

Companies House copy

STACOURT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2007



RAWLINSON & HUNTER

Chartered Accountants
Eighth Floor 6 New Street Square London EC4A 3AQ

STACOURT LIMITED

COMPANY INFORMATION

DIRECTORS	B T S Michel A Elliott
SECRETARY	WK Corporate Services Limited
COMPANY NUMBER	04507516
REGISTERED OFFICE	Greytown House 221 - 227 High Street Orpington Kent BR6 0NZ
AUDITORS	Rawlinson & Hunter Chartered Accountants & Registered Auditor Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ

STACOURT LIMITED

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STACOURT LIMITED

DIRECTORS' REPORT For the Year Ended 31 December 2007

The directors present their report and the financial statements for the year ended 31 December 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

PROVISION OF INFORMATION TO AUDITORS

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PRINCIPAL ACTIVITY

The principal activity of the company is the commercial exploitation of television rights.

BUSINESS REVIEW

The company principally generates its revenue from the exploitation of television rights for the Formula One Spanish Grand Prix which the company owns under licence until 2010.

The directors consider the results for the year and current state of affairs of the company to be in line with expectations. Furthermore, on the basis of existing agreements, the directors expect revenue and profits to increase in the next year.

STACOURT LIMITED

DIRECTORS' REPORT For the Year Ended 31 December 2007

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £674,856 (2006 - £474,494)

An interim dividend of £1,102,275 (2006 - £993,996) was paid during the year, representing £11,023 (2006 - £9,940) per ordinary share

The directors do not recommend the payment of final dividend

DIRECTORS

The directors who served during the year were

B T S Michel
A Elliott

FINANCIAL RISK MANAGEMENT

The company's activities expose it to a number of financial risks including cash flow risk, credit risk, price risk and liquidity risk. The policies for managing financial risks set by the board of directors are implemented by the company's finance department. The finance department follows specific guidelines to manage exchange rate risk, interest rate risk and credit risk and to assess the circumstances where it would be appropriate to use financial instruments to manage these.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company has an agreement in place with its bank to cap losses arising from fluctuations in foreign currency exchange rates.

The company has interest bearing assets in the form of cash balances. Cash balances earn interest at floating rates.

Credit risk

The company's principal financial assets are cash balances and trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The company monitors the recoverability of trade receivables and where there is evidence of a reduction in the recoverability of the cash flows makes appropriate provision.

The credit risk on cash balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company has a significant concentration of credit risk with the majority of its revenue being derived from a small number of customers. The level of credit risk is mitigated by appropriate credit checks being carried out on potential customers and a proven track record of recovery of trade receivables from existing customers.

Price risk and liquidity risk

Due to the nature of the company's activities and the level of its cash balances, the directors are of the opinion that the company has minimal exposures to price risk and liquidity risk.

STACOURT LIMITED

DIRECTORS' REPORT
For the Year Ended 31 December 2007

AUDITORS

The auditors, Rawlinson & Hunter, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 18/01/08 and signed on its behalf

Director



STACOURT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STACOURT LIMITED

We have audited the financial statements of Stacourt Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 Auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

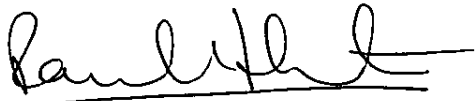
STACOURT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STACOURT LIMITED

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Chartered Accountants & Registered Auditor

Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

Date 21/7/08

STACOURT LIMITED

PROFIT AND LOSS ACCOUNT
For the Year Ended 31 December 2007

	Note	2007 £	2006 £
TURNOVER	1, 2	12,103,461	10,650,900
Cost of sales		<u>(10,402,925)</u>	<u>(9,238,481)</u>
GROSS PROFIT		1,700,536	1,412,419
Administrative expenses		<u>34,688</u>	<u>(10,582)</u>
OPERATING PROFIT	3	1,735,224	1,401,837
Interest receivable		<u>55,274</u>	<u>28,434</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,790,498	1,430,271
Tax on profit on ordinary activities	5	<u>(1,115,642)</u>	<u>(955,777)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£ 674,856</u>	<u>£ 474,494</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and Loss Account

The notes on pages 9 to 13 form part of these financial statements

STACOURT LIMITED

BALANCE SHEET
As at 31 December 2007

	Note	2007 £	2006 £
CURRENT ASSETS			
Debtors	6	70,964	432,796
Cash at bank		5,080,884	7,091,846
		<u>5,151,848</u>	<u>7,524,642</u>
CREDITORS: amounts falling due within one year	7	<u>(4,476,892)</u>	<u>(6,422,267)</u>
NET CURRENT ASSETS		<u>674,956</u>	<u>1,102,375</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 674,956</u>	<u>£ 1,102,375</u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account	9	<u>674,856</u>	<u>1,102,275</u>
SHAREHOLDERS' FUNDS	10	<u>£ 674,956</u>	<u>£ 1,102,375</u>

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

18/07/08

Director



The notes on pages 9 to 13 form part of these financial statements

STACOURT LIMITED

CASH FLOW STATEMENT
For the Year Ended 31 December 2007

	Note	2007 £	2006 £
Net cash flow from operating activities	12	143,629	4,231,064
Returns on investments and servicing of finance	13	55,274	28,434
Taxation		(1,107,590)	(952,638)
Equity dividends paid		(1,102,275)	(993,996)
(DECREASE)/INCREASE IN CASH IN THE YEAR		£ (2,010,962)	£ 2,312,864

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
For the Year Ended 31 December 2007

	2007 £	2006 £
(Decrease)/Increase in cash in the year	(2,010,962)	2,312,864
MOVEMENT IN NET FUNDS IN THE YEAR	(2,010,962)	2,312,864
Net funds at 1 January 2007	7,091,846	4,778,982
NET FUNDS AT 31 DECEMBER 2007	£ 5,080,884	£ 7,091,846

The notes on pages 9 to 13 form part of these financial statements

STACOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2007

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 CASH FLOW

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1.3 TURNOVER

Turnover comprises the value of services supplied by the company, exclusive of Value Added Tax

Revenue is recognised when services have been provided in accordance with the underlying sales agreements

1.4 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.5 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

2. TURNOVER

The whole of the turnover is attributable to the principal activity of the company

All turnover arose within the European Union excluding the United Kingdom

STACOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2007

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2007 £	2006 £
Difference on foreign exchange	(76,848)	(35,136)
Auditors' remuneration	5,000	6,000
Auditors remuneration - non audit	11,540	13,975

4. STAFF COSTS

During the year, no director received any emoluments (2006 - £Nil)

The company has no employees other than the directors (2006 - Nil)

5 TAXATION

	2007 £	2006 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
UK corporation tax charge on profits of the year	16,582	8,530
Foreign tax charge on profit for the year	1,099,060	947,247
TAX ON PROFIT ON ORDINARY ACTIVITIES	£ 1,115,642	£ 955,777

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2006 - higher than) the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	£ 1,790,498	£ 1,430,271
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	537,149	429,081
EFFECTS OF		
Unrelieved foreign tax arising in the year	578,493	526,516
Expenses not deductible for tax purposes	-	180
CURRENT TAX CHARGE FOR THE YEAR (see note above)	£ 1,115,642	£ 955,777

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

STACOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2007

6. DEBTORS

	2007 £	2006 £
Trade debtors	53,762	431,388
Other debtors	16,652	887
Prepayments and accrued income	550	521
	<u>£ 70,964</u>	<u>£ 432,796</u>

**7. CREDITORS.
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Trade creditors	11,416	337,883
Corporation tax	16,582	8,530
Accruals and deferred income	4,448,894	6,075,854
	<u>£ 4,476,892</u>	<u>£ 6,422,267</u>

8. SHARE CAPITAL

	2007 £	2006 £
AUTHORISED		
1,000 Ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

9 RESERVES

	Profit and loss account £
At 1 January 2007	1,102,275
Profit for the year	674,856
Dividends Equity capital	(1,102,275)
	<u>£ 674,856</u>
At 31 December 2007	<u>£ 674,856</u>

STACOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2007

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Opening shareholders' funds	1,102,375	1,621,877
Profit for the year	674,856	474,494
Dividends (Note 11)	(1,102,275)	(993,996)
Closing shareholders' funds	<u>£ 674,956</u>	<u>£ 1,102,375</u>

11 DIVIDENDS

	2007 £	2006 £
Dividends paid £11,023 (2006 - £9,940) per ordinary share	<u>£ 1,102,275</u>	<u>£ 993,996</u>

12 NET CASH FLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	1,735,224	1,401,837
Decrease in debtors	361,832	113,084
(Decrease)/increase in creditors	(1,953,427)	2,716,143
NET CASH INFLOW FROM OPERATIONS	<u>£ 143,629</u>	<u>£ 4,231,064</u>

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2007 £	2006 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>£ 55,274</u>	<u>£ 28,434</u>

STACOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2007

14. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2007 £	Cash flow £	Other non-cash changes £	31 December 2007 £
Cash at bank and in hand	7,091,846	(2,010,962)	-	5,080,884
NET FUNDS	£ 7,091,846	£ (2,010,962)	£ -	£ 5,080,884

15. RELATED PARTY TRANSACTIONS

During the year, the company paid consultancy fees totalling £4,675,349 (2006 - £3,841,875) to Formula FB Business Limited, the immediate and ultimate parent undertaking. Included with accruals at 31 December 2007 was an amount of £Nil (2006 - £1,795,122) in respect of Formula FB Business Limited.

During the year, the company paid consultancy fees of £20,000 (2006 - £20,000) to Massima Management Limited, a company with directors in common with Stacourt Limited.

16. IMMEDIATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The directors consider that the immediate and ultimate parent undertaking is Formula FB Business Limited, a company incorporated in the British Virgin Islands.

The ultimate controlling party is the FB Trust.