

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

**Report and Financial Statements**

**31 December 2008**

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

**REPORT AND FINANCIAL STATEMENTS 2008**

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

**REPORT AND FINANCIAL STATEMENTS 2008**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mrs T A Barlow (Chairman)  
M Fogerty  
K Johnson  
S W H Winfield  
M Campbell  
A H Styles  
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 LLP  
Hanover House  
14 Hanover Square  
London W1R 0OB

**AUDITORS**

Deloitte 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 2008.

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 (Horserace 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 1<sup>st</sup> September 2007 to the inception of the new contract.

The new contract was signed subsequent to 31 December 2008, enabling the company to continue trading as the appointed administrator of betting rings.

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 16 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, resigned 1 July 2009)
G Moir	(appointed 1 July 2008, resigned 1 July 2009)
M Campbell	(appointed 1 June 2009)
A H Styles	(appointed 1 June 2009)
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 2008 and 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 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; 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 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 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 2008 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 13. 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 2008 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.

**Deloitte 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 2008**

	Note	2008 £	2007 £
<b>INCOME</b>	2	888,024	694,274
Cost of operations		479,162	683,842
Gross surplus		<u>408,862</u>	<u>10,432</u>
Administrative expenses	3	442,044	681,109
<b>OPERATING DEFICIT</b>	5	(33,182)	(670,677)
Interest receivable and similar income		1,996	18,975
<b>DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(31,186)	(651,702)
Tax on deficit on ordinary activities	6	(414)	(3,748)
<b>DEFICIT FOR THE FINANCIAL YEAR</b>		(31,600)	(655,450)
<b>Retained surplus brought forward</b>		<u>65,057</u>	<u>720,507</u>
<b>Retained surplus carried forward</b>		<u><u>33,457</u></u>	<u><u>65,057</u></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  
(formerly NATIONAL JOINT PITCH COUNCIL LIMITED)**

**BALANCE SHEET  
31 December 2008**

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	7	29,270	98,091
<b>CURRENT ASSETS</b>			
Debtors	8	121,146	111,248
Cash at bank and in hand		94,560	47,325
		215,706	158,573
<b>CREDITORS: amounts falling due within one year</b>	9	211,519	191,607
<b>NET CURRENT ASSETS (LIABILITIES)</b>		4,187	(33,034)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		33,457	65,057
<b>RESERVES</b>			
Income and expenditure account	10	33,457	65,057

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 2008**

	Note	2008 £	£	2007 £
<b>Net cash inflow (outflow) from operating activities</b>	A	15,982		(733,051)
<b>Returns on investments and servicing of finance</b>				
Interest received		1,996	18,975	
<b>Net cash inflow from returns on investments and servicing of finance</b>		1,996	18,975	
<b>Taxation</b>		(3,748)		(5,642)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible fixed assets		(11,995)	-	
Receipts from sales of tangible fixed assets		-	6,674	
<b>Net cash (outflow) inflow from capital expenditure and financial investment</b>		(11,995)	6,674	
<b>Net cash inflow (outflow) before use of liquid resources</b>		47,235		(713,044)
<b>Management of liquid resources</b>				
Movement in short term deposits		-	650,000	
Increase in cash from loans		45,000	25,000	
<b>Net cash inflow from management of liquid resources</b>		45,000	675,000	
<b>Increase (decrease) in cash in the year</b>	B	47,235		(38,044)
<b>Reconciliation of net cash flow to movement in net funds</b>	B			
Increase (decrease) in cash in the year		47,235		(38,044)
Cash flow from increase in loans		(45,000)		(25,000)
Cash flow from decrease in liquid resources		-		(650,000)
<b>Movement in net funds in year</b>		2,235		(713,044)
<b>Net funds at 1 January</b>		22,325		735,369
<b>Net funds at 31 December</b>	B	24,560		22,325

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

**NOTES TO THE CASH FLOW STATEMENT  
Year ended 31 December 2008**

**A. RECONCILIATION OF OPERATING DEFICIT TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Operating deficit	(33,182)	(670,677)
Depreciation	80,816	229,096
Profit on sale of tangible fixed assets	-	(10)
(Increase) decrease in debtors	(9,898)	28,794
Increase (decrease) in creditors	23,246	(320,254)
	<u>60,982</u>	<u>(733,051)</u>
<b>Net cash inflow (outflow) from operating activities</b>	<u><u>60,982</u></u>	<u><u>(733,051)</u></u>

**B. ANALYSIS OF NET FUNDS**

	<b>At 31 December 2007</b>	<b>Cash flows</b>	<b>At 31 December 2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	47,325	47,235	94,560
Loans	(25,000)	(45,000)	(70,000)
	<u>22,325</u>	<u>2,235</u>	<u>24,560</u>
<b>Net funds</b>	<u><u>22,325</u></u>	<u><u>2,235</u></u>	<u><u>24,560</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 December 2008**

**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.

**Going concern**

Following the signing of the operating agreement with the Racecourse Association and racecourses, the company believes that its future is adequately secure to continue as a going concern. The company has returned to a net asset position which, along with the forecast results from the resumption of trade, stand the company in a good position to manage its business risks successfully despite the current uncertain economic outlook. Despite having incurred two years of trading losses, its past performance history demonstrates that its operational structure is cash generative and will enable the company to continue as a going concern.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**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	33 - 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 December 2008**

**2. 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.

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Pitch administration fees	631,070	353,644
Registration fees	-	104,681
List position fees	155,397	156,139
Other income	101,557	79,810
	<u>888,024</u>	<u>694,274</u>

**3. ADMINISTRATIVE EXPENSES**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Office	332,147	526,677
Establishment	40,961	139,985
General	68,936	35,138
Grants to members for improvements to racecourse betting rings	-	(20,691)
	<u>442,044</u>	<u>681,109</u>

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Independent directors' remuneration</b>		
Emoluments	<u>20,166</u>	<u>55,663</u>
	<b>Number</b>	<b>Number</b>
<b>Average number of persons employed</b>		
Council members	2	3
Field staff	6	7
Administration	7	8
	<u>15</u>	<u>18</u>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	472,466	667,143
Social security costs	50,130	70,785
Pension costs	42,511	55,972
	<u>565,107</u>	<u>793,900</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2008**

**4. 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 Barlow and S Winfield.

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.

**5. OPERATING DEFICIT**

	<b>2008</b>	<b>2007</b>
	£	£
<b>Operating deficit is after charging (crediting):</b>		
Depreciation		
Owned assets	80,816	229,096
Profit on disposal of fixed assets	-	(10)
Rentals under operating leases	22,229	102,372
Auditors' remuneration	5,500	10,000
	<u>          </u>	<u>          </u>

**6. TAX ON DEFICIT ON ORDINARY ACTIVITIES**

	<b>2008</b>	<b>2007</b>
	£	£
United Kingdom corporation tax charge for the year	414	3,748
	<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 21% (2007 - 20%). 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:

	<b>2008</b>	<b>2007</b>
	£	£
Deficit before taxation	(31,186)	(651,702)
Tax on deficit at standard rate	(6,549)	(130,340)
Factors affecting charge for the year:		
Deficit not assessable to tax due to non-profit making status of company	6,968	134,135
Change in tax rate	(5)	(47)
	<u>          </u>	<u>          </u>
Current tax charge for the year	<u>          </u>	<u>          </u>

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2008**

**7. TANGIBLE FIXED ASSETS**

	<b>Computers, fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Standard joints £</b>	<b>Total £</b>
Cost				
At 1 January 2008	105,499	91,931	1,609,470	1,806,900
Additions in year	-	11,995	-	11,995
At 31 December 2008	<u>105,499</u>	<u>103,926</u>	<u>1,609,470</u>	<u>1,818,895</u>
Depreciation				
At 1 January 2008	83,873	60,511	1,564,425	1,708,809
Charge in year	17,106	31,431	32,279	80,816
At 31 December 2008	<u>100,979</u>	<u>91,942</u>	<u>1,596,704</u>	<u>1,789,725</u>
Net book value				
At 31 December 2008	<u>4,520</u>	<u>11,984</u>	<u>12,766</u>	<u>29,270</u>
At 31 December 2007	<u>21,626</u>	<u>31,420</u>	<u>45,045</u>	<u>98,091</u>

**8. DEBTORS**

	<b>2008 £</b>	<b>2007 £</b>
Trade debtors	92,019	16,776
Other debtors	16,846	70,251
Prepayments and accrued income	12,281	24,221
	<u>121,146</u>	<u>111,248</u>

All amounts are due within one year.

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2008 £</b>	<b>2007 £</b>
Trade creditors	32,640	53,730
Corporation tax	414	3,748
Other taxation and social security	36,774	26,249
Accruals and deferred income	71,691	82,880
Loan	70,000	25,000
	<u>211,519</u>	<u>191,607</u>

The loan is repayable on demand. It is unsecured and interest free.

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

**NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 December 2008**

**10. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Deficit attributable to members of the company	(31,600)	(655,450)
Opening members' funds	65,057	720,507
	<hr/>	<hr/>
Closing members' funds	33,457	65,057
	<hr/> <hr/>	<hr/> <hr/>

**11. FINANCIAL COMMITMENTS**

**Operating lease commitments**

At 31 December 2008 the company was committed to making the following payments during the next year in respect of operating leases:

	<b>2008</b>		<b>2007</b>	
	<b>Land and buildings</b>	<b>Other</b>	<b>Land and buildings</b>	<b>Other</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Leases which expire:				
Within one year	15,000	3,960	43,920	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**12. 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 1 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
Year ended 31 December 2008**

**12. PENSION SCHEMES (continued)**

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 company 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 £42,511 (2007 - £55,972). There were no outstanding pension contributions at the year end.

**13. 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 2008 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 2008**

	Note	2008 £	2007 £
<b>INCOME</b>	1	888,074	694,274
Cost of operations	2	479,162	683,842
<b>GROSS INCOME</b>		<u>408,862</u>	<u>10,432</u>
%		46.04	1.50
 <b>LESS OVERHEAD EXPENSES</b>			
Office	3	332,147	505,986
Establishment	4	40,961	139,985
General	5	68,936	35,138
		<u>442,044</u>	<u>681,109</u>
<b>NET EXPENDITURE FOR THE YEAR</b>		(33,182)	(670,677)
 <b>ADD: OTHER INCOME</b>			
Interest receivable and similar income	6	1,996	18,975
<b>DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(31,186)</u>	<u>(651,702)</u>

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED  
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**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT  
Year ended 31 December 2008**

	2008 £	2007 £
<b>1. INCOME</b>		
Pitch administration fees	631,000	353,644
Registration fees	-	104,681
List position transfer fees	155,397	156,139
Other income	101,557	79,810
	<u>888,024</u>	<u>694,274</u>
<b>2. COST OF OPERATIONS</b>		
Staff costs		
Field staff salaries	200,113	255,011
Temporary field staff salaries	57,187	47,159
Employer's NIC	24,231	29,424
PSA costs	6,270	7,404
Pension costs	17,145	27,769
Health and medical insurance	5,720	5,696
Standard joints	2,832	13,332
Travel, subsistence and other expenses	86,607	81,962
Motor vehicle running costs	6,149	6,440
Telephone	9,198	9,587
Auction expenses	-	3,429
Authorisation badges	-	851
Marketing fees	-	(10,000)
Depreciation on motor vehicles and standard joints	63,710	207,864
Profit on disposal of fixed assets	-	(2,086)
	<u>479,162</u>	<u>683,842</u>
<b>3. OFFICE EXPENSES</b>		
Staff costs		
Directors' remuneration	20,166	55,663
Office based salaries	195,000	269,665
Employer's NIC	19,629	33,957
Health and medical insurance	5,409	6,858
Pension costs	25,366	28,203
Redundancy	-	39,645
Telephone	6,792	6,853
Equipment maintenance and repairs	14,238	14,902
Postage	4,181	6,427
Printing and stationery	10,156	13,693
Meetings, conferences and seminars	4,461	9,399
Staff and council members' expenses	9,642	20,190
Depreciation on computers and office expenses	17,107	21,232
Profit on disposal of fixed assets	-	(10)
	<u>332,147</u>	<u>526,677</u>
Grants to members for improvements to racecourse betting rings, etc.	-	(20,691)
	<u>332,147</u>	<u>505,986</u>

**ADMINISTRATION OF GAMBLING ON TRACKS LIMITED  
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**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT  
Year ended 31 December 2008**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>4. ESTABLISHMENT EXPENSES</b>		
Rent	22,229	102,372
General rates	9,163	19,194
Property repairs	8,240	15,777
Light, heat and utilities	1,329	2,642
	<u>40,961</u>	<u>139,985</u>
<b>5. GENERAL EXPENSES</b>		
General insurance	5,009	5,695
Legal and professional fees	42,976	5,968
Audit and accountancy	10,549	14,585
Bank charges	4,912	3,516
Sundry expenses	532	677
Staff meetings, training and expenses	3,138	3,375
Recruitment	450	900
Web site	1,370	422
	<u>68,936</u>	<u>35,138</u>
<b>6. INTEREST RECEIVABLE AND SIMILAR INCOME</b>		
Bank interest	<u>1,996</u>	<u>18,975</u>