

PORTWAY PRESS LIMITED
FINANCIAL STATEMENTS
FOR
30 APRIL 2008

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PORTWAY PRESS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

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PORTWAY PRESS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 April 2008.

PRINCIPAL ACTIVITIES

The principal activities of the company throughout the year have been that of printers and publishers of Timeform Horse Racing Publications.

BUSINESS REVIEW

The Company made a loss of £215,753 for the year ended 30 April 2008 (16 month period ended 30 April 2007: £522,206 loss).

The loss for the period was exacerbated by redundancy payments (£94,341) and losses on the sale of fixed assets (£16,106) due to the closure of the printworks and the subsequent out-sourcing of the company's printing requirements.

DIRECTORS

The directors who served the company during the year were as follows:

R F Griffin (resigned 13 November 2007)

J C McGrath

P R Bell

A Byrne (resigned 2 October 2007)

G Greetham (resigned 3 March 2008)

S Johnson (appointed 20 December 2007)

M Entenmann (appointed 19 June 2008)

S Burn (appointed 19 June 2008)

G Nichols (resigned 19 June 2008)

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

PORTWAY PRESS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2008

(continued)

DONATIONS

During the year the company made the following contributions:

	2008	2007
	£	£
Charitable	<u>1,342</u>	<u>345</u>

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors



P R Bell
Director

Waterfront
Hammersmith Embankment
Chancellors Road
London
W6 9HP

25 February 2009

PORTWAY PRESS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTWAY PRESS LIMITED

We have audited the financial statements of Portway Press Limited for the year ended 30 April 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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.

PORTWAY PRESS LIMITED


INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTWAY PRESS LIMITED

(continued)

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 April 2008 and of its loss 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.



KPMG LLP
Chartered Accountants
Registered Auditor
1 The Embankment
Neville Street
Leeds, LS1 4DW

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PORTWAY PRESS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 APRIL 2007**

		Year ended 30/4/2008	16 months ended 30/4/2007
	Note	£	£
TURNOVER	1	2,917,523	3,685,731
Cost of sales		<u>(534,997)</u>	<u>(609,301)</u>
GROSS PROFIT		2,382,526	3,076,430
Administrative expenses before investment write off		(2,610,393)	(3,448,480)
Amounts written off investments	6	-	(253,720)
Total administrative expenses		<u>(2,610,393)</u>	<u>(3,702,200)</u>
OPERATING LOSS	2	(227,867)	(625,770)
Interest receivable	4	16,764	70,643
Interest payable	5	<u>(4,650)</u>	<u>(2,847)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(215,753)	(557,974)
Tax on loss on ordinary activities	7	-	35,768
LOSS FOR THE FINANCIAL PERIOD		<u>(215,753)</u>	<u>(522,206)</u>

All amounts relate to continuing activities.

The notes on pages 10 to 20 form part of these financial statements.

PORTWAY PRESS LIMITED

BALANCE SHEET

30 APRIL 2008

	Note	2008	2007
		£	£
FIXED ASSETS			
Tangible assets	9	831,739	1,497,292
Investments	10	1	1
		<u>831,740</u>	<u>1,497,293</u>
CURRENT ASSETS			
Stocks		6,823	28,503
Debtors due within one year	11	623,550	411,827
Investments	12	-	500,000
Cash at bank and in hand		791,590	8,498
		<u>1,421,963</u>	<u>948,828</u>
CREDITORS: Amounts falling due within one year	13	<u>(1,087,351)</u>	<u>(1,064,016)</u>
NET CURRENT ASSETS/ (LIABILITIES)		<u>334,612</u>	<u>(115,188)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,166,352</u>	<u>1,382,105</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	15	-	-
NET ASSETS EXCLUDING PENSION LIABILITIES		<u>1,166,352</u>	<u>1,382,105</u>
Net pension asset/(liability)	14	-	-
NET ASSETS INCLUDING PENSION ASSETS/LIABILITIES		<u>1,166,352</u>	<u>1,382,105</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	5,000	5,000
Capital contribution reserve	17	400,000	400,000
Profit and loss account	17	138,503	92,120
Revaluation reserve	17	622,849	884,985
SHAREHOLDERS' FUNDS		<u>1,166,352</u>	<u>1,382,105</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved and authorised for issue by the directors on 25 February 2009 and are signed on their behalf by:



P R Bell
Director

The notes on pages 10 to 20 form part of these financial statements.

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Year ended 30/4/2008	16 months ended 30/04/2007
	£	£
Loss for the financial period	(215,753)	(522,206)
Actuarial gain recognised in the pension scheme	-	116,000
Deferred tax arising on (gains)/losses in the pension scheme	-	(161,000)
Unrealised surplus on revaluation of properties	-	884,985
Total recognised gains and losses relating to the financial period	(215,753)	317,779

Note of Historical Cost Profits and Losses

	Year ended 30/4/2008	16 months ended 30/04/2007
	£	£
Reported loss on ordinary activities before taxation	(215,753)	(557,974)
Realisation of property revaluation gains of previous years	262,136	-
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	12,300	6,150
Historical cost profit/(loss) on ordinary activities before taxation	58,683	(551,824)
Historical cost profit/(loss) for the period retained after taxation	58,683	(516,056)

Reconciliation of Movements in Shareholders' Funds

	Year ended 30/4/2008	16 months ended 30/04/2007
	£	£
Loss for the financial period	(215,753)	(522,206)
Dividends on shares classified in shareholders' funds	-	-
Retained loss	(215,753)	(522,206)
Actuarial gain relating to pension scheme	-	116,000
Deferred tax arising on (gains)/losses in the pension scheme	-	(161,000)
Other recognised gains and losses relating to the period	-	884,985
Capital contribution	-	400,000
Net (reduction in)/ addition to shareholders' funds	(215,753)	717,779
Opening shareholders' funds	1,382,105	664,326
Closing shareholders' funds	1,166,352	1,382,105

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and the Financial Reporting Standard for Smaller Entities (effective January 2007). They have been prepared under the historical cost accounting rules, modified to include the revaluation of land and buildings.

The financial statements have been prepared on a going concern basis in view of the fact that the ultimate parent undertaking Betfair Group Limited, has formally indicated that it will provide sufficient funding to the company to enable it to meet its liabilities as they fall due, for at least the next twelve months.

The directors have no reason to believe that the parent company will not be in a position to provide the support referred to above and, accordingly, have prepared the financial statements on a going concern basis.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover comprises the total cash and credit sales of Timeform Publications, advertising receipts, telephone service receipts and licensing of intellectual property, net of value added tax. Revenues related to subscription services are deferred on the balance sheet and are released to the profit and loss account when the service has been provided.

Fixed assets and Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold buildings	2% on Cost
Printing Machinery	10% on Cost
Office equipment	20% on Cost
Computer equipment	33% on Cost
Motor vehicles	33% on Cost

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

The company also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company.

Pension scheme assets are measured using market values. For quoted securities the mid-market price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by the Financial Reporting Standard for Smaller Entities (effective January 2007).

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

2. OPERATING LOSS

Operating loss is stated after charging / (crediting):

	Year ended 30/4/2008 £	16 months ended 30/4/2007 £
Staff pension costs		
Defined benefit	-	96,000
Defined contribution	43,930	31,848
Depreciation of owned fixed assets	115,123	275,816
Loss/(profit) on disposal of fixed assets	16,106	(7,016)
Redundancy payments	94,341	-
Auditors' fees – audit of these financial statements	11,000	11,000
Net profit on foreign currency translation	<u>(471)</u>	<u>(35)</u>

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year ended 30/4/2008 £	16 months ended 30/4/2007 £
Aggregate emoluments	<u>235,466</u>	<u>398,371</u>

Retirement benefits were accruing to 2 directors under defined benefit schemes.

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30/4/2008 £	16 months ended 30/4/2007 £
Bank Interest	<u>16,764</u>	<u>70,643</u>

5. OTHER INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30/4/2008 £	16 months ended 30/4/2007 £
On bank loans and overdrafts	1,406	463
Interest on loan from parent company	3,244	2,384
	<u>4,650</u>	<u>2,847</u>

PORTWAY PRESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2008

6. AMOUNTS WRITTEN OFF INVESTMENTS

	Year ended 30/4/2008 £	16 months ended 30/4/2007 £
Amount written off investments	-	253,720

7. TAXATION ON ORDINARY ACTIVITIES

	Year ended 30/4/2008 £	£	16 months ended 30/4/2007 £	£
Analysis of charge in the period				
UK Corporation tax				
Current tax on income in the period		-		-
Over/under provision in prior year		-		-
Total current tax		-		-
Deferred tax:				
Origination and reversal of timing differences (note 15):				
Capital allowances	-		(49,116)	
Losses	-		13,810	
Effect of changes in tax rate on opening balance	-		20,775	
Other	-		(21,237)	
Total deferred tax (note 15)		-		(35,768)
Tax on loss on ordinary activities		-		(35,768)

8. DIVIDENDS

The following dividends were paid during the year:

	2008 £	2007 £
Ordinary £1 shares	-	-

In accordance with the changes included in the Financial Reporting Standard of Smaller Entities (effective January 2007) to the recognition of liabilities, dividends are accounted for only to the extent that they have been paid.

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

9. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Printing & office equipment £	Computer equipment £	Motor vehicles £	Total £
COST					
At 30 April 2007	1,025,000	1,239,268	671,980	170,072	3,106,320
Additions	-	20,209	32,208	-	52,417
Disposals	(275,000)	(795,534)	-	(29,846)	(1,100,380)
At 30 April 2008	<u>750,000</u>	<u>463,943</u>	<u>704,188</u>	<u>140,226</u>	<u>2,058,357</u>
DEPRECIATION					
At 30 April 2007	8,542	825,242	629,649	145,595	1,609,028
Charge for the year	20,041	50,121	22,313	22,648	115,123
On disposals	(7,333)	(460,354)	-	(29,846)	(497,533)
At 30 April 2008	<u>21,250</u>	<u>415,009</u>	<u>651,962</u>	<u>138,397</u>	<u>1,226,618</u>
NET BOOK VALUE					
At 30 April 2008	<u>728,750</u>	<u>48,934</u>	<u>52,226</u>	<u>1,829</u>	<u>831,739</u>
At 30 April 2007	<u>1,016,458</u>	<u>414,026</u>	<u>42,331</u>	<u>24,477</u>	<u>1,497,292</u>

The depreciation policies are shown in note 1.

The amount of revalued freehold property and land as determined according to the historical cost accounting rules is £105,901. The freehold land & buildings were valued in October 2006 by CRE Collier. The valuation was prepared on the open market value basis and was made in accordance with the RICS Appraisal and Valuation Manual.

Capital commitments

	2008 £	2007 £
Contracted but not provided for in the financial statements	-	-

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

10. FIXED ASSET INVESTMENTS

Shares in other investments and subsidiary undertaking:

	Subsidiary £	Other Investments £	Total £
COST			
At 30 April 2007 and 30 April 2008	1	253,720	253,721
AMOUNTS WRITTEN OFF			
At 30 April 2007 and 30 April 2008	-	253,720	253,720
NET BOOK VALUE			
At 30 April 2008	1	-	1
At 30 April 2007	1	-	1

Investment in subsidiaries

	2008 £	2007 £
Portway Press Trustee Limited	1	1

The company holds 100% of the issued share capital of Portway Press Trustee Limited, a company incorporated in England. Its only activity is to act as trustee of the Portway Press Profit Sharing Scheme and the Portway Press Employee Trusts.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

Other investments comprise:

	Nominal holding	Cost (£)
Race-O UK Limited		
Class A shares	2,418	20,166
Unsecured loan stock	120,000	80,662
Loan		25,000
Race-O International Limited	741	102,892
Racing Lotto Limited	2,731	25,000
At cost		253,720
Impairment provision		(253,720)
Net book value		-

At 30 April 2007 the investments in Race-O UK Limited, Race-O International Limited and Racing Lotto Limited were reviewed for impairment and a provision for impairment was charged to the Profit & Loss Account.

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

11. DEBTORS

	2008	2007
	£	£
Trade debtors	72,604	133,502
Other debtors	106,662	134,908
Prepayments and accrued income	444,284	143,416
	<u>623,550</u>	<u>411,826</u>

12. CURRENT ASSET INVESTMENTS

	2008	2007
	£	£
Portfolio Bond – at cost	<u>-</u>	<u>500,000</u>

The Bond matured in October 2007.

13. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	67,319	89,608
Trade creditors	120,388	90,362
Taxation and social security	34,832	43,099
Amounts owed to parent company	225,523	201,477
Other creditors	17,317	29,297
Accruals and deferred income	621,972	610,173
	<u>1,087,351</u>	<u>1,064,016</u>

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

14. DEFINED BENEFIT SCHEME

The company operated a funded pension scheme providing benefits based on final pensionable salaries. Contributions to the scheme ceased on 31 January 2007. The assets of the scheme are held in a separate trustee administered fund. The contributions are determined by a qualified actuary on the basis of triennial valuations. Future costs will be affected by surpluses or shortfalls revealed in future actuarial valuations.

The latest full actuarial valuation was carried out at 29 November 2006 and was updated to 30 April 2008 by a qualified independent actuary.

The principal assumptions made by the actuary were:

	2008	2007
Inflation	3.75%	3.25%
Discount rate	6.10%	5.40%
Salary increase	3.50%	3.25%
Pensions in payment increase	3.0% - 3.50%	3.0% - 3.25%
Expected return on plan assets	6.40%	6.0%

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Expected return 2008	Value £'000 2008	Expected return 2007	Value £'000 2007
Equities	7.0%	1,369	7.0%	1,445
Gilts and bonds	5.5%	305	5.5%	308
Cash	5.0%	266	4.5%	996
Other - Property	6.0%	468	6.0%	580
Fair value of scheme assets	6.4%	2,408	6.0%	3,329
Present value of scheme liabilities		(2,111)		(3,040)
Deferred tax		-		-
Net pension asset carried forward		297		289

The net pension asset has not been recognised as an asset at 30 April 2008 on the basis that it cannot be recovered through reduced future contributions or refunds from the scheme.

The pension charge for the period was £Nil (2007: £96,000).

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

14. DEFINED BENEFIT SCHEME *(continued)*

	2008 £ '000	2007 £ '000
Pension scheme surplus/(deficit) at the beginning of the period	289	(535)
Current service cost	-	(96)
Cash contributions	-	515
Past service cost	-	-
Net finance income	34	25
Actuarial gain/(loss)	(26)	380
Pension scheme surplus at the end of the period	<u>297</u>	<u>289</u>

The non recognition of the pension surplus has been dealt with by adjusting the finance income and actuarial loss accordingly in the profit and loss accounts and statement of total recognised gains and losses.

15. PROVISIONS FOR LIABILITIES AND CHARGES

The movement in the deferred taxation provision during the year was:

	2008 £	2007 £
Provision brought forward	-	35,768
Profit and loss account movement arising during the period	-	(35,768)
Provision carried forward	<u>-</u>	<u>-</u>

No provision has been made for deferred tax arising on potential gains due to the revaluing of property to its market value. Such tax would only become payable if the property were sold without it being possible to claim rollover relief. The total unprovided liability is approximately £149,000 (2007: £240,000). At present it is not envisaged that any tax will become payable in the foreseeable future.

There is an unrecognised deferred tax asset amounting to £15,000 (2007:£21,000) arising in respect of future capital allowances and tax losses. This asset has not been recognised on the basis that there is uncertainty over future profits against which the asset would be realised.

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

16. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
86,068 Ordinary shares of £1 each	86,068	86,068
750 "A" Ordinary shares of £1 each	750	750
	<u>86,818</u>	<u>86,818</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	4,250	4,250	4,250	4,250
"A" Ordinary shares of £1 each	750	750	750	750
	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

The two classes of ordinary share will rank pari passu in all respects except with regard to the transfer of the shares.

17. RESERVES

	Capital contribution reserve £	Revaluation reserve £	Profit and loss account £
Balance brought forward	400,000	884,985	92,120
Loss for the period	-	-	(215,753)
Realisation of revalued property gains of previous years	-	(262,136)	262,136
Balance carried forward	<u>400,000</u>	<u>622,849</u>	<u>138,503</u>

18. POST BALANCE SHEET EVENTS

In January 2009 the assets and liabilities in respect of the defined benefit pension scheme were transferred to the members at a cost of approximately £885,000. No accounting entries in respect of this disposal have been reflected in these financial statements.

19. SHARE BASED PAYMENTS

The ultimate parent company operates a Save-As-You-Earn (SAYE) share option scheme in which all UK employees can participate. Participants save a fixed amount of up to £250 per month for three years and are then able to use these savings to buy shares in the ultimate parent company at a price fixed at a 20% discount to the market value at the start of the savings period. Share options are granted under a service condition. There are no market conditions associated with the share option grants.

The SAYE options must ordinarily be exercised within six months of completing the relevant savings period, and are satisfied through the issue of new shares. In line with market practice, the exercise of these options is not subject to any performance condition.

PORTWAY PRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

19. SHARE BASED PAYMENTS *(continued)*

On 1 November 2007, 34,396 options were granted to 58 employees. Details of these options are shown below:

Financial year options granted	2008
Option price at date of grant	£10.00
Exercise price	£8.00

20. ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER

The Company's immediate parent is Betfair Limited, a company incorporated in England. The Company's ultimate parent is Betfair Group Limited, a company incorporated in England.

The largest group in which the results of the Company are consolidated is that headed by Betfair Group Limited. The consolidated financial statements of Betfair Group Limited are available from Companies House.