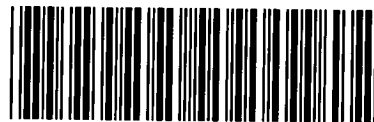


Company Registration No 06205872

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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COMPANIES HOUSE

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

DIRECTORS AND ADVISERS

Directors

S A J Nahum
J A Reuben
K S Robertson

Company number

06205872

Registered Office

4th Floor
Millbank Tower
21-24 Millbank
London
SW1P 4QP

Registered Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

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NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report for the year ended 31 December 2018.

The principal activity of the company is that of a holding company. The principal activity of the group is the owning and operation of racecourses.

Review of the business

The directors are satisfied with the results for the year and the year end position of the group.

In 2018 turnover increased from £52.5m in 2017 to £53.2m. This was largely a result of growth in media rights across the group. Loss on ordinary activities decreased from £6.4m in 2017 to £1.8m.

Outside of turnover, the key performance indicator the directors use in assessing the group is Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). EBITDA achieved during the year was £8.8m (2017: £4.2m).

The racing industry continues to face challenges from the closure of licensed betting offices throughout the UK following the Government's action to reduce the maximum stake for Fixed Odds Betting Terminals to £2.

The directors are looking forward to the future with confidence.

Principal risks and uncertainties

The group 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.

The company is aware of the risk created from the Government's action to reduce the maximum stake for Fixed Odds Betting Terminals to £2 and the risk of closure of licenced betting offices across the UK.

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 group does allow for a certain number of abandonments when completing its business plans.

The main risks arising from the group'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.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

Principal risks and uncertainties (continued)

Credit risk

Due to the nature of the group'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 media rights contracts. 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 group that is subject to credit risk, there are established credit procedures and collection policies in place which are reviewed and monitored centrally.

Going concern

Having reviewed the group's financial forecasts, expected future cash flows, and received assurance from Omaha Business Holdings Corp that it will continue to make sufficient funds available to the group, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future thus the going concern basis has been adopted in preparing the financial statements for the year ended 31 December 2018.

On behalf of the board



S A J Nahum
Director

27/9/19

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors' present their report and financial statements for the year ended 31 December 2018.

Results and dividend

The consolidated income statement for the year is set out on page 8. No dividend will be distributed for the year (2017: £nil).

Directors

The following directors have held office since 1 January 2018 to the date of this report:

J A Reuben
S A J Nahum
K S Robertson

Other changes in directors holding office:

P C O'Driscoll – resigned 29 September 2018

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.

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of Arena Racing Corporation Limited and its subsidiaries.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitude and abilities.

Auditors

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

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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 group and of the profit or loss of the group 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

On behalf of the board

S A J Nahum
Director

27/19/19

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NR ACQUISITIONS TOPCO LIMITED

Opinion

We have audited the financial statements of NR Acquisitions Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2018 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated and company balance sheets, consolidated and company statements of changes in equity, consolidated statement of cash flows 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2018 and of the Group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NR ACQUISITIONS TOPCO LIMITED (CONTINUED)

misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 statement of Directors' responsibilities, 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 Group's and the Parent 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 Group or the Parent 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.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

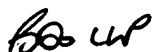
TO THE MEMBERS OF NR ACQUISITIONS TOPCO LIMITED (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located at 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dominic Stammers (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

30 September 2019

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

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Turnover	3	53,207	52,481
Cost of sales		(33,696)	(32,088)
Gross profit		19,511	20,393
Administrative expenses		(20,823)	(20,485)
Operating loss	4	(1,312)	(92)
Other income		6,581	-
Interest payable and similar charges	6	(7,026)	(6,266)
Loss on activities before taxation		(1,757)	(6,358)
Tax on loss on ordinary activities	7	(884)	583
Loss for the financial year		(2,641)	(5,775)
Loss for the financial year attributable to:			
Non-controlling interests		(213)	(35)
Owners of the parent company		(2,428)	(5,740)

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

The notes on pages 13 to 30 form part of these financial statements

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Loss for the year	(2,641)	(5,775)
Other comprehensive income	-	-
Total comprehensive income for the year	(2,641)	(5,775)
Total comprehensive income for the year attributable to:		
Non-controlling interest	(213)	(35)
Owners of the parent company	(2,428)	(5,740)
	(2,641)	(5,775)

The notes on pages 13 to 30 form part of these financial statements

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2018 (Company number 06205872)

		Consolidated		Company	
	Notes	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fixed assets					
Intangible assets	8	9	19	-	-
Tangible assets	9	87,023	89,251	-	-
Investments	10	-	-	1	1
		<u>87,032</u>	<u>89,270</u>	<u>1</u>	<u>1</u>
Current assets					
Stocks	11	605	629	-	-
Debtors	12	11,794	4,715	22,753	22,753
Cash at bank and in hand		3,655	2,188	-	-
		<u>16,054</u>	<u>7,532</u>	<u>22,753</u>	<u>22,753</u>
Creditors: amounts falling due within one year	13	(39,956)	(38,057)	(10,999)	(10,999)
		<u>(23,902)</u>	<u>(30,525)</u>	<u>11,754</u>	<u>11,754</u>
Net current (liabilities)/assets					
Total assets less current liabilities		<u>63,130</u>	<u>58,745</u>	<u>11,755</u>	<u>11,755</u>
Creditors: amounts falling due after more than one year	14	(107,393)	(100,367)	-	-
		<u>(44,263)</u>	<u>(41,622)</u>	<u>11,755</u>	<u>11,755</u>
Capital and reserves					
Called up share capital	17	1	1	1	1
Profit and loss account		(44,657)	(42,229)	11,754	11,754
		<u>(44,656)</u>	<u>(42,228)</u>	<u>11,755</u>	<u>11,755</u>
Equity attributable to the owners of the parent company					
Non-controlling interests		<u>393</u>	<u>606</u>	<u>-</u>	<u>-</u>
		<u>(44,263)</u>	<u>(41,622)</u>	<u>11,755</u>	<u>11,755</u>

The group has taken the exemption from presenting the company profit and loss account under section 408 of the Companies Act 2006. The company's profit for the year was £nil (2017: £nil).

Approved by the board and authorised for issue on 27/12/19

S A J Nahum
Director

The notes on pages 13 to 30 form part of these financial statements

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

CONSOLIDATED

	Share capital £'000	Profit and loss account £'000	Equity attributable to the owners of the parent company £'000	Equity attributable to non- controlling interests £'000	Total equity £'000
Balance at 1 January 2017	1	(36,489)	(36,488)	641	(35,847)
Year ended 31 December 2017					
Loss and total comprehensive income for the year	-	(5,740)	(5,740)	(35)	(5,775)
Balance at 31 December 2017	1	(42,229)	(42,228)	606	(41,622)
Year ended 31 December 2018					
Loss and total comprehensive income for the year	-	(2,428)	(2,428)	(213)	(2,641)
Balance at 31 December 2018	1	(44,657)	(44,656)	393	(44,263)

COMPANY

	Share Capital £'000	Profit and loss reserve £'000	Total Equity £'000
Balance at 1 January 2017	1	11,754	11,755
Year ended 31 December 2017			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2017	1	11,754	11,755
Year ended 31 December 2018			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2018	1	11,754	11,755

The notes on pages 13 to 30 form part of these financial statements

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Cash flows from operating activities			
Cash generated from operations	1	2,756	324
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,289)	(1,265)
Financing activities			
Interest paid		-	(2,701)
Capital element of finance leases		-	(3)
Net cash from financing activities		-	(2,704)
Increase in cash and cash equivalents		1,467	(3,645)
Cash and cash equivalents at beginning of year		2,188	5,833
Cash and cash equivalents at end of year		3,655	2,188

The notes on pages 13 to 30 form part of these financial statements

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

1 Reconciliation of loss after taxation to cash generated from operations	2018 £'000	2017 £'000
Loss after taxation	(2,641)	(5,775)
Taxation charged/(credited)	884	(583)
Finance costs	7,026	6,266
Depreciation of tangible fixed assets	3,517	3,653
Amortisation of intangible assets	10	624
	<u>8,796</u>	<u>4,185</u>
Corporation tax paid	(266)	(100)
Decrease/(Increase) in stocks	24	(122)
Increase in debtors	(7,323)	(219)
Increase/(decrease) in creditors	1,525	(3,420)
Cash generated from operations	<u><u>2,756</u></u>	<u><u>324</u></u>

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Statutory information

NR Acquisitions Topco Limited is a company limited by shares incorporated in England and Wales. The registered office and principal place of business is 4th Floor, Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

2 Accounting policies

2.1 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 have drawn up the financial statements on a going concern basis, notwithstanding the net current liabilities of the Group.

The Directors consider it appropriate to draw up the financial statements on a going concern basis as they have received assurance from Omaha Business Holdings Corp that it will continue to make sufficient funds available to enable the Group 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. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2018. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation. The group uses both merger and acquisition accounting in relevant circumstances. Under the principles of merger accounting the results of the subsidiaries are included in the profit and loss account for whole the financial period regardless of the date when control passes. Under acquisition accounting the results of subsidiaries acquired are included in the profit and loss account from the date control passes.

2.3 Judgements and key sources of estimation uncertainty

In the application of the Group'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 or impairment of the company's tangible assets. Factors taken into account in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determine the extent to which deferred tax assets are recognised upon taxable profits that are expected to arise in the future.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

2 Accounting policies (continued)

2.3 Judgements and key sources of estimation uncertainty (continued)

- Determine whether leases entered into by the company are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

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.

2.4 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 Group's racecourses 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.

2.5 Goodwill

Acquired goodwill (representing the excess of the fair value of the consideration given over the fair value of the separate assets acquired) arising on consolidation is capitalised and amortised over its estimated useful economic life of 10 years. Goodwill amortisation is included in administration expenses.

2.6 Purchased racing fixtures

Purchased racing fixtures are shown at cost. Purchased racing fixtures are written off in equal instalments over their useful economic life of 20 years. The amortisation is included in administration expenses.

2.7 Tangible fixed assets and depreciation

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

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

2 Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

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

Freehold land and buildings	Buildings: 25 to 50 years
Leasehold land and buildings	Over the term of the lease
Plant and machinery	Straightline over 4 to 10 years
Fixtures, fittings and equipment	Straightline over 5 to 10 years and 25% reducing balance

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.

2.8 Impairment of fixed assets

At each reporting end date, the Group 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 group 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.

2.9 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

2 Accounting policies (continued)

2.9 Leasing (continued)

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2.10 Investments

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

2.11 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.

2.12 Tax

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.

2.13 Pensions

The group 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.

2.14 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.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

2 Accounting policies (continued)

2.14 Employee benefits (continued)

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.

2.15 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

2.16 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.

2.17 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.

2.18 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

2 Accounting policies (continued)

2.18 Financial instruments (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

2 Accounting policies (continued)

2.18 Financial Instruments (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled

3 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating loss

	2018 £'000	2017 £'000
Operating loss is stated after charging:		
Inventory recognised as an expense	3,134	3,611
Amortisation of intangible assets	10	624
Depreciation of tangible assets	3,517	3,653
Operating lease rentals	434	471
Auditors' remuneration	35	35

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2018 Number	2017 number
Salaried staff	240	246

The group employs casual staff on racedays. The number of casual staff varied between 30 and 389 (2017: 27 and 424). Casual staff are not included in the numbers stated above.

Employment costs	2018 £'000	2017 £'000
Wages and salaries	10,995	10,713
Social security costs	1,059	941
Other pension costs	308	427
	<u>12,362</u>	<u>12,081</u>

6 Net interest payable

	2018 £'000	2017 £'000
On other loans wholly repayable within five years	7,026	8,930
Gain on financial instruments	-	(2,664)
	<u>7,026</u>	<u>6,266</u>

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

7 Taxation

	2018 £'000	2017 £'000
Total current tax	-	-
Deferred tax	884	(583)
	<u>884</u>	<u>(583)</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	<u>(1,757)</u>	<u>(6,358)</u>
Loss on ordinary activities before taxation multiplied by the effective rate of UK corporation tax of 19% (2017: 19.25%)	(334)	(1,224)
Effects of:		
Non-deductible expenses	397	573
Tax losses utilised	(545)	31
Restricted interest	785	566
Prior year movement	613	(688)
Change in tax rate	<u>(32)</u>	<u>159</u>
Total tax credit/(charge) for the period	<u>884</u>	<u>(583)</u>

8 Intangible fixed assets

Group	Goodwill £'000	Purchased Fixtures £'000	Total £'000
Cost			
At 1 January 2018 and 31 December 2018	<u>24,418</u>	<u>162</u>	<u>24,580</u>
Amortisation			
At 1 January 2018	24,418	143	24,561
Charge for the year	-	10	10
At 31 December 2018	<u>24,418</u>	<u>153</u>	<u>24,571</u>
Net book value			
At 31 December 2018	<u>-</u>	<u>9</u>	<u>9</u>
At 31 December 2017	<u>-</u>	<u>19</u>	<u>19</u>

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Tangible fixed assets

Group

	Freehold land and buildings £'000	Leasehold land & buildings £'000	Plant & machinery £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost					
At 1 January 2018	79,583	27,934	9,153	1,541	118,211
Additions	710	215	329	35	1,289
At 31 December 2018	80,293	28,149	9,482	1,576	119,500
Depreciation					
At 1 January 2018	12,234	7,296	7,889	1,541	28,960
Charge for the year	2,017	404	1,092	4	3,517
At 31 December 2018	14,251	7,700	8,981	1,545	32,477
Net book value					
At 31 December 2018	66,042	20,449	501	31	87,023
At 31 December 2017	67,349	20,638	1,264	-	89,251

Included above are assets held under finance leases as follows:

	Plant & machinery £'000	Total £'000
Net book values		
At 31 December 2018	-	-
At 31 December 2017	54	54
Depreciation charge for the year		
31 December 2018	54	54
31 December 2017	61	61

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

10 Fixed asset investments

Company

Shares in
group
undertakings
£'000

Cost

At 1 January 2018 and 31 December 2018

1

Net book value

At 1 January 2018 and 31 December 2018

1

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company holds share capital in the following companies:

Company	Shares held		Country of registration or incorporation
	Class	%	
NR Acquisitions Midco Limited	Ordinary	100	England and Wales
NR Acquisitions Limited *	Ordinary	100	England and Wales
Northern Racing Limited *	Ordinary	100	England and Wales
Northern Races Limited *	Ordinary	100	England and Wales
Bath Racecourse Company Limited *	Ordinary	100	England and Wales
Brighton Racecourse Company Limited *	Ordinary	81	England and Wales
Chepstow Races Limited *	Ordinary	100	England and Wales
Chepstow Markets Limited *	Ordinary	100	England and Wales
The Fontwell Park Steeplechase Limited *	Ordinary	100	England and Wales
Great Yarmouth Racecourse Limited *	Ordinary	81	England and Wales
Hereford Racecourse Company Limited *	Ordinary	100	England and Wales
High Gosforth Park Limited *	Ordinary	100	England and Wales
Sedgefield Steeplechase Company (1927) Limited *	Ordinary	100	England and Wales
Uttoxeter Leisure and Development Company Limited *	Ordinary	92	England and Wales

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

10 Fixed Assets Investments (continued)

Company	Principal activity
NR Acquisitions Midco Limited	Holding company
NR Acquisitions Limited *	Holding company
Northern Racing Limited *	Holding company
Northern Races Limited *	Holding company
Bath Racecourse Company Limited *	Racecourse management
Brighton Racecourse Company Limited *	Racecourse management
Chepstow Races Limited *	Racecourse management
Chepstow Markets Limited *	Dormant
The Fontwell Park Steeplechase Limited *	Racecourse management
Great Yarmouth Racecourse Limited *	Racecourse management
Hereford Racecourse Company Limited *	Racecourse management
High Gosforth Park Limited *	Racecourse management
Sedgefield Steeplechase Company (1927) Limited *	Racecourse management
Uttoxeter Leisure and Development Company Limited *	Racecourse management

* Companies held through subsidiary undertakings

The registered address of all subsidiary companies is Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

11 Stocks

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Goods for resale	605	629	-	-

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

12 Debtors

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	1,387	2,248	-	-
Amounts owed by group undertakings	-	-	22,753	22,753
Corporation Tax debtor	367	100	-	-
VAT	371	-	-	-
Other debtors	8,659	528	-	-
Prepayments and accrued income	648	593	-	-
	<u>11,432</u>	<u>3,469</u>	<u>22,753</u>	<u>22,753</u>
Amounts falling due after more than one year:				
Deferred tax	362	1,246	-	-
Aggregate amounts	<u>11,794</u>	<u>4,715</u>	<u>22,753</u>	<u>22,753</u>

Deferred Tax

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Accelerated capital allowances	270	1,081	-	-
Trading losses	84	158	-	-
Provisions	8	7	-	-
	<u>362</u>	<u>1,246</u>	<u>-</u>	<u>-</u>

	Deferred Tax	
	Group	Company
	£'000	£'000
Balance at 1 January 2018	1,246	-
Recognised during the year	(884)	-
Balance at 31 December 2018	<u>362</u>	<u>-</u>

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

13 Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	2,793	1,618	-	-
Amounts owed to related undertakings	33,505	32,800	10,999	10,999
Tax and social security	299	562	-	-
Other creditors	583	276	-	-
Accruals and deferred income	2,776	2,801	-	-
	<u>39,956</u>	<u>38,057</u>	<u>10,999</u>	<u>10,999</u>

14 Creditors: amounts falling due after more than one year

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Other loans	<u>107,393</u>	<u>100,367</u>	<u>-</u>	<u>-</u>
Maturity analysis of loans				
Repayable between one and five years	<u>107,393</u>	<u>100,367</u>	<u>-</u>	<u>-</u>
Net obligation under finance leases				
Repayable within one year	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>

The loans and overdrafts of the group are secured by legal charge over the racecourse properties. An unlimited guarantee exists across the group for the liabilities of the same.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

15 Financial instruments

The group's financial instruments may be analysed as follows:

	Group	
	2018	2017
	£'000	£'000
Financial assets		
Financial assets measured at amortised cost	<u>13,701</u>	<u>4,965</u>
Financial liabilities		
Financial liabilities measured at fair value through the profit or loss	-	-
Financial liabilities measured at amortised cost	<u>145,516</u>	<u>136,232</u>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by related undertakings.

Financial liabilities measured at amortised cost comprise overdrafts, finance leases, other loans, trade creditors, other creditors, accruals and amounts owed to related undertakings.

Financial liabilities measured at fair value through the profit or loss comprise interest rate swaps.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Strategic report.

16 Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately to those of the group in an independently administered fund. The pension costs charge represents contributions payable by the group to the fund.

There was a pension creditor at the year end amounting to £40,000 (2017: £36,000).

One group company, Great Yarmouth Racecourse Limited, participates in a multi-employer defined benefit pension scheme. Full disclosure has been made in the accounts of that company. The scheme is not considered material to the group.

17 Share capital

Group and company	2018	2017
	£'000	£'000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1	<u>1</u>	<u>1</u>

18 Reserves

Called up share capital

Represents the nominal value of equity shares issued.

Profit and loss account

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

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

19 Leasing agreements

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

	2018 £'000	2017 £'000
Within one year	372	419
Between two and five years	959	1,005
In over five years	22,482	22,944
	<u>23,813</u>	<u>24,368</u>

20 Control

The company's immediate parent company is Racing Holdings Limited, a company registered in the British Virgin Islands. The company's ultimate parent company is Omaha Business Holdings Corp., a company registered in the British Virgin Islands.

The registered address and principal place of business of Omaha Business Holdings Corp and Racing Holdings Limited is 2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Wickham's Cay II, Road Town, Tortola, British Virgin Islands.

21 Related party transactions

The Group has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with any wholly owned group companies.

	Recharged costs		Recharged income	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Brighton Racecourse Company Limited	37	124	-	1,201
Sedgefield Steeplechase Company (1927) Limited	90	104	-	984
Uttoxeter Leisure and Development Company Limited	16	207	-	1,399
Great Yarmouth Racecourse Limited	24	106	-	1,318

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

21 Related party transactions (continued)

	Management charges		Balance due to/(from)	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Brighton Racecourse Company Limited	283	238	6,926	5,207
Sedgefield Steeplechase Company (1927) Limited	195	174	1,165	(91)
Uttoxeter Leisure and Development Company Limited	533	451	(10,464)	(11,413)
Great Yarmouth Racecourse Limited	242	243	7,941	5,674

Arena Leisure Limited, a related company controlled by the ultimate holding company, owns an equity share in Attheraces Holdings Limited (ATR). During the year, the group made sales to ATR amounting to £2,883,000 (2017: £3,526,000).

Included in creditors falling due in less than one year is an amount of £17,712,000 (2017: £17,902,000) due to Arena Racing Corporation Group Limited, a company controlled by the ultimate holding company.

Included in creditors falling due after more than one year is an amount of £107,393,000 (2017: £100,367,000) due to TFB Mortgages Designated Activity Company, a related company. Interest of £7,026,000 (2017: £6,566,000) was charged and has been capitalised on this amount.

Included in creditors falling due after more than one year is an amount of £15,790,000 (2017: £14,898,000) due to Aldersgate Investments Limited, a related company.

The directors receive remuneration for their services to the group from companies outside of the group. It is not practicable to allocate the proportion of their remuneration that relates to this group.

Key management personnel include all directors and a number of senior managers across the group who, together, have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £1,956,000 (2017: £1,521,000).