

Company Registration No 02928971 (England and Wales)

NORTHERN RACES LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2012

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NORTHERN RACES LIMITED

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NORTHERN RACES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and financial statements for the year ended 31 March 2012

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 2011

J Harrington	(Resigned 16 March 2012)
A B Kelly	
S Nahum	
P O'Driscoll	
R I Renton	(Appointed 30 May 2012 and resigned 31 August 2012)

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)

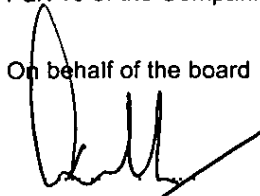
FOR THE YEAR ENDED 31 MARCH 2012

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
16/11/12

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 2012 set out on pages 5 to 20. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

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

16/11/12

Chartered Accountants
Statutory Auditor

25 Harley Street
London
W1G 9BR

NORTHERN RACES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 £	2011 £
Turnover		914,450	1,116,202
Cost of sales		(148,924)	(36,114)
Gross profit		<u>765,526</u>	<u>1,080,088</u>
Administrative expenses		(134,165)	(114,472)
Operating profit	2	<u>631,361</u>	<u>965,616</u>
Interest payable and similar charges		(52,343)	(66,878)
Profit on ordinary activities before taxation		<u>579,018</u>	<u>898,738</u>
Tax on profit on ordinary activities	3	-	-
Profit for the year	10	<u><u>579,018</u></u>	<u><u>898,738</u></u>

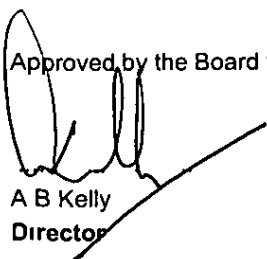
NORTHERN RACES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2012

	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	4	323,487		394,448	
Investments	5	20,246,106		20,246,106	
		<u>20,569,593</u>		<u>20,640,554</u>	
Current assets					
Stocks		15,641		9,176	
Debtors	6	26,324,994		37,735,792	
Cash at bank and in hand		485,676		-	
		<u>26,826,311</u>		<u>37,744,968</u>	
Creditors amounts falling due within one year	7	(44,185,993)		(55,754,629)	
Net current liabilities		<u>(17,359,682)</u>		<u>(18,009,661)</u>	
Total assets less current liabilities		<u>3,209,911</u>		<u>2,630,893</u>	
Capital and reserves					
Called up share capital	9	1,317,504		1,317,504	
Share premium account	10	4,131,350		4,131,350	
Profit and loss account	10	(2,238,943)		(2,817,961)	
Shareholders' funds		<u>3,209,911</u>		<u>2,630,893</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 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 16/11/12

A B Kelly
Director

Company Registration No. 02928971

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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
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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

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies (continued)

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.

2 Operating profit	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	114,450	46,134
Auditors' remuneration	2,000	2,000
Directors' emoluments	348,521	349,201

3 Taxation

There is no provision for Corporation tax due to the availability of group losses.

4 Tangible fixed assets

	Plant, fixtures and equipment £
Cost	
At 1 April 2011	456,717
Additions	43,489
Disposals	(5,391)
At 31 March 2012	494,815
Depreciation	
At 1 April 2011	62,269
On disposals	(5,391)
Charge for the year	114,450
At 31 March 2012	171,328
Net book value	
At 31 March 2012	323,487
At 31 March 2011	394,448

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

5 Fixed asset investments

	Unlisted investments
	£
Cost	
At 1 April 2011 & at 31 March 2012	20,246,106
Net book value	
At 31 March 2012	20,246,106
At 31 March 2011	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

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

6 Debtors	2012	2011
	£	£
Trade debtors	5,069,619	2,474,740
Amounts owed by group undertakings	20,274,741	34,314,995
Other debtors	980,634	946,057
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	26,324,994	37,735,792
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NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

7	Creditors amounts falling due within one year	2012	2011
		£	£
	Bank loans and overdrafts	-	7,655,363
	Net obligations under finance leases	-	64,219
	Trade creditors	612,788	896,304
	Amounts owed to group undertakings	41,701,135	45,488,251
	Taxation and social security	269,059	357,123
	Other creditors	1,603,011	1,293,369
		<u>44,185,993</u>	<u>55,754,629</u>
	Net obligations under finance leases		
	Repayable within one year	-	64,219
	Finance charges and interest allocated to future accounting periods	-	-
		<u>-</u>	<u>64,219</u>
8	Pension costs		
	Defined contribution		
		2012	2011
		£	£
	Contributions payable by the company for the year	<u>7,841</u>	<u>14,569</u>
9	Share capital	2012	2011
		£	£
	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>

NORTHERN RACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

10 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 April 2011	4,131,350	(2,817,961)
Profit for the year	-	579,018
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Balance at 31 March 2012	4,131,350	(2,238,943)
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11 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.