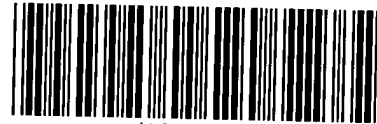


REGISTERED NUMBER: 00014667 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
HIGH GOSFORTH PARK LIMITED**

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**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Income Statement and Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

HIGH GOSFORTH PARK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

Directors: S A J Nahum
M Spincer

Secretary: M J Langridge

Registered office: Millbank Tower
21-24 Millbank
London
SW1P 4QP

Registered number: 00014667 (England and Wales)

Auditors: BDO LLP
55 Baker Street
London
W1U 7EU

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their strategic report for the year ended 31 December 2018.

The principal activity of the company continued to be that of the operation of Newcastle Racecourse and the management of the owned estate including Parklands Golf Course and Border Minstrel public house.

Review of business

The directors are satisfied with the results for the year.

Newcastle Racecourse operated throughout the year providing a total of 60 fixtures (2017: 61). Turnover increased from £14,610,558 to £15,059,098. Operating profit decreased from £185,745 in 2017 to a loss of £203,780 principally driven by an increased prize money contribution and increased overheads, particularly labour costs, where the company has seen a further increase in the national minimum wage.

Other than turnover, the key performance indicator the directors use in assessing the business is Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). EBITDA achieved during the year was £1,200,260 (2017: £1,630,122).

The directors look forward to the future with confidence.

Principal risks and uncertainties

The company operates in the sporting and leisure sector within the UK and as such faces the same risks as other similar businesses, primarily economic welfare, the availability of disposable income and competing interests for the leisure pound.

The company is aware of the risk created from the Government's action to reduce the maximum stake for Fixed Odds Betting Terminals to £2 and the risk of closure of licenced betting offices across the UK.

In addition, as with any business that is conducted outdoors in the UK, a further risk is that of weather related abandonments. It is impossible to mitigate this risk but the company does allow for a certain number of abandonments when completing its business plans.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The financial risk management objectives and policies for each of these risks are described in more detail below.

Interest rate risk

Given the current low interest rate economic climate, hedging for interest risk is not deemed necessary, although the position is kept under regular review by the Board.

Liquidity risk

Liquidity risk is managed centrally. The current loan facilities have been agreed at appropriate levels given the Group's forecasted operating cash flows, loan repayments, expected future capital expenditure and trading income over the course of the foreseeable future.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

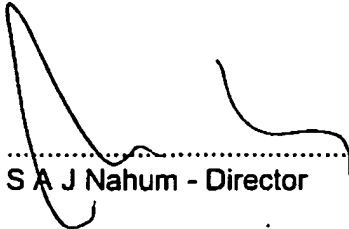
Credit risk

Due to the nature of the company's income streams, the exposure to credit risk is considered minimal. One of the main sources of income is received from the HBLB and media income from the transmission of pictures through the SIS contract. Other third party income is derived from customers on race days and this is either paid in advance of the event or paid on the day. Of the income received by the company that is subject to credit risk, there are established credit procedures and collection policies in place which are reviewed and monitored centrally.

Going concern

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis has been adopted in preparing the financial statements for the year ended 31 December 2018. Further details are given in note 2 to the accounts.

On behalf of the board:


.....
S A J Nahum - Director

Date: 27/9/19

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

Dividends

No dividends will be distributed for the year ended 31 December 2018.

No dividend was distributed for the year ended 31 December 2017.

Directors

The director shown below has held office during the whole of the period from 1 January 2018 to the date of this report:

S A J Nahum

Other changes in Directors holding office are as follows:

P C O'Driscoll - resigned 29 September 2018

K S Robertson - resigned 4 July 2019

M Spincer - appointed 4 July 2019

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all the directors of High Gosforth Park Limited.

Matters covered in the strategic report

As permitted by S414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

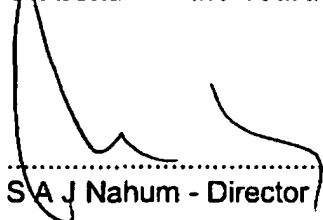
Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to section 487(2) of the Companies Act 2006, the auditors, BDO LLP, will be deemed to be reappointed and will therefore continue in office.

On behalf of the board:



SA J Nahum - Director

Date: 27/12/19

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HIGH GOSFORTH PARK LIMITED

Opinion

We have audited the financial statements of High Gosforth Park Limited ("the Company") for the year ended 31 December 2018 which comprise the income statement and statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HIGH GOSFORTH PARK LIMITED

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HIGH GOSFORTH PARK LIMITED

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Dominic Stammers (Senior Statutory Auditor)
For and on behalf of BDO LLP
Statutory Auditor
55 Baker Street
London
W1U 7EU

Date: *30 September 2019*

BDO is a Limited Liability Partnership registered in England and Wales (with registered number OC305127)

HIGH GOSFORTH PARK LIMITED (REGISTERED NUMBER: 00014667)

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
Turnover	3	15,059,098	14,610,558
Cost of sales		<u>(9,490,046)</u>	<u>(9,079,403)</u>
Gross profit		5,569,052	5,531,155
Administrative expenses		<u>(5,772,832)</u>	<u>(5,345,410)</u>
Operating (loss)/profit	5	(203,780)	185,745
Income from fixed asset investments		<u>854</u>	<u>811</u>
(Loss)/profit before taxation		(202,926)	186,556
Tax on (loss)/profit	6	<u>(352,736)</u>	<u>134,670</u>
(Loss)/profit for the financial year		(555,662)	321,226
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the year		<u>(555,662)</u>	<u>321,226</u>

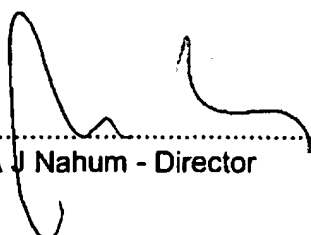
The notes on pages 12 to 25 form part of these financial statements

HIGH GOSFORTH PARK LIMITED (REGISTERED NUMBER: 00014667)

**BALANCE SHEET
31 DECEMBER 2018**

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	7		9,211		19,211
Tangible assets	8		<u>19,072,685</u>		<u>19,959,972</u>
			19,081,896		19,979,183
Current assets					
Stocks	9	184,036		175,748	
Debtors	10	7,736,360		12,562,526	
Investments	11	1,188		1,188	
Cash at bank		<u>1,231,777</u>		<u>631,237</u>	
		9,153,361		13,370,699	
Creditors					
Amounts falling due within one year	12	<u>(7,269,546)</u>		<u>(11,955,480)</u>	
Net current assets			<u>1,883,815</u>		<u>1,415,219</u>
Total assets less current liabilities			20,965,711		21,394,402
Provisions for liabilities	14		<u>(126,971)</u>		-
Net assets			<u>20,838,740</u>		<u>21,394,402</u>
Capital and reserves					
Called up share capital	15		90,960		90,960
Revaluation reserve	16		2,351,124		2,351,124
Retained earnings	16		<u>18,396,656</u>		<u>18,952,318</u>
Shareholders' funds			<u>20,838,740</u>		<u>21,394,402</u>

The financial statements were approved by the Board of Directors on 27/12/19 and were signed on its behalf by:


S A J Nahum - Director

The notes on pages 12 to 25 form part of these financial statements

HIGH GOSFORTH PARK LIMITED (REGISTERED NUMBER: 00014667)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2017	90,960	18,631,092	2,351,124	21,073,176
Changes in equity				
Total comprehensive income	<u>-</u>	<u>321,226</u>	<u>-</u>	<u>321,226</u>
Balance at 31 December 2017	<u>90,960</u>	<u>18,952,318</u>	<u>2,351,124</u>	<u>21,394,402</u>
Changes in equity				
Total comprehensive loss	<u>-</u>	<u>(555,662)</u>	<u>-</u>	<u>(555,662)</u>
Balance at 31 December 2018	<u>90,960</u>	<u>18,396,656</u>	<u>2,351,124</u>	<u>20,838,740</u>

The notes on pages 12 to 25 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Statutory information

High Gosforth Park Limited is a private company limited by shares incorporated in England and Wales. The registered office is Millbank Tower, 21-24 Millbank, London, SW1P 4QP. The principal place of business of the company is Newcastle Racecourse, High Gosforth Park, Newcastle Upon Tyne, NE3 5HP.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The Directors have drawn up the financial statements on a going concern basis.

The Directors consider it appropriate to draw up the financial statements on a going concern basis as they have received assurance from Omaha Business Holdings Corp that it will continue to make sufficient funds available to enable the Company to meet its obligations as they fall due for the foreseeable future, and at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies - continued

Turnover

Turnover principally relates to income derived directly from the holding of horse race meetings, including industry related funding from the HBLB, and the non-raceday use of the Racecourse facilities. Turnover is also derived from the operation of a golf course and public house.

Income is recognised once a race meeting or non-raceday event has been held or upon use of the golf course and public house. This includes admissions revenue, other racing income and catering income. In certain circumstances income is taken over the life of the agreement to which it relates, such as rental income and annual memberships.

Media rights

Income received in respect of media rights over the broadcasts from the racecourse is recognised within revenue in the period in which the relevant race meetings are held.

HBLB revenue

The HBLB provides revenue to racecourses to support the holding of race meetings. For taxation purposes, this revenue can be waived by racecourses, with HBLB approval, and transferred to 'capital credits', which is a tax-efficient scheme operated by the HBLB. These capital credits may be claimed by racecourses against expenditure on HBLB-approved capital projects and as a result, are not assessable to tax. It is the Company's policy that, as they are derived from and are dependent upon trading activities, capital credit receipts are recognised within revenue when the race meetings to which they relate are held. A corresponding receivable is recognised until the cash is received.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies - continued

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation is provided at rates calculated to write off cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Freehold land	nil
Freehold buildings	over 50 years
Plant and machinery	10% - 20%
Motor vehicles	25%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account unless the relevant asset is carried in a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies - continued

Stocks

Closing stock is stated at lower of cost and net realisable value. The cost includes all expenditure which has been incurred in bringing the stock to its present location and condition. Stock is valued using the first in first out method.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date, where applicable.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies - continued

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies - continued

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies - continued

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4. Employees and directors

	2018 £	2017 £
Wages and salaries	2,289,777	2,297,774
Social security costs	159,158	165,274
Other pension costs	32,201	29,350
	<u>2,481,136</u>	<u>2,492,398</u>

The average number of employees during the year was as follows:

	2018	2017
Total permanent staff	<u>61</u>	<u>77</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Employees and directors - continued

The Company employs casual staff to assist during racedays. The number of casual staff varies between 75 and 389 (2017: 125 and 424) depending on the raceday. Casual staff are not included in the staff numbers stated above.

	2018	2017
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

5. Operating (loss)/profit

The operating loss (2017 - operating profit) is stated after charging:

	2018	2017
	£	£
Hire of plant and machinery	42,587	2,568
Depreciation - owned assets	1,394,040	1,434,377
Purchased racing fixtures amortisation	10,000	10,000
Auditors' remuneration	3,119	2,546
Operating lease rentals	5,739	10,873
Group management charges	1,046,175	856,968
Auditors remuneration	5,000	5,000
Inventory recognised as an expense	<u>926,703</u>	<u>737,674</u>

6. Taxation

Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss for the year was as follows:

	2018	2017
	£	£
Deferred tax	<u>352,736</u>	<u>(134,670)</u>
Tax on (loss)/profit	<u>352,736</u>	<u>(134,670)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

6. Taxation - continued

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.
The difference is explained below:

	2018 £	2017 £
(Loss)/profit before tax	<u>(202,926)</u>	<u>186,556</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(38,556)	35,912
Effects of:		
Expenses not deductible for tax purposes	164,532	225,041
Adjustments to tax charge in respect of previous periods	96,025	(165,996)
Group relief	160,932	(252,748)
Change in rate	<u>(30,197)</u>	<u>23,121</u>
Total tax charge/(credit)	<u>352,736</u>	<u>(134,670)</u>

7. Intangible fixed assets

	Purchased racing fixtures £
Cost	
At 1 January 2018 and 31 December 2018	<u>200,000</u>
Amortisation	
At 1 January 2018	180,789
Amortisation for year	<u>10,000</u>
At 31 December 2018	<u>190,789</u>
Net book value	
At 31 December 2018	<u>9,211</u>
At 31 December 2017	<u>19,211</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

8. Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Totals £
Cost				
At 1 January 2018	26,782,784	2,763,914	363,360	29,910,058
Additions	<u>351,360</u>	<u>135,088</u>	<u>20,305</u>	<u>506,753</u>
At 31 December 2018	<u>27,134,144</u>	<u>2,899,002</u>	<u>383,665</u>	<u>30,416,811</u>
Depreciation				
At 1 January 2018	7,494,924	2,366,478	88,684	9,950,086
Charge for year	<u>1,207,578</u>	<u>152,698</u>	<u>33,764</u>	<u>1,394,040</u>
At 31 December 2018	<u>8,702,502</u>	<u>2,519,176</u>	<u>122,448</u>	<u>11,344,126</u>
Net book value				
At 31 December 2018	<u>18,431,642</u>	<u>379,826</u>	<u>261,217</u>	<u>19,072,685</u>
At 31 December 2017	<u>19,287,860</u>	<u>397,436</u>	<u>274,676</u>	<u>19,959,972</u>

The freehold land and buildings included above at valuation could alternatively be stated at a cost of £24,219,649 (2017: £23,868,289) with accumulated depreciation of £8,165,634 (2017: £7,016,346).

The property was valued on 31 December 1995 at open market value on the basis of existing use by the directors. The value of land not depreciated is £1,453,202 (2017: £1,453,202).

Deferred tax on the revaluation gain has not been provided under FRS102 as indexation allowance mitigates any potential gain.

9. Stocks

	2018 £	2017 £
Stocks	<u>184,036</u>	<u>175,748</u>

HIGH GOSFORTH PARK LIMITED (REGISTERED NUMBER: 00014667)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Debtors: amounts falling due within one year

	2018	2017
	£	£
Trade debtors	466,120	412,350
Amounts owed by group undertakings	6,577,786	11,403,066
Other debtors	135,884	217,972
Corporation Tax	300,000	100,000
VAT	84,710	55,332
Deferred tax asset	-	225,765
Prepayments and accrued income	<u>171,860</u>	<u>148,041</u>
	<u>7,736,360</u>	<u>12,562,526</u>

Deferred tax asset

	2017
	£
Accelerated capital allowances	225,009
Other timing differences	<u>756</u>
	<u>225,765</u>

11. Current asset investments

	2018	2017
	£	£
Unlisted investments	<u>1,188</u>	<u>1,188</u>

12. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	536,238	447,238
Amounts owed to group undertakings	6,026,751	11,069,910
Social security and other taxes	43,155	43,024
Other creditors	52,592	39,636
Accruals and deferred income	<u>610,810</u>	<u>355,672</u>
	<u>7,269,546</u>	<u>11,955,480</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	3,028	5,739
Between one and five years	-	3,028
	<u>3,028</u>	<u>8,767</u>

14. Provisions for liabilities

	2018	
	£	
Deferred tax		
Accelerated capital allowances	128,029	
Other timing differences	<u>(1,058)</u>	
	<u>126,971</u>	
		Deferred tax
		£
Balance at 1 January 2018		(225,765)
Charge to Income Statement and Statement of Comprehensive Income during year		<u>352,736</u>
Balance at 31 December 2018		<u>126,971</u>

15. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
90,960	Ordinary Shares	£1	<u>90,960</u>	<u>90,960</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

16. Reserves

Called up share capital

Represents the nominal value of equity shares issued.

Revaluation reserve

The revaluation reserve represents revaluation movements on the company's land and buildings held as tangible fixed assets.

Retained earnings

Retained earnings represent the company's cumulative net gains and losses.

17. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund.

There was a pension creditor at the year end amounting to £5,779 (2017: £3,977).

18. Ultimate parent company

The immediate parent company is Northern Races Limited. The ultimate parent company is Omaha Business Holdings Corp., a company registered in the British Virgin Islands.

The company's ultimate UK parent is NR Acquisitions Topco Limited. NR Acquisitions Topco Limited prepares group financial statements and copies can be obtained from Companies House.

The registered address and principal place of business of NR Acquisitions Topco Limited and Northern Races Limited is Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

The registered address and principal place of business of Omaha Business Holdings Corp is 2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Wickham's Cay II, Road Town, Tortola, British Virgin Islands.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. Related party disclosures

The company has taken advantage of exemption, under the terms of FRS102 not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the company provided racing services to and received similar services from the following related parties:

	Recharges	
	2018	2017
	£	£
The Doncaster Racecourse Management Company Limited	2,476	(13,219)
Uttoxeter Leisure and Development Company Limited	(36)	(29)
Great Yarmouth Racecourse Limited	(3,037)	-
Sedgefield Steeplechase Company (1927) Limited	75,610	20,262

The above companies are under common control with the company. There were no balances outstanding with the above companies at 31 December 2018 or 31 December 2017.

The bank loans and overdrafts of the NR Acquisitions Topco Group are secured by a legal charge over the racecourse properties in the NR Acquisitions Topco Group.