

**ADMINISTRATION OF GAMBLING ON
TRACKS LIMITED
(formerly NATIONAL JOINT PITCH
COUNCIL LIMITED)**

Report and Financial Statements

31 December 2007

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

REPORT AND FINANCIAL STATEMENTS 2007

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**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mrs T A Barlow (Chairman)
M Fogerty
K Johnson
S W H Winfield
M J Williams
G Moir
R Grossmith

SECRETARY

P Smith

REGISTERED OFFICE

3A Kings Hall
St Ives Business Park
St Ives
Cambridgeshire
PE27 4WY

BANKERS

HSBC Bank plc
89 Buckingham Palace Road
Belgravia
London SW1W 0QL

SOLICITORS

Harbottle & Lewis
Hanover House
14 Hanover Square
London W1R 0OB

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cambridge

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED (formerly NATIONAL JOINT PITCH COUNCIL LIMITED)

DIRECTORS' REPORT

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

This directors report has been prepared in accordance with the special provisions relating to small companies under sections 246(4) of the Companies Act 1985.

CHANGE OF NAME

The company changed its name on 16 July 2008 from the National Joint Pitch Council Limited to Administration of Gambling on Tracks Limited.

ACTIVITIES

The company's principal activity is the administration of on-course betting rings at all meetings held at horse racecourses in Great Britain.

REVIEW OF DEVELOPMENTS

The directors report a deficit for the year and expect to report a breakeven position for the forthcoming year.

Due to the implementation of the Gambling Act 2005, the DCMS (Department for Culture Media and Sports) set up a working group in February 2007, comprised of members drawn from the racing and betting industry, to look into the future administrative arrangements for racecourse betting rings. The company's Executive chaired and attended the meetings of the working group and its report into the future administrative arrangements was finalised and published in December 2007. This report laid the foundation of the requirements for the future administration of existing betting rings in the UK.

The company's principal activity ceased on 31 August 2007 with the implementation of the 2005 Gambling Act. This Act removed the authority of the HBLB (Horse Race Betting Levy Board) to issue certificates of approval to racecourses. The certificate of approval included a condition that required adherence to the National Pitch Rules administered by the company.

The company subsequently contracted with the Racecourse Association to provide similar services to those previously provided under the authority of the HBLB during the period from 1st September 2007 to the inception of the new contract.

The directors considered the solvency of the company at 31 August 2007 and agreed that, following a reduction of staffing levels via voluntary redundancies, limited services could be provided until 31 December 2007 to enable the working group time to complete its deliberations and to ensure continuity within racecourse betting rings.

A new administrator of betting rings is to be appointed by the racecourses. Negotiations with the Racecourse Association, acting on behalf of individual racecourses, have continued throughout 2007 with a view to the company being appointed the new administrator of betting rings for three years.

Since 1 September 2007 the company has fulfilled the requirements of the interim service contract agreed with the Racecourse Association and individual racecourses.

The directors have agreed to continue to trade beyond 31 December 2007 on the basis of the certainty that this contract will be awarded. The directors and members obtained legal advice on changing the membership of the company. Subsequently, changes were enacted in July which removed the HBLB and Racecourse Association from the list of members, and replaced them with the Association of Racecourse Bookmakers and two independent members.

The company changed its trading name from National Joint Pitch Council Limited to Administration of Gambling on Tracks Limited and adopted revised memorandum and articles of associations on 1 July 2008.

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED (formerly NATIONAL JOINT PITCH COUNCIL LIMITED)

DIRECTORS' REPORT

DIRECTORS

The directors who served during the year and subsequent to the year end are as follows:

Mrs T A Barlow (Chairman)	(appointed 1 July 2008)
M Fogerty	(appointed 1 July 2008)
K Johnson	(appointed 1 July 2008)
S W H Winfield	(appointed 1 July 2008)
M J Williams	(appointed 1 July 2008)
G Moir	(appointed 1 July 2008)
R Grossmith	
A Waterworth	(resigned 1 July 2008)
T Clarke	(resigned 1 July 2008)
M Bowler	(resigned 1 July 2008)
W Blaney	(resigned 1 July 2008)
Miss C Davies	(resigned 1 July 2008)
J Stevenson	(resigned 1 July 2008)

The company is limited by guarantee and does not have share capital. In the event of the company being wound up, each member has guaranteed to contribute £1. At 31 December 2007 and 31 December 2006 there were 7 members, comprising 3 members from the Horserace Betting Levy Board, 2 members from the Racecourse Association Limited, 1 member from the Rails Bookmakers Association and 1 member from the National Association of Bookmakers.

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 surplus or deficit 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 judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

DIRECTORS' REPORT (continued)

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board on

P Smith
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADMINISTRATION OF GAMBLING ON TRACKS LIMITED (formerly NATIONAL JOINT PITCH COUNCIL LIMITED)

We have audited the financial statements of National Joint Pitch Council Limited for the year ended 31 December 2007 which comprise the income and expenditure account, the balance sheet, the cash flow statement, the notes to the cash flow statement and the related notes 1 to 16. These financial statements have been prepared under 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED) (continued)**

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 deficit 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.

Emphasis of matter - Going concern

Without qualifying our opinion, we draw attention to the disclosures made in note 2 of the financial statements concerning the company's ability to continue as a going concern. The company is awaiting the formal enactment of the recommendations of the Department for Culture, Media and Sport Working Group regarding the future administration of existing betting rings in order to obtain the authority required to continue in its principal business activity. These conditions, along with other matters as set forth in note 2, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cambridge, United Kingdom

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

**INCOME AND EXPENDITURE ACCOUNT
Year ended 31 December 2007**

	Note	2007 £	2006 £
INCOME	3	694,274	1,092,581
Cost of operations		683,842	809,565
		<hr/>	<hr/>
Gross surplus		10,432	283,016
Administrative expenses	4	681,109	637,920
		<hr/>	<hr/>
OPERATING DEFICIT	6	(670,677)	(354,904)
Interest receivable and similar income		18,975	30,877
		<hr/>	<hr/>
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(651,702)	(324,027)
Tax on deficit on ordinary activities	7	(3,748)	(5,642)
		<hr/>	<hr/>
DEFICIT FOR THE FINANCIAL YEAR		(655,450)	(329,669)
Retained surplus brought forward		720,507	1,050,176
		<hr/>	<hr/>
Retained surplus carried forward		<u>65,057</u>	<u>720,507</u>

All activities derive from continuing operations.

There are no recognised gains or losses for the current financial year and the preceding financial year other than as stated in the income and expenditure account. Accordingly no statement of total recognised gains and losses has been provided.

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
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**BALANCE SHEET
31 December 2007**

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	8	98,091	333,851
CURRENT ASSETS			
Debtors	9	111,248	140,042
Investments	10	-	650,000
Cash at bank and in hand		47,325	85,369
		158,573	875,411
CREDITORS: amounts falling due within one year	11	191,607	339,059
NET CURRENT (LIABILITIES) ASSETS		(33,034)	536,352
TOTAL ASSETS LESS CURRENT LIABILITIES		65,057	870,203
PROVISIONS FOR LIABILITIES AND CHARGES	12	-	149,696
NET ASSETS		65,057	720,507
RESERVES			
Income and expenditure account		65,057	720,507

These financial statements were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors

Mrs T A Barlow

Director

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)

CASH FLOW STATEMENT
Year ended 31 December 2007

	Note	£	2007 £	2006 £
Net cash outflow from operating activities	A		(708,051)	(174,920)
Returns on investments and servicing of finance				
Interest received		18,975	30,877	
Net cash inflow from returns on investments and servicing of finance			18,975	30,877
Taxation			(5,642)	(7,138)
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		-	(139,022)	
Receipts from sales of tangible fixed assets		6,674	12,675	
Net cash inflow (outflow) from capital expenditure and financial investment			6,674	(126,347)
Net cash outflow before use of liquid resources			(688,044)	(277,528)
Management of liquid resources				
Movement in short term deposits		650,000	170,000	
Net cash inflow from management of liquid resources			650,000	170,000
Decrease in cash in the year	B		(38,044)	(107,528)
Reconciliation of net cash flow to movement in net funds	B			
Decrease in cash in the year			(38,044)	(107,528)
Cash outflow from decrease in liquid resources			(650,000)	(170,000)
Movement in net funds in year			(688,044)	(277,528)
Net funds at 1 January			735,369	1,012,897
Net funds at 31 December			47,325	735,369

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
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**NOTES TO THE CASH FLOW STATEMENT
Year ended 31 December 2007**

A. RECONCILIATION OF OPERATING DEFICIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating deficit	(670,677)	(354,904)
Depreciation	229,096	311,425
Loss on sale of tangible fixed assets	(10)	(16)
Decrease in debtors	28,794	25,321
Decrease in creditors	(295,254)	(156,746)
Net cash outflow from operating activities	<u>(708,051)</u>	<u>(174,920)</u>

B. ANALYSIS OF NET FUNDS

	At 31 December 2006	Cash flows	At 31 December 2007
	£	£	£
Cash at bank and in hand	85,369	(38,044)	47,325
Current asset investment	650,000	(650,000)	-
	<u>735,369</u>	<u>(688,044)</u>	<u>47,325</u>

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Computers, fixtures and fittings	33 1/3% per annum
Standard joints	16 2/3% per annum
Motor vehicles	33 1/3% per annum

Leases

Operating lease rentals are charged to the income and expenditure account as incurred.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

The company has a defined benefit scheme for employees who had joined the company before 31 March 2003. In accordance with FRS 17, contributions made to the defined benefit scheme have been accounted for as if it were a defined contribution scheme. This is because the company cannot identify its share of the underlying assets and liabilities of the group scheme on a reasonable and consistent basis.

The company pays pension contributions into a group personal pension scheme of employees. Contributions are charged to the profit and loss account as they become payable.

2. GOING CONCERN

Following the implementation of the Gambling Act 2005, the company is reliant upon the formal adoption of the Departure for Culture, Media and Sport Working Group's recommendations regarding the future administration of existing betting rings. The Working Group has recommended that the company continue to provide services similar to those previously provided under the authority of the Horserace Betting Levy Board until September 2012. Adoption of this agreement is to be accomplished through a signed contractual agreement with the racecourses. Without this contract the company will not have the authority required to continue in its principal business activity.

Whilst there can be no certainty concerning future contractual agreements, the directors are confident that the Department for Culture, Media and Sport Working Group's recommendation will be ratified through the signing of contractual arrangements. This will enable the company to continue in its principal business activity.

They therefore believe that the going concern basis is appropriate. However, should this not be the case, adjustments would have to be made to reduce the value of the assets to their realisable amount and to provide for any further liabilities which might arise.

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007**

3. INCOME

Income represents amounts derived from the provision of services which fall within the company's ordinary activities after deduction of value added tax.

The income, which arises in the United Kingdom, is attributable to the company's principal activity.

	2007	2006
	£	£
Pitch administration fees	353,644	399,025
Registration fees	104,681	111,575
List position fees	156,139	462,104
Other income	79,810	119,877
	<u>694,274</u>	<u>1,092,581</u>

4. ADMINISTRATIVE EXPENSES

	2007	2006
	£	£
Office	526,677	501,968
Establishment	139,985	77,778
General	35,138	58,174
Grants to members for improvements to racecourse betting rings	(20,691)	-
	<u>681,109</u>	<u>637,920</u>

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2007	2006
	£	£
Independent directors' remuneration		
Emoluments	<u>55,663</u>	<u>54,029</u>
	Number	Number
Average number of persons employed		
Council members	3	3
Field staff	7	7
Administration	8	9
	<u>18</u>	<u>19</u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	667,143	597,612
Social security costs	70,785	74,083
Pension costs	55,972	47,446
	<u>793,900</u>	<u>719,141</u>

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007**

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

No pension contributions were paid on behalf of directors.

The directors who received remuneration during the year were T Clarke, M Bowler and W Blaney.

A small team of betting ring managers was also employed on a daily basis when the number of fixtures exceeded the number of field staff.

6. OPERATING DEFICIT

	2007	2006
	£	£
Operating deficit is after charging (crediting):		
Depreciation		
Owned assets	229,096	311,425
Loss/(profit) on disposal of fixed assets	10	(16)
Rentals under operating leases	102,372	46,657
Auditors' remuneration	10,000	8,500
	<u> </u>	<u> </u>

7. TAX ON DEFICIT ON ORDINARY ACTIVITIES

	2007	2006
	£	£
United Kingdom corporation tax charge for the year	3,748	5,642
	<u> </u>	<u> </u>

The company has agreed mutual trading status with the Inland Revenue and is therefore chargeable to corporation tax only on its investment income.

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20% (2006 - 19%). The actual tax charge for the current and previous year differs to the standard tax rate for the reasons set out in the following reconciliation:

	2007	2006
	£	£
Deficit before taxation	(651,702)	(324,027)
Tax on deficit at standard rate	(130,340)	(61,565)
Factors affecting charge for the year:		
Deficit not assessable to tax due to non-profit making status of company	134,135	67,431
Marginal relief	(47)	(224)
Current tax charge for the year	<u> </u>	<u> </u>
	3,748	5,642
	<u> </u>	<u> </u>

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

8. TANGIBLE FIXED ASSETS

	Computers, fixtures and fittings £	Motor vehicles £	Standard joints £	Total £
Cost				
At 1 January 2007	105,499	107,926	1,609,470	1,822,895
Disposals in year	-	(15,995)	-	(15,995)
At 31 December 2007	<u>105,499</u>	<u>91,931</u>	<u>1,609,470</u>	<u>1,806,900</u>
Depreciation				
At 1 January 2007	62,641	35,199	1,391,204	1,489,044
Charge in year	21,232	34,643	173,221	229,096
Disposals in year	-	(9,331)	-	(9,331)
At 31 December 2007	<u>83,873</u>	<u>60,511</u>	<u>1,564,425</u>	<u>1,708,809</u>
Net book value				
At 31 December 2007	<u>21,626</u>	<u>31,420</u>	<u>45,045</u>	<u>98,091</u>
At 31 December 2006	<u>42,858</u>	<u>72,727</u>	<u>218,266</u>	<u>333,851</u>

9. DEBTORS

	2007 £	2006 £
Trade debtors	16,776	25,915
Other debtors	70,251	72,305
Prepayments and accrued income	24,221	41,822
	<u>111,248</u>	<u>140,042</u>

All amounts are due within one year.

10. INVESTMENTS HELD AS CURRENT ASSETS

	2007 £	2006 £
Short term deposit	<u>-</u>	<u>650,000</u>

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade creditors	53,730	71,596
Corporation tax	3,748	5,642
Other taxation and social security	26,249	53,237
Accruals and deferred income	82,880	208,584
Loan	25,000	-
	<u>191,607</u>	<u>339,059</u>

The loan from the Federation of Racecourse Bookmakers is repayable on demand and is free of interest.

12. PROVISIONS FOR LIABILITIES AND CHARGES

Other provisions

Movement in year	£
At 1 January 2007	149,696
Profit and loss release	<u>(149,696)</u>
At 31 December 2007	<u>-</u>

13. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2007	2006
	£	£
Deficit attributable to members of the company	(655,450)	(329,669)
Opening members' funds	720,507	1,050,176
	<u>65,057</u>	<u>720,507</u>

14. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 December 2007 the company was committed to making the following payments during the next year in respect of operating leases:

	2007		2006	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Leases which expire:				
Within one year	43,920	-	29,700	7,597
After five years	-	-	70,528	-
	<u>43,920</u>	<u>-</u>	<u>100,228</u>	<u>7,597</u>

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007**

15. PENSION SCHEMES

The company participates in a defined retirement benefit pension scheme (RBS) operated by the Horserace Betting Levy Board (HBLB). The RBS closed to new members on 1 April 2003 and a group personal pension scheme was established from that date.

The RBS pension scheme provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the HBLB, being invested with one fund manager. Contributions to the RBS have been charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the Group. Such contributions have been determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The last actuarial valuation was carried out as at 30 June 2004.

The actuarial valuation at 30 June 2004, which assumed that all liabilities will be bought out, showed that the market value of the Scheme's assets amounted to £36.7m which represented 76% of the Scheme's liabilities, giving rise to a deficiency of £12m. The main assumptions used in the valuation were that the rate of interest would be 6.9% per annum pre retirement and 4.9% post retirement; pensionable salaries would increase by 3.5% per annum and pension increases would be 5.0% for benefits accrued up to 28 February 1990, and 3% for benefits accrued after 1st March 1990.

The HBLB and the Trustees of the scheme have agreed that, in order to fund continuing benefits, contributions to the RBS will continue at 18.2%, of which employees will contribute 4%, and additional payments would be made to eliminate the funding deficit.

During 2005 the Trustees of the RBS purchased a buyout policy with an insurance company which insured estimated benefits for active and deferred members assuming a HBLB termination date of September 2009. The Trustees purchased the buyout policy with the objective of eliminating risks arising from investment returns and longevity, thus providing greater certainty over the future funding required.

In addition to an initial payment of approximately £24m paid by the Trustees in December 2005, and c£3.3m in September 2006, a further two instalments of approximately £3m, net of employees' 4%, and employers' 14.2% contributions, are to be paid by the HBLB in line with the buyout policy.

The RBS is a defined benefit scheme but because the company cannot identify its share of the underlying assets and liabilities, the pension cost has been treated as if it were a defined contribution scheme.

FRS 17

In accordance with FRS 17 the NJPC accounts for its contribution to the HBLB pension scheme as if it were a defined contribution scheme. This is because the company cannot identify its share of the underlying assets and liabilities of the scheme on a reasonable and consistent basis.

The pension cost for the company for the year amounted to £55,972 (2006 - £47,446). There were no outstanding pension contributions at the year end.

16. CALLED UP SHARE CAPITAL

The company is limited by guarantee and does not have share capital. Consequently, there are no disclosable interests in share capital. In the event of the company being wound up, each member has guaranteed to contribute £1. At 31 December 2007 there were 7 members, comprising 3 members from the Horserace Betting Levy Board, 2 members from the Racecourse Association Limited, 1 member from the Rails Bookmaker Association and 1 member from the National Association of Bookmakers.

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

ADDITIONAL INFORMATION

The additional information which comprises the income and expenditure account and related notes 1 to 6 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

**INCOME AND EXPENDITURE ACCOUNT
Year ended 31 December 2007**

	Note	2007 £	2006 £
INCOME	1	694,274	1,092,581
Cost of operations	2	683,842	809,565
GROSS INCOME		<u>10,432</u>	<u>283,016</u>
%		1.50	25.90
 LESS OVERHEAD EXPENSES			
Office	3	505,986	501,968
Establishment	4	139,985	77,778
General	5	35,138	58,174
		<u>681,109</u>	<u>637,920</u>
NET EXPENDITURE FOR THE YEAR		(670,677)	(354,904)
 ADD: OTHER INCOME			
Interest receivable and similar income	6	18,975	30,877
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(651,702)</u>	<u>(324,027)</u>

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT
Year ended 31 December 2007**

	2007 £	2006 £
1. INCOME		
Pitch administration fees	353,644	399,025
Registration fees	104,681	111,575
List position transfer fees	156,139	462,104
Other income	79,810	119,877
	<u>694,274</u>	<u>1,092,581</u>
2. COST OF OPERATIONS		
Staff costs		
Field staff salaries	255,011	241,230
Temporary field staff salaries	47,159	50,187
Employer's NIC	29,424	27,839
PSA costs	7,404	11,688
Pension costs	27,769	20,531
Health and medical insurance	5,696	5,975
Standard joints	13,332	40,345
Travel, subsistence and other expenses	81,962	96,293
Motor vehicle running costs	6,440	3,267
Telephone	9,587	14,208
Auction expenses	3,429	6,424
Authorisation badges	851	2,822
Marketing fees	(10,000)	-
Depreciation on motor vehicles and standard joints	207,864	289,361
Profit on disposal of fixed assets	(2,086)	(605)
	<u>683,842</u>	<u>809,565</u>
3. OFFICE EXPENSES		
Staff costs		
Directors' remuneration	55,663	54,029
Office based salaries	269,665	252,166
Employer's NIC	33,957	34,556
Health and medical insurance	6,858	7,209
Pension costs	28,203	26,915
Redundancy	39,645	-
Telephone	6,853	7,642
Equipment maintenance and repairs	14,902	23,233
Postage	6,427	10,508
Printing and stationery	13,693	32,872
Meetings, conferences and seminars	9,399	7,987
Staff and council members' expenses	20,190	22,198
Depreciation on computers and office expenses	21,232	22,064
Loss on disposal of fixed assets	(10)	589
	<u>526,677</u>	<u>501,968</u>
Grants to members for improvements to racecourse betting rings, etc.	(20,691)	-
	<u>505,986</u>	<u>501,968</u>

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT
Year ended 31 December 2007**

	2007	2006
	£	£
4. ESTABLISHMENT EXPENSES		
Rent	102,372	39,636
General rates	19,194	18,652
Property repairs	15,777	17,886
Light, heat and utilities	2,642	1,604
	<u>139,985</u>	<u>77,778</u>
5. GENERAL EXPENSES		
General insurance	5,695	7,643
Legal and professional fees	5,968	27,486
Audit and accountancy	14,585	12,855
Bank charges	3,516	4,578
Sundry expenses	677	522
Staff meetings, training and expenses	3,375	4,444
Recruitment	900	-
Web site	422	646
	<u>35,138</u>	<u>58,174</u>
6. INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank interest	<u>18,975</u>	<u>30,877</u>