

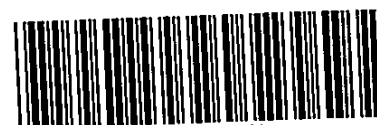
Company Registration No 02928971 (England and Wales)

NORTHERN RACES LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2011

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NORTHERN RACES LIMITED

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NORTHERN RACES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and financial statements for the year ended 31 March 2011

Principal activities

The principal activity of the company is that of a holding company. Its subsidiaries operate the racecourses at Bath, Brighton, Fontwell Park, Great Yarmouth, Hereford, Newcastle, Sedgefield and Uttoxeter.

Directors

The following directors have held office since 1 April 2010

J Harrington

A B Kelly

S Nahum

P O'Driscoll

Auditors

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

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,
- 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.

NORTHERN RACES LIMITED

DIRECTORS' REPORT (CONTINUED)

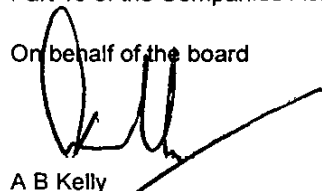
FOR THE YEAR ENDED 31 MARCH 2011

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

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

On behalf of the board



A B Kelly
Director

9 December 2011

NORTHERN RACES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NORTHERN RACES LIMITED

We have audited the financial statements of Northern Races Limited for the year ended 31 March 2011 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 March 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

NORTHERN RACES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF NORTHERN RACES LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



S P Coleman (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

9 December 2011

Chartered Accountants
Statutory Auditor

25 Harley Street
London
W1G 9BR

NORTHERN RACES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover		1,116,202	678,010
Cost of sales		(36,114)	(63,331)
Gross profit		1,080,088	614,679
Administrative expenses		(114,472)	(151,293)
Operating profit	2	965,616	463,386
Other interest receivable and similar income	3	-	32,970
Interest payable and similar charges		(66,878)	(37,100)
Profit on ordinary activities before taxation		898,738	459,256
Tax on profit on ordinary activities	4	-	-
Profit for the year	11	898,738	459,256

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

There are no recognised gains and losses other than those passing through the profit and loss account

NORTHERN RACES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	5	394,448		22,910	
Investments	6	20,246,106		20,246,106	
		<u>20,640,554</u>		<u>20,269,016</u>	
Current assets					
Stocks		9,176		29,422	
Debtors	7	37,735,792		25,892,949	
		<u>37,744,968</u>		<u>25,922,371</u>	
Creditors: amounts falling due within one year	8	(55,754,629)		(44,459,232)	
Net current liabilities		(18,009,661)		(18,536,861)	
Total assets less current liabilities		<u>2,630,893</u>		<u>1,732,155</u>	
Capital and reserves					
Called up share capital	10	1,317,504		1,317,504	
Share premium account	11	4,131,350		4,131,350	
Profit and loss account	11	(2,817,961)		(3,716,699)	
Shareholders' funds	12	<u>2,630,893</u>		<u>1,732,155</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Approved by the Board and authorised for issue on 9 December 2011

A B Kelly
Director

J. Harrington
Director

Company Registration No. 02928971

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable directly and indirectly from race meetings plus other miscellaneous income from the use of the racecourse facilities and management fees from subsidiary undertakings

Income is recognised at the time of the event, unless it is more appropriate to take it over the period of the agreement, such as rental and deferred income. Income receivable from the sale of media rights to Attheraces is taken to income when quantifiable

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant, fixtures and equipment	5 to 10 years
-------------------------------	---------------

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of NR Acquisitions Topco Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

2	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	46,134	11,497
	Directors' emoluments	349,201	277,750
		<u> </u>	<u> </u>
3	Investment income	2011	2010
		£	£
	Bank interest	-	32,970
		<u> </u>	<u> </u>
		-	32,970
		<u> </u>	<u> </u>
4	Taxation	2011	2010
	Total current tax	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	898,738	459,256
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	251,647	128,592
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	-	3,219
	Capital allowances	(2,984)	(5,298)
	Tax losses utilised	(248,663)	(126,513)
		<u> </u>	<u> </u>
		(251,647)	(128,592)
		<u> </u>	<u> </u>
	Current tax charge for the year	-	-
		<u> </u>	<u> </u>

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

5 Tangible fixed assets

	Plant, fixtures and equipment £
Cost	
At 1 April 2010	50,113
Additions	417,672
Disposals	(11,068)
At 31 March 2011	456,717
Depreciation	
At 1 April 2010	27,203
On disposals	(11,068)
Charge for the year	46,134
At 31 March 2011	62,269
Net book value	
At 31 March 2011	394,448
At 31 March 2010	22,910

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

6 Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 2010 & at 31 March 2011	20,246,106
Net book value	
At 31 March 2011	20,246,106
At 31 March 2010	20,246,106

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Bath Racecourse Company Limited	England & Wales	Ordinary	100 00
Hereford Racecourse Company Ltd	England & Wales	Ordinary	100 00
High Gosforth Park Ltd	England & Wales	Ordinary	100 00
Uttoxeter Leisure and Development Company Ltd	England & Wales	Ordinary	92 40
Brighton Racecourse Company Ltd	England & Wales	Ordinary	81 00
Sedgefield Steeplechase Company (1972) Ltd	England & Wales	Ordinary	99 20
Great Yarmouth Racecourse Ltd	England & Wales	Ordinary	81 00
Fontwell Park (Holdings) Ltd	England & Wales	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2011 £	Profit/(loss) for the year 2011 £
	Principal activity		
Bath Racecourse Company Limited	Racecourse management	3,680,313	(374,529)
Hereford Racecourse Company Ltd	Racecourse management	1,608,699	(331,684)
High Gosforth Park Ltd	Racecourse management	14,392,121	654,571
Uttoxeter Leisure and Development Company Ltd	Racecourse management	14,054,843	208,133
Brighton Racecourse Company Ltd	Racecourse management	(99,775)	(534,709)
Sedgefield Steeplechase Company (1972) Ltd	Racecourse management	2,251,782	(250,819)
Great Yarmouth Racecourse Ltd	Racecourse management	1,389,351	(331,684)
Fontwell Park (Holdings) Ltd	Racecourse management	1,033,049	-

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

7 Debtors	2011	2010
	£	£
Trade debtors	2,474,740	158,280
Amounts owed by group undertakings	34,314,995	24,650,180
Other debtors	946,057	1,084,489
	<u>37,735,792</u>	<u>25,892,949</u>
 8 Creditors amounts falling due within one year	 2011	 2010
	£	£
Bank loans and overdrafts	7,655,363	2,045,177
Net obligations under finance leases	64,219	228,170
Trade creditors	896,304	807,165
Amounts owed to group undertakings	45,488,251	40,647,249
Taxation and social security	357,123	71,467
Other creditors	1,293,369	660,004
	<u>55,754,629</u>	<u>44,459,232</u>
 Net obligations under finance leases		
Repayable within one year	64,219	228,170
Finance charges and interest allocated to future accounting periods	-	-
	<u>64,219</u>	<u>228,170</u>
 9 Pension and other post-retirement benefit commitments		
Defined contribution		
	2011	2010
	£	£
Contributions payable by the company for the year	<u>14,569</u>	<u>12,720</u>

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

10 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
855,629 Ordinary 'A' Shares of £1 each	855,629	855,629
461,875 Ordinary 'B' Shares of £1 each	461,875	461,875
	<u>1,317,504</u>	<u>1,317,504</u>

11 Statement of movements on reserves	Share premium account £	Profit and loss account £
Balance at 1 April 2010	4,131,350	(3,716,699)
Profit for the year	-	898,738
	<u>4,131,350</u>	<u>(2,817,961)</u>

12 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit for the financial year	898,738	459,256
Opening shareholders' funds	<u>1,732,155</u>	<u>1,272,899</u>
Closing shareholders' funds	<u>2,630,893</u>	<u>1,732,155</u>

13 Control

The immediate parent company is Northern Racing Ltd and the ultimate UK parent company is NR Acquisitions Topco Limited. NR Acquisitions Topco Limited prepares group financial statements and copies can be obtained from Companies House. The ultimate parent company is Landal Worldwide Corp, a company registered in the British Virgin Islands.

NORTHERN RACES LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2011

	2011	2010
	£	£
Administrative expenses		
Wages and salaries	491,920	490,773
Employer's NI contributions	-	82,564
Staff pension costs	14,569	12,720
Directors' remuneration	349,201	277,750
Staff training	7,975	2,542
Management charges	(1,081,000)	(1,023,000)
Insurance	-	(500)
Printing, postage and stationery	14,794	11,642
Advertising	4,159	32,255
Telephone	14,314	15,610
Computer running costs	7,829	7,252
Motor running expenses	58,846	70,982
Travelling expenses	98,737	84,604
Entertaining	47,279	23,413
Legal and professional fees	43,979	12,406
Audit fees	(9,752)	-
Bank charges	23,659	40,433
Sundry expenses	27,963	9,847
	<u>114,472</u>	<u>151,293</u>