

REGISTERED NUMBER: 00061159 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
FOLKESTONE RACE COURSE LIMITED**

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FOLKESTONE RACE COURSE LIMITED (REGISTERED NUMBER: 00061159)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Income Statement	5
Balance Sheet	6
Notes to the Financial Statements	7

FOLKESTONE RACE COURSE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

Directors: S A J Nahum
K S Robertson
P C O'Driscoll

Secretary: M J Langridge

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

Registered number: 00061159 (England and Wales)

Auditors: BDO LLP
55 Baker Street
London
W1U 7EU

FOLKESTONE RACE COURSE LIMITED (REGISTERED NUMBER: 00061159)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

Directors

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report:

S A J Nahum
P C O'Driscoll
K S Robertson

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all the directors of Folkestone Race Course Limited.

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.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:



.....
P C O'Driscoll - Director

Date: 25/9/18

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOLKESTONE RACE COURSE LIMITED

Opinion

We have audited the financial statements of Folkestone Race Course Limited ("the Company") for the year ended 31 December 2017 which comprise the Income statement, Balance sheet 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 2017 and of its profit 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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Director's report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOLKESTONE RACE COURSE LIMITED

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.; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a Strategic report.

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

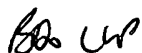
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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.



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

Date: 28 September 2018

BDO is a limited liability partnership registered in England and Wales (with registered number OC305127)

FOLKESTONE RACE COURSE LIMITED (REGISTERED NUMBER: 00061159)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Turnover	3	-	8,512
Administrative expenses		<u>(1,170)</u>	<u>1,931,081</u>
Operating (loss)/profit	5	(1,170)	1,939,593
Interest receivable and similar income		<u>2,221</u>	<u>4,195</u>
		1,051	1,943,788
Interest payable and similar expenses		<u>-</u>	<u>(31,000)</u>
Profit before taxation		1,051	1,912,788
Tax on profit	6	<u>(1)</u>	<u>(80,557)</u>
Profit for the financial year		<u>1,050</u>	<u>1,832,231</u>

The notes on pages 7 to 12 form part of these financial statements

FOLKESTONE RACE COURSE LIMITED (REGISTERED NUMBER: 00061159)

**BALANCE SHEET
31 DECEMBER 2017**

	Notes	2017 £	2016 £
Current assets			
Debtors	7	123,839	111,747
Cash at bank		<u>749</u>	<u>39,095</u>
		124,588	150,842
Creditors			
Amounts falling due within one year	8	<u>(72,869)</u>	<u>(100,173)</u>
Net current assets		<u>51,719</u>	<u>50,669</u>
Total assets less current liabilities		<u>51,719</u>	<u>50,669</u>
Capital and reserves			
Called up share capital	9	224,404	224,404
Share premium		361,796	361,796
Retained earnings		<u>(534,481)</u>	<u>(535,531)</u>
Shareholders' funds		<u>51,719</u>	<u>50,669</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on25/9/18..... and were signed on its behalf by:



.....
P C O'Driscoll - Director

The notes on pages 7 to 12 form part of these financial statements

FOLKESTONE RACE COURSE LIMITED (REGISTERED NUMBER: 00061159)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Statutory information

Folkestone Race Course 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 Folkestone Racecourse, Stone Street, Hythe, CT21 4HX.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

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.

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.

FOLKESTONE RACE COURSE LIMITED (REGISTERED NUMBER: 00061159)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies - continued

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.

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.

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

The average number of employees during the year was NIL (2016 - 1).

5. Operating (loss)/profit

The operating loss (2016 - operating profit) is stated after charging/(crediting):

	2017 £	2016 £
Depreciation - owned assets	-	20,354
Profit on disposal of fixed assets	-	(2,001,619)
Property rents receivable	-	(8,512)
	<u>-</u>	<u>(8,512)</u>

FOLKESTONE RACE COURSE LIMITED (REGISTERED NUMBER: 00061159)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017 £	2016 £
Deferred tax	<u>1</u>	<u>80,557</u>
Tax on profit	<u>1</u>	<u>80,557</u>

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	<u>1,051</u>	<u>1,912,788</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	202	382,558
Effects of:		
Income not taxable for tax purposes	-	(397,654)
Group relief	(201)	-
Group relief	<u>-</u>	<u>95,653</u>
Total tax charge	<u>1</u>	<u>80,557</u>

7. Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	-	72,595
Amounts owed by group undertakings	<u>123,827</u>	<u>39,139</u>
	<u>123,827</u>	<u>111,734</u>
Amounts falling due after more than one year:		
Deferred Tax	<u>12</u>	<u>13</u>
Aggregate amounts	<u>123,839</u>	<u>111,747</u>

FOLKESTONE RACE COURSE LIMITED (REGISTERED NUMBER: 00061159)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Debtors - continued

Deferred Tax

	2017 £	2016 £
Provisions	<u>12</u>	<u>13</u>
	<u>12</u>	<u>13</u>

	Deferred Tax £
Balance at 1 January 2017	13
Released during the year	<u>(1)</u>
Balance at 31 December 2017	<u>12</u>

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	(1)	1,870
Amounts owed to group undertakings	72,492	72,492
Social security and other taxes	-	855
VAT	178	3,592
Other creditors	200	21,300
Accruals and deferred income	<u>-</u>	<u>64</u>
	<u>72,869</u>	<u>100,173</u>

9. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
224,404	Ordinary Shares	£1	<u>224,404</u>	<u>224,404</u>

10. 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.

At the year end Cozumel Estates Limited, a company under common control, owed the company £nil (2016: £72,595).

FOLKESTONE RACE COURSE LIMITED (REGISTERED NUMBER: 00061159)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. Ultimate parent company

The immediate parent company is Arena Leisure Racing 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 Arena Racing Corporation Limited. Arena Racing Corporation Limited prepares group financial statements and copies can be obtained from Companies House.

The registered address and principal place of business of Arena Racing Corporation Limited and Arena Leisure Racing 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.