Shares pro rata to their then holdings of D Shares and Ordinary Shares. The balance of the Distributable Profits in relevant financial year shall be paid to the holders of Recoupment Shares and holders of New Recoupment Shares.

Holders of Recoupment Shares are entitled to receive an amount per Recoupment Share equal to £1,150,000 plus the nominal value paid up on such Recoupment Share, less the aggregate of any dividends paid on such Recoupment Shares on or before the date of such distribution.

Holders of New Recoupment Shares are entitled to receive an amount per New Recoupment Share equal to £500 plus the nominal value paid up on such New Recoupment Share, less the aggregate of any dividends paid on such New Recoupment Shares on or before the date of such distribution.

The Ordinary shares and D shares have full voting rights and full rights to participate on any distribution (including on a dividend and on winding up subject to recoupment shares and new recoupment shares).

# Attheraces Holdings Limited

Notes forming part of the financial statements  
for the period ended 31 December 2019 (*continued*)

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## 13 Reserves

### Profit and loss account

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

### Called up share capital

Called up share capital represents the nominal value of the shares issued.

## 14 Ultimate controlling party

The directors consider Sky Ventures Limited to be the immediate controlling party by virtue of its combined ownership of 50.41% of the share capital of the company. As at 31 December 2019 the ultimate controlling party was Comcast Corporation ("Comcast"), a company registered in Pennsylvania, United States.

The company is ultimately controlled by Comcast and operates together with Comcast's other subsidiaries, as a part of the Comcast Group. The only group in which the results of the Company are consolidated is that headed by Comcast.

The consolidated financial statements of the Group are available to the public and may be obtained from Comcast Investor Relations at Comcast Corporation, One Comcast Center, Philadelphia, PA 19103, USA, or at: <https://www.cmcsa.com>.

## 15 Post balance sheet events

On 18 March 2020 all UK horseracing was suspended and the country went into lockdown on 23 March 2020 as a result of the COVID-19 pandemic. Notwithstanding the absence of UK horseracing content, Sky Sports Racing continued to broadcast international live horseracing and other content on a daily basis until UK horseracing resumed on 1 June 2020 'behind closed doors'. The company has performed much better than anticipated during lockdown, tight controls have been kept on costs and, with effective debt recovery processes in place, the company has emerged from lockdown with a strong cash position.