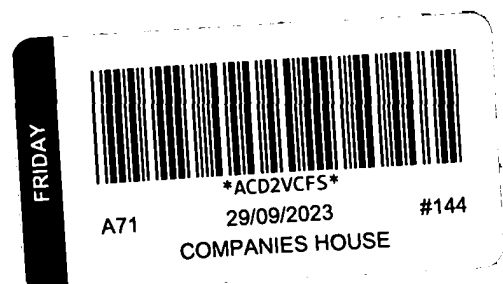


Company registration number 00159562 (England and Wales)

**BATH RACECOURSE COMPANY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



# **BATH RACECOURSE COMPANY LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	S A J Nahum M Spincer
<b>Secretary</b>	M J Hill
<b>Company number</b>	00159562
<b>Registered office</b>	Millbank Tower 21-24 Millbank London SW1P 4QP
<b>Auditor</b>	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ

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**BATH RACECOURSE COMPANY LIMITED**

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# **BATH RACECOURSE COMPANY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S A J Nahum  
M Spincer

#### **Qualifying third party indemnity provisions**

The company has put in place qualifying third party indemnity provisions for all the directors of Bath Racecourse Company Limited.

#### **Auditor**

The auditor, Gerald Edelman LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **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). 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 of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

## **BATH RACECOURSE COMPANY LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

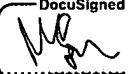
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Going concern**

After reviewing the company's forecasts and projections for not less than 12 months from the date of approval of these financial statements and taking into account current financial resources, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties that give rise to significant doubt as to the company's ability to continue to prepare its financial statements on a going concern basis. Further details regarding the directors' considerations in drawing this conclusion are provided in note 1.2 to the financial statements.

On behalf of the board

DocuSigned by:  
  
.....86E70D7809C2414...

M Spincer

**Director**

28 September 2023

Date: .....

# **BATH RACECOURSE COMPANY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BATH RACECOURSE COMPANY LIMITED**

---

#### **Opinion**

We have audited the financial statements of Bath Racecourse Company Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 2022 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our 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.

# **BATH RACECOURSE COMPANY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BATH RACECOURSE COMPANY LIMITED**

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#### **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 directors' 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, data protection, anti-bribery, employment and health and safety.

## BATH RACECOURSE COMPANY LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF BATH RACECOURSE COMPANY LIMITED

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#### **Audit response to risks identified**

##### ***Fraud due to management override***

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

##### ***Irregularities and non-compliance with laws and regulations***

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.

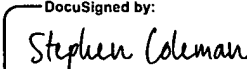
The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

A further description of our responsibilities is available on 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.

DocuSigned by:  
  
5B81E2DB594B44F...

**Stephen Coleman ACA**  
**Senior Statutory Auditor**  
**For and on behalf of Gerald Edelman LLP**

28 September 2023

Date: .....

**Chartered Accountants**  
**Statutory Auditor**

73 Cornhill  
London  
EC3V 3QQ



**BATH RACECOURSE COMPANY LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Turnover	3	5,637,102	6,643,794
Cost of sales		(2,811,123)	(3,835,460)
<b>Gross profit</b>		<b>2,825,979</b>	<b>2,808,334</b>
Administrative expenses		(1,806,008)	(2,040,838)
Other operating income		-	4,737
<b>Profit before taxation</b>		<b>1,019,971</b>	<b>772,233</b>
Tax on profit	6	(181,784)	(9,485)
<b>Profit for the financial year</b>		<b>838,187</b>	<b>762,748</b>

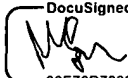
The profit and loss account has been prepared on the basis that all operations are continuing operations.

**BATH RACECOURSE COMPANY LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2022**

		<b>2022</b>		<b>2021</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>7</b>		8,013,360		8,185,642
<b>Current assets</b>					
Stocks	<b>8</b>	47,038		62,653	
Debtors	<b>9</b>	6,473,320		4,323,503	
Cash at bank and in hand		276,666		53,549	
		<u>6,797,024</u>		<u>4,439,705</u>	
<b>Creditors: amounts falling due within one year</b>	<b>10</b>	<u>(9,283,478)</u>		<u>(7,936,628)</u>	
<b>Net current liabilities</b>			<u>(2,486,454)</u>		<u>(3,496,923)</u>
<b>Net assets</b>			<u>5,526,906</u>		<u>4,688,719</u>
<b>Capital and reserves</b>					
Called up share capital	<b>13</b>		37,200		37,200
Revaluation reserve			1,970,608		1,970,608
Profit and loss reserves			3,519,098		2,680,911
<b>Total equity</b>			<u>5,526,906</u>		<u>4,688,719</u>

28 September 2023

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

DocuSigned by:  
  
 .....08E70D7809C2414...  
 M Spicer  
 Director

Company Registration No. 00159562

**BATH RACECOURSE COMPANY LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2022**


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	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 January 2021</b>	37,200	1,970,608	1,918,163	3,925,971
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year	-	-	762,748	762,748
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2021</b>	37,200	1,970,608	2,680,911	4,688,719
<b>Year ended 31 December 2022:</b>				
Profit and total comprehensive income for the year	-	-	838,187	838,187
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2022</b>	<u>37,200</u>	<u>1,970,608</u>	<u>3,519,098</u>	<u>5,526,906</u>

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# **BATH RACECOURSE COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Bath Racecourse Company 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 Bath Racecourse, Lansdown, Bath, BA1 9BU.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

The financial statements of the company are consolidated in the financial statements of NR Acquisition Topco Limited. These consolidated financial statements are available from Companies House.

#### **1.2 Going concern**

The directors are required to make an assessment of the appropriateness of using the going concern assumption in preparing these financial statements.

Having reviewed the company's financial forecasts and expected future cash flows, and notwithstanding the net current liabilities of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. NR Acquisitions Limited's facility agreement in place with Hightower Finance (Jersey) Limited provides sufficient headroom to enable the company to continue in operational existence. Assurance has been received from Omaha Business Holdings Corp that it will continue to make 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. Thus, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2022.

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### 1.3 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.

Income is recognised once a race meeting or non-raceday event has been held. 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.

##### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold  
Plant and machinery  
Fixtures, fittings & equipment

Land - Nil, Freehold Buildings Straight line over 25 to 50 years  
Straight line over 4 to 10 years  
Straight line over 4 to 10 years

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 profit or loss.

On transition to FRS 102 the valuation of fixed assets at that date was adopted as the deemed cost on the date of transition. The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

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.

##### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing 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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued 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 (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stock is valued using first in first out method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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 debtors 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. Financial assets classified as receivable within one year are not amortised.

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### ***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***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors 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.

#### 1.9 Equity instruments

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

#### 1.10 Taxation

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

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

##### **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 profit and loss account, 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.

#### 1.11 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.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.14 Government grants

Grants are credited to deferred income. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.



# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### 1.16 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.

#### 2 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.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's intangible and tangible assets. Factors taken into account in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation and uncertainty:

- Tangible fixed assets

The company recognises fixed assets where such expenditure enhances the racecourse assets, whereas any expenditure classed as maintenance is expensed in the period incurred. Determining enhancement from maintenance is a subjective area. The estimated useful economic lives of fixed assets are based on management judgement and experience.

- Intercompany debtor recoverability

An assessment of intercompany debtor recoverability has been made by the Directors as at 31 December 2022. The recoverability of these debts was based on expected future trade. Due to the material nature of the intercompany balance this is considered a significant judgement area.

#### 3 Turnover and other revenue

The total turnover of the company is derived from its principal activity wholly undertaken in the United Kingdom.

	2022	2021
	£	£
<b>Other revenue</b>		
Grants received	-	4,737
	<u>          </u>	<u>          </u>

Government grants relate to furlough income.

**BATH RACECOURSE COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****4 Operating profit**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(4,737)
Fees payable to the company's auditor for the audit of the company's financial statements	7,496	7,500
Depreciation of owned tangible fixed assets	226,711	264,668
Operating lease charges	7,362	13,119
Group management charges	475,477	768,824
	<u>          </u>	<u>          </u>

**5 Employees**

The average monthly number of persons employed by the company during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Total permanent staff	7	7
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	433,956	489,222
Social security costs	45,889	34,599
Pension costs	13,643	11,445
	<u>493,488</u>	<u>535,266</u>

The company employs casual staff to assist during racedays. Casual staff are not included in the staff numbers stated above.

**6 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	215,992	-
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(32,093)	9,485
Adjustment in respect of prior periods	(2,115)	-
	<u>          </u>	<u>          </u>
Total deferred tax	(34,208)	9,485
	<u>          </u>	<u>          </u>
Total tax charge	<u>181,784</u>	<u>9,485</u>

**BATH RACECOURSE COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****6 Taxation****(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before taxation	1,019,971	772,233
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	193,794	146,724
Tax effect of expenses that are not deductible in determining taxable profit	32,522	36,793
Adjustments in respect of prior years	(2,115)	-
Effect of change in corporation tax rate	(42,417)	-
Group relief	-	(174,032)
Taxation charge for the year	181,784	9,485

**7 Tangible fixed assets**

	<b>Land and buildings Freehold</b>	<b>Assets under construction</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 January 2022	11,464,065	-	532,945	1,317,032	13,314,042
Additions	15,000	9,500	14,429	15,500	54,429
At 31 December 2022	11,479,065	9,500	547,374	1,332,532	13,368,471
<b>Depreciation and impairment</b>					
At 1 January 2022	3,414,580	-	484,029	1,229,791	5,128,400
Depreciation charged in the year	194,147	-	19,057	13,507	226,711
At 31 December 2022	3,608,727	-	503,086	1,243,298	5,355,111
<b>Carrying amount</b>					
At 31 December 2022	7,870,338	9,500	44,288	89,234	8,013,360
At 31 December 2021	8,049,485	-	48,916	87,241	8,185,642

The freehold land and buildings included above at valuation could alternatively be stated at a cost of £8,823,759 (2021: £8,823,759) with accumulated depreciation of £2,552,442 (2021: £2,411,401).

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

**BATH RACECOURSE COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>8 Stocks</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	47,038	62,653
<b>9 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	118,079	147,677
Amounts owed by group undertakings	6,169,202	3,889,417
Other debtors	2,090	10,058
Prepayments and accrued income	7,501	134,111
	6,296,872	4,181,263
Deferred tax asset (note 11)	176,448	142,240
	6,473,320	4,323,503
<b>10 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	103,939	184,025
Amounts owed to group undertakings	8,639,944	7,398,653
Corporation tax	215,992	-
Other taxation and social security	21,075	10,835
Other creditors	63,640	14,194
Accruals and deferred income	238,888	328,921
	9,283,478	7,936,628

**11 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Assets</b>	<b>Assets</b>
	<b>2022</b>	<b>2021</b>
<b>Balances:</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	175,912	141,807
Provisions	536	433
	176,448	142,240

**BATH RACECOURSE COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022****11 Deferred taxation (Continued)**

	<b>2022</b>
	<b>£</b>
<b>Movements in the year:</b>	
Asset at 1 January 2022	(142,240)
Credit to profit or loss	(34,208)
	<u>          </u>
Asset at 31 December 2022	<u>(176,448)</u>

**12 Retirement benefit schemes**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	13,643	11,445
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**13 Share capital**

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary Shares of £10 each	3,720	3,720	37,200	37,200
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**14 Financial commitments, guarantees and contingent liabilities**

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.

**15 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	6,599	6,599
Between two and five years	4,399	10,998
	<u>          </u>	<u>          </u>
	<u>10,998</u>	<u>17,597</u>

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 16 Related party transactions

#### Transactions with related parties

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 to/(from)	
	2022	2021
	£	£
The Doncaster Racecourse Management Company Limited	(1,518)	(447)
Brighton Racecourse Company Limited	(203)	115
Uttoxeter Leisure and Development Limited	3,617	(370)
Worcester Racecourse Limited	(560)	1,437
Great Yarmouth Racecourse Limited	83	206
Sedgfield Steeplechase Company (1927) Limited	83	-
	<u>          </u>	<u>          </u>

The companies above are all under common control with the company.

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
<b>Balance due from/(to related parties) as at 31 December</b>		
The Doncaster Racecourse Management Company Limited	(1,965)	(447)
Brighton Racecourse Company Limited	(88)	115
Uttoxeter Leisure and Development Limited	3,247	(370)
Worcester Racecourse Limited	876	1,437
Great Yarmouth Racecourse Limited	289	206
Sedgfield Steeplechase Company (1927) Limited	83	-
	<u>          </u>	<u>          </u>

### 17 Ultimate controlling party

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.