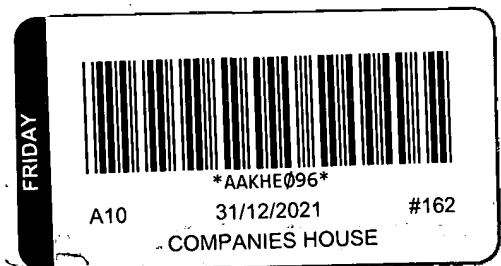


REGISTERED NUMBER: 02020650 (England and Wales)

**STRATEGIC REPORT, DIRECTORS REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
CHEPSTOW RACES LIMITED**



CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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CHEPSTOW RACES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

Directors:

S A J Nahum
K S Robertson

Secretary:

M J Hill

Registered office:

Millbank Tower
21-24 Millbank
London
SW1P 4QP

Registered number:

02020650 (England and Wales)

Auditors:

BDO LLP
55 Baker Street
London
W1U 7EU

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their strategic report for the year ended 31 December 2020.

The principal activity of the company continued to be that of operator of Chepstow racecourse.

Review of business

The Chepstow racecourse hosted 3 race meetings during 2020 (2019: 30). Turnover for the year ended 31 December 2020 was £3,698,263 (2019: £7,962,411). The decrease was a result of the COVID-19 pandemic in March 2020, which has caused a significant impact on the UK and global economy. Operating profit decreased from £60,570 in 2019 to an operating loss of £668,700 in 2020. The Company has made use of all applicable Covid-19 government support schemes during the year, in particular the coronavirus job retention scheme.

The company's principal revenue streams are dependent on British horseracing fixtures being staged. Racing was suspended for a period approaching two and a half months and whilst racing resumed on 1 June 2020 this remained behind closed doors at the Chepstow Racecourse. As a result, the company's revenue streams have been profoundly impacted by the temporary cessation of racing and continued to be affected by the ongoing prohibition of on-course spectators.

The Company has remained in a positive cash position despite the impact of the pandemic. Investment in fixed assets has been minimised during the year with all other expenditure closely monitored. The Company made use of additional funding from group companies during the year and this is reflected in the increase in amounts due to group companies at the year end.

As a result of the impact COVID-19 had on the results of the company, the directors are satisfied with the results for the year and are optimistic for the future.

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

As evidenced by the forced closure of the business during the period and subsequent restrictions in response to the Covid-19 coronavirus pandemic, uncertainty will persist until the virus is under control worldwide which poses a risk to the business

The effects of a future pandemic to market and economic conditions, as seen during 2020, is currently unknown and will remain an uncertain risk. The company has and will manage these risks appropriately.

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.

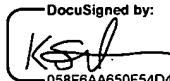
Credit risk

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

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 Chepstow Races Limited 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 2 to the financial statements.

On behalf of the board:

DocuSigned by:


.....
K Robertson - Director

30 December 2021

Date:

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)

**DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

Dividends

No dividends will be distributed for the year ended 31 December 2020.

No dividend was distributed for the year ended 31 December 2019.

Post balance sheet event

The lifting of restrictions has seen the return of people in their capacity as spectators and guests, which will be seen in the performance of the 2021 financial year.

Directors

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report:

S A J Nahum
K S Robertson

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all the directors of Chepstow Races 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.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors 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.

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)

**DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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:

DocuSigned by:



.....058F6AAB50F54D4.....
K Robertson - Director

Date: 30 December 2021
.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHEPSTOW RACES LIMITED

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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.

We have audited the financial statements of Chepstow Races Limited ("the Company") for the year ended 31 December 2020 which comprise the Income Statement and Statement of Comprehensive Income and 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 directors are responsible for the other information. The other information comprises the information included in 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. 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.

The notes on pages 12 to 22 form part of these financial statements

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHEPSTOW RACES LIMITED - continued**

Other Companies Act 2006 reporting

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 has been prepared in accordance with applicable legal requirements.

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 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.

Responsibilities of Directors

As explained more fully in the Strategic report and Directors Report, 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.

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

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:

- Where the risks were considered higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free of fraud or error.
- Based on the understanding obtained we designed audit procedures to identify non-compliance with the laws and regulations, as noted above. This included enquiries of management, review of Board minutes and review of relevant correspondence.
- We tested journal entries, focusing on journal entries containing characteristics of audit interest such as manual journals and journals relating to revenue.
- We tested and challenged the key estimates and judgements made by management in preparing the financial statements for indications of bias or management override when presenting the results and financial position of the Company.

The notes on pages 12 to 22 form part of these financial statements

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHEPSTOW RACES LIMITED - continued**

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Dominic Stammers

07B9A1A09B8465
Dominic Stammers (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street,
London,
W1U 7EU

Date 31 December 2021

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

The notes on pages 12 to 22 form part of these financial statements

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	3,698,263	7,962,441
Cost of sales		<u>(2,602,410)</u>	<u>(5,317,056)</u>
Gross profit		1,095,853	2,645,385
Administrative expenses		<u>(2,041,901)</u>	<u>(2,584,815)</u>
		(946,048)	60,570
Other operating income	4	<u>277,348</u>	<u>-</u>
Operating (loss)/profit and (Loss)/profit before taxation		(668,700)	60,570
Tax on (loss)/profit	7	<u>(2,130)</u>	<u>(8,389)</u>
(Loss)/profit for the financial year		(670,830)	52,181
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the year		<u><u>(670,830)</u></u>	<u><u>52,181</u></u>

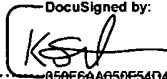
The notes on pages 12 to 22 form part of these financial statements

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)**BALANCE SHEET
31 DECEMBER 2020**

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	8	7,101,020	7,374,427
Current assets			
Stocks	9	33,691	104,948
Debtors	10	7,686,533	6,027,943
Cash at bank		<u>64,129</u>	<u>655,254</u>
		7,784,353	6,788,145
Creditors			
Amounts falling due within one year	11	<u>(16,462,032)</u>	<u>(15,068,401)</u>
Net current liabilities		<u>(8,677,679)</u>	<u>(8,280,256)</u>
Total assets less current liabilities		<u>(1,576,659)</u>	<u>(905,829)</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Retained earnings	15	<u>(1,577,659)</u>	<u>(906,829)</u>
Shareholders' funds		<u>(1,576,659)</u>	<u>(905,829)</u>

The financial statements were approved by the Board of Directors and authorised for issue on
and were signed on its behalf by:

30-12-21

DocuSigned by:

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 K Robertson - Director

The notes on pages 12 to 22 form part of these financial statements

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	1,000	(959,010)	(958,010)
Changes in equity			
Total comprehensive income	-	52,181	52,181
Balance at 31 December 2019	1,000	(906,829)	(905,829)
Changes in equity			
Total comprehensive loss	-	(670,830)	(670,830)
Balance at 31 December 2020	1,000	(1,577,659)	(1,576,659)

The notes on pages 12 to 22 form part of these financial statements

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Statutory information

Chepstow Races 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 Chepstow Racecourse, Chepstow, Monmouthshire, NP16 6BE.

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.

The directors are required to make an assessment of the appropriateness of using the going concern assumption in preparing these financial statements. Cash flow forecasts under a number of trading scenarios have been prepared to support their considerations.

During the period of suspended racing, during behind closed doors racing and now, it has been possible to significantly reduce a number of operational costs, including race day variable costs. The company has placed a high proportion of permanent staff on furlough through the Coronavirus Job Retention Scheme and stopped all non-essential development and marketing activity.

Forecasts demonstrate that the company will have sufficient funds to operate as a going concern for the foreseeable future. If racing must go back to being behind closed doors or if spectator levels must be reduced in future, forecasts demonstrate that the going concern assumptions hold for other reasonably foreseeable scenarios.

Having reviewed the company's financial forecasts and expected future cash flows, considering the effects of COVID-19 and, notwithstanding the net 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 TFB Mortgages Designated Activity Company provides sufficient headroom to enable the company to continue in operational existence under all the scenarios considered by the Directors. 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 period ended 31 December 2020.

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 paragraphs 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 paragraph 33.7.

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies - continued

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 2020. 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.

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.

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	not depreciated
Freehold buildings	over 25 to 50 years
Plant and machinery	over 10 years
Fixtures, fittings & equipment	over 7 years
Motor vehicles	over 4 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 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.

Stock

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.

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies - continued

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.

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 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.

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies - continued

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.

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.

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****2. Accounting policies - continued****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.

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.

Government grants

Government 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.

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. Other operating income

	2020	2019
	£	£
Government grants	<u>277,348</u>	<u>-</u>

Government grants relate to income received under the furlough scheme.

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****5. Employees and directors**

	2020	2019
	£	£
Wages and salaries	851,889	1,217,286
Social security costs	63,506	87,804
Other pension costs	28,499	32,664
	<u>943,894</u>	<u>1,337,754</u>

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

	2020	2019
Total permanent staff	<u>22</u>	<u>25</u>

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

	2020	2019
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

6. Operating (loss)/profit

The operating loss (2019 - operating profit) is stated after charging:

	2020	2019
	£	£
Hire of plant and machinery	35,734	41,617
Depreciation - owned assets	278,720	285,423
Auditors' remuneration	3,120	3,119
Operating lease rentals	30,977	27,516
Group management charges	482,966	552,357
Inventory recognised as an expense	<u>70,646</u>	<u>469,208</u>

7. Taxation**Analysis of the tax charge**

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

	2020	2019
	£	£
Deferred tax	<u>2,130</u>	<u>8,389</u>
Tax on (loss)/profit	<u>2,130</u>	<u>8,389</u>

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****7. Taxation - continued****Reconciliation of total tax charge 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:

	2020 £	2019 £
(Loss)/profit before tax	<u>(668,700)</u>	<u>60,570</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(127,053)	11,508
Effects of:		
Expenses not deductible for tax purposes	60,825	43,431
Adjustments to tax charge in respect of previous periods	(778)	(2,535)
Group relief	75,510	(42,690)
Change in rate	<u>(6,374)</u>	<u>(1,325)</u>
Total tax charge	<u>2,130</u>	<u>8,389</u>

8. Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Totals £
Cost				
At 1 January 2020	10,839,952	744,436	1,406,437	12,990,825
Additions	<u>-</u>	<u>-</u>	5,313	<u>5,313</u>
At 31 December 2020	<u>10,839,952</u>	<u>744,436</u>	<u>1,411,750</u>	<u>12,996,138</u>
Depreciation				
At 1 January 2020	3,744,383	569,648	1,302,367	5,616,398
Charge for year	<u>219,698</u>	<u>23,682</u>	<u>35,340</u>	<u>278,720</u>
At 31 December 2020	<u>3,964,081</u>	<u>593,330</u>	<u>1,337,707</u>	<u>5,895,118</u>
Net book value				
At 31 December 2020	<u>6,875,871</u>	<u>151,106</u>	<u>74,043</u>	<u>7,101,020</u>
At 31 December 2019	<u>7,095,569</u>	<u>174,788</u>	<u>104,070</u>	<u>7,374,427</u>

9. Stocks

	2020 £	2019 £
Stocks	<u>33,691</u>	<u>104,948</u>

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****10. Debtors: amounts falling due within one year**

	2020	2019
	£	£
Trade debtors	116,901	87,725
Amounts owed by group undertakings	7,311,620	5,127,532
Other debtors	520	349,665
Corporation Tax	44,000	44,000
VAT	149,512	48,307
Deferred tax asset	52,399	54,529
Prepayments and accrued income	11,581	316,185
	<u>7,686,533</u>	<u>6,027,943</u>

Deferred tax asset

	2020	2019
	£	£
Accelerated capital allowances	51,267	53,397
Other timing differences	1,132	1,132
	<u>52,399</u>	<u>54,529</u>

11. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	92,256	515,910
Amounts owed to group undertakings	16,026,191	14,057,042
Social security and other taxes	13,765	28,014
Other creditors	21,582	171,302
Accruals and deferred income	308,238	296,133
	<u>16,462,032</u>	<u>15,068,401</u>

12. Leasing agreements

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

	2020	2019
	£	£
Within one year	21,227	21,527
Between one and five years	15,990	14,867
	<u>37,217</u>	<u>36,394</u>

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****13. Deferred tax**

	£
Balance at 1 January 2020	(54,529)
Utilised during year	<u>2,130</u>
Balance at 31 December 2020	<u>(52,399)</u>

14. Called up share capital

Allotted, issued and fully paid:		Nominal value:	2020 £	2019 £
Number:	Class:			
1,000	Ordinary Shares	£1	<u>1,000</u>	<u>1,000</u>

15. Reserves**Called up share capital**

Represents the nominal value of equity shares issued.

Retained earnings

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

16. 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 £3,353 (2019: £6,170).

17. Ultimate parent company

The immediate parent company is Northern 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 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 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.

CHEPSTOW RACES LIMITED (REGISTERED NUMBER: 02020650)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****18. 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 to/(from)	
	2020	2019
	£	£
The Doncaster Racecourse Management Company Limited	1,313	(3,885)
Worcester Racecourse Limited	(910)	15,404
Uttoxeter Leisure and Development Company Limited	1,470	3,473
Brighton Racecourse Company Limited	164	258
Great Yarmouth Racecourse Limited	110	4,435
Sedgefield Steeplechase Company (1927) Limited	1,735	-

The companies above are under common control with the company. There are no balances outstanding with the above companies at 31 December 2020 or 31 December 2019.

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.

19. Post balance sheet events

The lifting of restrictions has seen the return of people in their capacity as spectators and guests, which will be seen in the performance of the 2021 financial statements.