



**NORTHERN RACING LIMITED**

**Report and Financial Statements**

**31 December 1997**



**Deloitte & Touche  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN**



## **DIRECTORS' REPORT**

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 1997.

### **PRINCIPAL ACTIVITY**

The group carries on business as racecourse and estate owner.

### **BUSINESS REVIEW AND FUTURE PROSPECTS**

The investments in High Gosforth Park Limited and Uttoxeter Leisure and Development Company Limited are progressing well and the directors look forward to continued success in the future.

On 5 February 1998, Northern Racing became a 81% shareholder in Brighton Racecourse Company Limited. This company will operate Brighton Racecourse.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend the payment of a dividend (1996 - £nil). The profit for the year of £180,014 (1996 - loss of £17,290) has been added to the deficit on the profit and loss account.

### **DIRECTORS AND THEIR INTERESTS**

The following were directors of the company during the year:

S W Clarke  
C C A Glossop  
P E Doona  
J Gerard-Pearse

None of the directors had any interests in the shares of the company or its subsidiaries. The relevant interest of Mr S W Clarke in the shares of the ultimate parent company are disclosed in that company's directors' report.

### **AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

*P. Doona.*

P E DOONA  
Secretary

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## AUDITORS' REPORT TO THE MEMBERS OF

### NORTHERN RACING LIMITED

We have audited the financial statements on pages 4 to 17 which have been prepared under the accounting policies set out on page 8.

#### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 1997 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and Registered Auditors

*11 September 1998*

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1997**

	Note	1997 £	1996 £
<b>TURNOVER</b>	1	3,655,784	3,314,017
Cost of sales		(1,875,902)	(1,860,101)
Gross profit		1,779,882	1,453,916
Administrative expenses		(1,287,404)	(1,325,653)
<b>OPERATING PROFIT</b>	3	492,478	128,263
Dividends receivable		33,129	30,814
Interest payable and similar charges	4	(247,231)	(164,959)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		278,376	(5,882)
Tax on profit/(loss) on ordinary activities	5	(79,000)	1,190
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		199,376	(4,692)
Equity minority interest	17	(19,362)	(12,598)
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	16	180,014	(17,290)

All activities derive from continuing operations.

There are no recognised gains or losses other than the profit/(loss) for the current and preceding financial year. Accordingly, no statement of total recognised gains and losses is given.

**CONSOLIDATED BALANCE SHEET**  
**31 December 1997**

	Note	£	1997 £	£	1996 £
<b>FIXED ASSETS</b>					
Goodwill	7		106,842		133,554
Tangible assets	8		11,623,180		10,526,735
			<u>11,730,022</u>		<u>10,660,289</u>
<b>CURRENT ASSETS</b>					
Stocks	9	8,482		9,971	
Debtors	10	448,184		372,591	
Investments at cost - Unquoted		1,188		1,188	
Cash at bank and in hand		14,678		15,402	
			<u>472,532</u>	<u>399,152</u>	
<b>CREDITORS: amounts falling due within one year</b>	11	(2,131,320)		(1,399,532)	
<b>NET CURRENT LIABILITIES</b>			<u>(1,658,788)</u>		<u>(1,000,380)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			10,071,234		9,659,909
<b>CREDITORS: amounts falling due after more than one year</b>	12		<u>(3,997,040)</u>		<u>(3,850,800)</u>
			<u>6,074,194</u>		<u>5,809,109</u>
<b>DEFERRED INCOME</b>	14		1,850,390		1,782,667
<b>CAPITAL AND DEFICIENCY</b>					
Called up share capital	15	1,152,250		1,152,250	
Capital reserve	16	2,962,734		2,962,734	
Profit and loss account - deficiency	16	(181,407)		(361,421)	
<b>EQUITY SHAREHOLDERS' FUNDS</b>	18		3,933,577		3,753,563
<b>EQUITY MINORITY INTEREST</b>	17		<u>290,227</u>		<u>272,879</u>
			<u>6,074,194</u>		<u>5,809,109</u>

These financial statements were approved by the Board of Directors on 10 September 1998

Signed on behalf of the Board of Directors

P. Doona.

P E DOONA

Director


**BALANCE SHEET  
31 December 1997**

	Note	£	1997 £	£	1996 £
<b>FIXED ASSETS</b>					
Investments	6		3,534,671		3,534,671
<b>CURRENT ASSETS</b>					
Debtors	10	7,976		50,090	
<b>CREDITORS: amounts falling due within one year</b>	11	(1,041,978)		(887,158)	
<b>NET CURRENT LIABILITIES</b>			(1,034,002)		(837,068)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,500,669		2,697,603
<b>CREDITORS: amounts falling due after more than one year</b>	12		(2,000,000)		(2,000,000)
			<u>500,669</u>		<u>697,603</u>
<b>CAPITAL AND DEFICIENCY</b>					
Called up share capital	15		1,152,250		1,152,250
Profit and loss account - deficiency	16		(651,581)		(454,647)
<b>EQUITY SHAREHOLDERS' FUNDS</b>			<u>500,669</u>		<u>697,603</u>

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

10 September 1998

P. Doona.

P E DOONA

Director


**CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 31 December 1997**

	Note	1997 £	1996 £
Cash flow from operating activities	19	1,021,648	544,149
<b>Returns on investments and servicing of finance</b>			
Interest paid	(247,231)	(164,959)	
Dividends paid to minority interests	(2,014)	(2,014)	
Dividends received	33,129	30,814	
<b>Net cash outflow from returns on investments and servicing of finance</b>		(216,116)	(136,159)
<b>Taxation</b>		-	-
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(1,362,578)	(955,526)
<b>Cash outflow before use of liquid resources and financing</b>		(557,046)	(547,536)
<b>Financing</b>			
Increase in debt	20	413,660	212,408
<b>Decrease in cash in the year</b>		(143,386)	(335,128)

<b>Reconciliation of net cash flow to movement in net debt</b>	20	1997 £	1996 £
<b>Decrease in cash in the year</b>		(143,386)	(335,128)
Cash inflow from increase in debt		(413,660)	(212,408)
Change in net debt resulting from cash flows being movement in net debt in the year		(557,046)	(547,536)
<b>Net debt at 1 January</b>		(4,397,632)	(3,850,096)
<b>Net debt at 31 December</b>		(4,954,678)	(4,397,632)



## **NOTES TO THE ACCOUNTS**

### **Year ended 31 December 1997**

#### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

##### **Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **Basis of consolidation**

The groups financial statements consolidate the results of the company and its subsidiaries for the year ended 31 December 1997. Consolidated accounts are presented for the first time in the year ended 31 December 1997.

##### **Turnover**

Turnover represents income derived directly and indirectly from race meetings plus other miscellaneous income from the use of the racecourse facilities and estate revenue.

##### **Goodwill**

Goodwill, representing the excess of the consideration over the assessed fair value of net assets acquired is capitalised and amortised over 8 years. Negative goodwill, representing consideration below the assessed fair value of net assets acquired is held as a capital reserve.

##### **Investments**

Investments held as fixed assets are stated at cost.

##### **Tangible fixed assets**

Freehold and long leasehold land and buildings are shown at the directors' valuation as disclosed in the subsidiary company's accounts.

Depreciation of fixed assets is calculated to write off the cost or valuation of the assets in equal annual instalments over their estimated useful lives as follows:-

Freehold buildings	2%
Long leasehold land and buildings	Term of lease
Fixtures and fittings	10 or 20%
Motor vehicles	25%

Freehold land is not depreciated.

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost represents the purchase price of goods for resale.

##### **Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

##### **Capital grants**

Capital grants may be received from the Horserace Betting Levy Board ("HBLB") or from other third parties in respect of capital expenditure.

Capital grants received are taken to the grant account. Credits are made to the profit and loss account by equal annual instalments over the period which the relevant assets are depreciated.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**

**2. DIRECTORS AND EMPLOYEES**

**(a) Directors**

One director received remuneration of £990 (1996 - £11,110) from the company during the year.

**(b) Staff**

	<b>1997</b>	<b>1996</b>
	<b>No.</b>	<b>No.</b>
<b>Average number of persons employed</b>		
Management	7	7
Administration	5	5
Other staff	20	20
	<u>32</u>	<u>32</u>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year</b>		
Wages and salaries	653,620	588,488
Social Security costs	66,510	63,100
Other pension costs	13,514	9,541
	<u>733,644</u>	<u>661,129</u>

**3. OPERATING PROFIT**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Operating profit is after charging/(crediting):		
Depreciation of tangible fixed assets	266,133	247,190
Amortisation of goodwill	26,712	26,712
Amortisation of capital grants	(44,777)	(40,079)
Auditors' remuneration		
Audit services	10,300	10,300
Non audit services	4,825	2,360
Rents receivable	(165,158)	(196,542)
Hire of plant and machinery	5,167	7,088

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	1997 £	1996 £
Interest on bank overdraft and loans	228,623	149,309
Interest on loan notes	13,828	15,091
Other interest	4,780	559
	<u>247,231</u>	<u>164,959</u>

Interest on loans repayable after five years by instalments totalled £6,500 (1996 - £2,700).

**5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	1997 £	1996 £
Corporation tax 31.5% (1996 - 33%) based on the profit/(loss) for the year	79,000	-
Prior year adjustment	-	(1,190)
	<u>79,000</u>	<u>(1,190)</u>

**6. INVESTMENT IN SUBSIDIARIES**

	Company £
<b>At cost</b>	
At 1 January 1997 and 31 December 1997	<u>3,534,671</u>

The investment represents:

Subsidiary name	Proportion of shares held	Nature of principal business
High Gosforth Park Limited	100.0%	Racecourse management
Utttoxeter Leisure and Development Company Limited	92.4%	Racecourse management

Both are registered in England and Wales. The Directors consider that the investments are worth at least the amount stated.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**

**7. GOODWILL**

	<b>Group £</b>
<b>Cost</b>	
At 1 January 1997 and 31 December 1997	213,690
<b>Amortisation</b>	
At 1 January 1997	80,136
Charge for the year	26,712
At 31 December 1997	106,848
<b>Net book value</b>	
At 31 December 1997	106,842
At 31 December 1996	133,554

**8. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold land and buildings £</b>	<b>Long leasehold property £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 1997	5,665,747	4,919,411	577,112	12,250	11,174,520
Additions	1,167,450	127,805	67,323	-	1,362,578
At 31 December 1997	6,833,197	5,047,216	644,435	12,250	12,537,098
<b>Accumulated depreciation</b>					
At 1 January 1997	134,041	147,999	358,213	7,532	647,785
Charge for the year	101,759	83,597	78,214	2,563	266,133
At 31 December 1997	235,800	231,596	436,427	10,095	913,918
<b>Net book value</b>					
At 31 December 1997	6,597,397	4,815,620	208,008	2,155	11,623,180
At 31 December 1996	5,531,706	4,771,412	218,899	4,718	10,526,735

Details of the valuation of freehold land and buildings and leasehold land and buildings can be obtained from the financial statements of High Gosforth Park Limited and Uttoxeter Leisure and Development Company Limited.


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**
**9. STOCKS**

	<b>Group</b>	
	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Goods held for resale	8,482	9,971

**10. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>1997</b>	<b>1996</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year				
Trade debtors	200,962	154,183	-	-
Amount due from subsidiary companies	-	-	-	49,622
Other debtors	40,689	40,509	7,976	468
Prepayments and accrued income	206,533	177,899	-	-
	<u>448,184</u>	<u>372,591</u>	<u>7,976</u>	<u>50,090</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>1997</b>	<b>1996</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdraft (note 13)	265,590	122,928	796,092	651,813
Loans from Horserace Betting Levy Board (note 13)	480,960	190,200	-	-
Other loans (note 13)	50,000	38,400	-	-
Unsecured redeemable loan notes (note 13)	176,954	211,894	176,954	211,894
Trade creditors	186,485	173,548	-	-
Amounts due to subsidiary companies	-	-	38,223	-
Corporation tax	79,000	-	-	-
Other tax and social security	78,307	30,152	-	1,662
Other creditors	489	39,302	489	396
Accruals and deferred income	811,521	591,094	30,220	21,393
Proposed dividend	2,014	2,014	-	-
	<u>2,131,320</u>	<u>1,399,532</u>	<u>1,041,978</u>	<u>887,158</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>1997</b>	<b>1996</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans (note 13)	2,000,000	2,000,000	2,000,000	2,000,000
Loans from Horserace Betting Levy Board (note 13)	1,997,040	1,850,800	-	-
	<u>3,997,040</u>	<u>3,850,800</u>	<u>2,000,000</u>	<u>2,000,000</u>

**13. BORROWINGS**

	<b>Group</b>		<b>Company</b>	
	<b>1997</b>	<b>1996</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	2,000,000	2,000,000	2,000,000	2,000,000
Loans from Horserace Betting Levy Board	2,478,000	2,041,000	-	-
Other loans	50,000	38,400	-	-
Unsecured redeemable loan notes	176,954	211,894	176,954	211,894
Bank overdraft	265,590	122,928	796,092	651,813
	<u>4,970,544</u>	<u>4,414,222</u>	<u>2,973,046</u>	<u>2,863,707</u>
Due within one year	973,504	563,422	973,046	863,707
Due after one year	<u>3,997,040</u>	<u>3,850,800</u>	<u>2,000,000</u>	<u>2,000,000</u>
	<u>4,970,544</u>	<u>4,414,222</u>	<u>2,973,046</u>	<u>2,863,707</u>
Analysis of loan repayments				
Bank loans and overdrafts				
Within one year or on demand	265,590	122,928	796,092	651,813
Between one and two years	800,000	800,000	800,000	800,000
Between two and five years	1,200,000	1,200,000	1,200,000	1,200,000
Other loans and loan notes				
Within one year or on demand	707,914	440,494	176,954	211,894
Between one and two years	495,960	412,600	-	-
Between two and five years	1,386,080	1,368,400	-	-
After five years by instalments	115,000	69,800	-	-
	<u>4,970,544</u>	<u>4,414,222</u>	<u>2,973,046</u>	<u>2,863,707</u>



## NOTES TO THE ACCOUNTS

### Year ended 31 December 1997

#### 13. BORROWINGS (continued)

##### (a) Horserace Betting Levy Board

The group has outstanding interest free loans from the Horserace Betting Levy Board to finance course improvements. The balance outstanding at 31 December 1997 totalled £2,478,000 (1996 - loans with outstanding balances £2,041,000). Of the total outstanding at 31 December 1997 £41,000 is unsecured (1996 - £41,000), the remainder is secured.

##### (b) Other loans

A subsidiary company has negotiated interest free loans from breweries to help finance the refurbishment of race course bars. The loans become repayable if certain barrelage requirements are not met or the bars do not remain open. The balances outstanding at 31 December 1997 total £50,000 (1996 - £38,400) and are unsecured.

##### (c) Unsecured redeemable loan notes

These are repayable on demand.

##### (d) Bank overdrafts

The bank overdraft is unsecured.

##### (e) Bank loan

The bank loan is subject to an interest rate based on LIBOR. The loan is payable by equal annual instalments over five years. The loan is secured by a fixed charge over the property at High Gosforth Park Limited and inter-locking guarantees between Northern Racing Limited, High Gosforth Park Limited and Uttoxeter Leisure and Development Company Limited.

#### 14. DEFERRED INCOME

	Group £
<b>Grant Account</b>	
At 1 January 1997	1,782,667
Capital grants received during the year	112,500
	<hr/>
	1,895,167
Capital grants credited to profit and loss account	(44,777)
	<hr/>
Balance at 31 December 1997	<u>1,850,390</u>

Under a Capital Works Grant Agreement with the Horserace Betting Levy Board entered into in February 1977 by High Gosforth Park Limited, that company will be liable to refund in part grants made should the racecourse or buildings at Newcastle Racecourse be sold within thirty years of the date of the agreement. A portion of the annual modernisation grants and the Horserace Totalisator Board grant may also be repayable in the event of the High Gosforth Park Limited ceasing its racing activities. The total contingent liability under the above agreements amounted to approximately £193,441 at 31 December 1997 (1996 - £214,665).


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**
**15. CALLED UP SHARE CAPITAL**

	<b>Group and Company</b>	
	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
780,000 'A' ordinary shares of £1 each	780,000	780,000
420,000 'B' ordinary shares of £1 each	420,000	420,000
	<u>1,200,000</u>	<u>1,200,000</u>
<b>Allotted and fully paid</b>		
748,214 'A' ordinary shares of £1 each	748,214	748,214
404,036 'B' ordinary shares of £1 each	404,036	404,036
	<u>1,152,250</u>	<u>1,152,250</u>

A and B shares rank equally in all respects.

**16. RESERVES**

	<b>Group</b>	<b>Company</b>
	<b>Capital Reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 1997	2,962,734	(361,421)
Retained profit/(loss) for the year	-	180,014
	<u>2,962,734</u>	<u>(181,407)</u>
Balance at 31 December 1997	<u>2,962,734</u>	<u>(651,581)</u>

**17. EQUITY MINORITY INTEREST**

	<b>Group</b>
	<b>£</b>
Balance at 1 January 1997	272,879
Profit and loss account charge	19,362
Dividend payable to minority shareholders	(2,014)
	<u>290,227</u>
Balance at 31 December 1997	<u>290,227</u>

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the financial year being net addition to/(reduction from) shareholders' funds	180,014	(17,290)
Opening shareholders' funds	3,753,563	3,770,853
	<u>3,933,577</u>	<u>3,753,563</u>
Closing shareholders' funds	<u>3,933,577</u>	<u>3,753,563</u>




**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**
**19. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS**

	1997 £	1996 £
Operating profit	492,478	128,263
Depreciation	266,133	247,190
Amortisation of capital grants	(44,777)	(40,079)
Amortisation of goodwill	26,712	26,712
Decrease/(increase) in stocks	1,489	(3,369)
(Increase)/decrease in debtors	(75,728)	31,301
Increase/(decrease) in creditors	242,841	(198,295)
Increase in deferred income	112,500	352,426
<b>Net cash inflow from operating activities</b>	<b>1,021,648</b>	<b>544,149</b>

**20. ANALYSIS OF NET DEBT**

	At 1 Jan 1997 £	Cash flow £	At 31 Dec 1997 £
Cash in hand and at bank	15,402	(724)	14,678
Bank overdrafts	(122,928)	(142,662)	(265,590)
		(143,386)	
Debt due within one year	(440,494)	(267,420)	(707,914)
Debt due after one year	(3,850,800)	(146,240)	(3,997,040)
		(413,660)	
Current asset investments	1,188	-	1,188
<b>Net debt</b>	<b>(4,397,632)</b>	<b>(557,046)</b>	<b>(4,954,678)</b>

**21. DEFERRED TAX**

Unprovided deferred tax can be analysed as follows:

	Group		Company	
	1997 £	1996 £	1997 £	1996 £
Capital allowances in excess of depreciation	184,174	122,368	-	-
Other timing differences	(153,920)	(158,851)	(75,388)	(80,252)
Revaluation of properties	987,000	1,050,000	-	-
	<u>1,017,254</u>	<u>1,013,517</u>	<u>(75,388)</u>	<u>(80,252)</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997****22. LOSS OF PARENT COMPANY**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The loss for the financial year of the parent company was £196,934 (1996 - loss of £159,894).

**23. ULTIMATE PARENT COMPANY**

The ultimate parent company is Stanley Clarke Leisure Limited which is registered in England and Wales. Copies of the report and accounts of Stanley Clarke Leisure Limited are available from the registered office at Lyndon House, 58/62 Hagley Road, Edgbaston, Birmingham B16 8PE.

There are no related party transactions with other group companies other than group financing arrangements with subsidiary companies.

Stanley Clarke Leisure is controlled by S W Clarke, a director of Northern Racing Limited.