

REDCAR RACECOURSE LIMITED

REPORT & FINANCIAL STATEMENTS

**for the year ended
31 DECEMBER 2000**



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REDCAR RACECOURSE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

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REDCAR RACECOURSE LIMITED

COMPANY INFORMATION **AT 31 DECEMBER 2000**

DIRECTORS

Mr J Hanson
Mrs J Garrett
Lord Ronaldshay
Mr P A Hill-Walker

SECRETARY

J F Sanderson

REGISTERED OFFICE

The Racecourse
Redcar

BUSINESS ADDRESS

The Racecourse
Redcar

AUDITORS

Anderson Barrowcliff
Chartered Accountants
Midland House
202 Linthorpe Road
Middlesbrough

SOLICITORS

Goodswens
118 High Street
Redcar
TS10 3DJ

PRINCIPAL BANKERS

Barclays Bank PLC
Station Road
Redcar

REDCAR RACECOURSE LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review consisted of the holding of Race Meetings and the letting of part of the Racecourse for use as an Open-Air Market.

DIVIDENDS

The directors have recommended that a final dividend of £1,600 be paid for the year ended 31 December 2000.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2000	1999
Mr J Hanson	Ordinary shares	60	43
Mrs J Garrett	Ordinary shares	2,747	2,747
Lord Ronaldshay	Ordinary shares	70	53
Mr P A Hill-Walker	Ordinary shares	71	61

Lord Zetland, who was a director at the beginning of the year with a shareholding of 1,691 ordinary shares of £5 each, resigned on 20 April 2000.

In accordance with the company's articles Mrs J Garrett retires and, being eligible, offers herself for re-election.

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 as at the end of the financial year and of the profit or loss of the company 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;
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

CLOSE COMPANY

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

REDCAR RACECOURSE LIMITED

DIRECTORS' REPORT


AUDITORS

The auditors, Andersons who have changed their name to Anderson Barrowcliff, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board:



J F Sanderson
Secretary

Approved by the board: 20 June 2001

AUDITORS' REPORT TO THE SHAREHOLDERS OF REDCAR RACECOURSE LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and on the basis of accounting policies set out on pages 7 and 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, 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 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 as to whether 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 company's state of affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Anderson Barrowcliff

Anderson Barrowcliff
Chartered Accountants
Registered Auditors

Midland House
202 Linthorpe Road
Middlesbrough

25 June 2001

REDCAR RACECOURSE LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
TURNOVER (Income from Racing)		1,033,901	1,157,155
Cost of sales		865,954	951,100
GROSS PROFIT		167,947	206,055
Other operating charges		262,103	296,877
Administrative expenses		146,558	87,172
		(240,714)	(177,994)
Other operating income		98,536	82,631
OPERATING LOSS	2	(142,178)	(95,363)
Investment income and interest receivable		39,077	11,946
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(103,101)	(83,417)
Tax on loss on ordinary activities	4	-	3,264
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(103,101)	(80,153)
Dividends	5	(1,600)	(1,600)
ACCUMULATED LOSS FOR THE FINANCIAL YEAR	16	(104,701)	(81,753)

The notes on pages 7 to 13 form part of these financial statements.

REDCAR RACECOURSE LIMITED**BALANCE SHEET
AT 31 DECEMBER 2000**

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	6		3,244,728		3,239,838
Investments	7		27		27
			<u>3,244,755</u>		<u>3,239,865</u>
CURRENT ASSETS					
Stocks		-		1,949	
Debtors	8	123,886		127,149	
Investments	9	83,696		101,645	
Cash at bank and in hand		201,005		206,986	
		<u>408,587</u>		<u>437,729</u>	
CREDITORS: amounts falling due within one year	10	(188,664)		(174,323)	
NET CURRENT ASSETS			<u>219,923</u>		<u>263,406</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,464,678</u>		<u>3,503,271</u>
CREDITORS: amounts falling due after more than one year	11		(96,000)		(75,000)
NET ASSETS			<u>3,368,678</u>		<u>3,428,271</u>
GRANT ACCOUNT	14		131,485		86,377
CAPITAL AND RESERVES					
Called up share capital	15	40,000		40,000	
Profit and loss account	16	3,197,193		3,301,894	
EQUITY SHAREHOLDERS' FUNDS	17		<u>3,237,193</u>		<u>3,341,894</u>
			<u>3,368,678</u>		<u>3,428,271</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the board of directors on 20 June 2001 and signed on its behalf by:

P A Hill-Walker
Director



The notes on pages 7 to 13 form part of these financial statements.

REDCAR RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents the gross receipts, excluding value added tax, from racing activities, including Horserace Betting Levy Board grants towards added money.

Depreciation of tangible fixed assets

Depreciation is calculated so as to write off the cost of fixed assets on either a straight line or reducing balance basis over the expected useful lives of the assets concerned.

The following is a summary of the principal annual rates used for this purpose, which are consistent with those of the previous year unless otherwise indicated:-

No depreciation has been charged on that part of the cost of the stands and buildings which was met from the special grants and contributions from the Horserace Betting Levy Board and the Horserace Totalisator Board. Stands and buildings after deducting grants relating thereto are being written off on a straight line basis at rates between 1.6% and 2.5%.

Plant, machinery, vehicles and fittings are being written off at a rate of 25% on a reducing balance basis.

Freehold land is not depreciated.

Capital grants

Capital grants are received from the Horserace Betting Levy Board in respect of capital expenditure.

Capital grants received are taken to the grant account. Credits are made to the profit and loss account by annual instalments over a period of years which, on average matches the period over which the relevant fixed assets are depreciated.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

REDCAR RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1. STATEMENT OF ACCOUNTING POLICIES - (continued)

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

2. OPERATING LOSS

Operating loss is stated:

	2000	1999
	£	£
After charging:		
Depreciation of fixed assets	94,598	91,089
Auditors' remuneration	4,000	4,000
Exceptional item - Professional fees	48,600	-
	<u> </u>	<u> </u>
After crediting:		
Amortisation of capital grants	12,392	10,405
	<u> </u>	<u> </u>

3. INFORMATION ON DIRECTORS

	2000	1999
	£	£
Directors' emoluments		
Emoluments	<u>6,100</u>	<u>6,100</u>

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2000	1999
	£	£
The taxation charge comprises:		
Adjustment in respect of prior years	<u>-</u>	<u>(3,264)</u>

5. DIVIDENDS PAID OR PROPOSED

	2000	1999
	£	£
On ordinary shares:		
Final dividend proposed	<u>1,600</u>	<u>1,600</u>

REDCAR RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc. £	Total £
Cost:			
At 1 January 2000	4,024,707	647,463	4,672,170
Additions	38,427	61,061	99,488
At 31 December 2000	4,063,134	708,524	4,771,658
Depreciation:			
At 1 January 2000	867,934	564,398	1,432,332
Charge for year	58,561	36,037	94,598
At 31 December 2000	926,495	600,435	1,526,930
Net book value:			
At 31 December 2000	3,136,639	108,089	3,244,728
At 31 December 1999	3,156,773	83,065	3,239,838
		2000 £	1999 £
Analysis of net book value of land and buildings:			
Freehold land		8,466	8,466
Stands & buildings		3,128,173	3,148,307
		3,136,639	3,156,773

REDCAR RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

7. INVESTMENTS

				Beginning and end of year £
Cost or valuation:				
Other investments				27
Other investments other than loans				
Shares:				
	Book value 2000 £	Market value 2000 £	Book value 1999 £	Market value 1999 £
Unlisted	27	27	27	27

8. DEBTORS

	2000 £	1999 £
Trade debtors	100,876	119,137
Other debtors	23,010	8,012
	123,886	127,149

9. CURRENT ASSET INVESTMENTS

			2000 £	1999 £
Other investments			83,696	101,645
	Book value At 31 December 2000 £	Market value At 31 December 2000 £	Book value At 31 December 1999 £	Market value At 31 December 1999 £
Market value of listed investments				
U.K. Stock Exchange	83,696	91,236	101,645	137,699

REDCAR RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

10. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Trade creditors	47,641	60,062
Other taxes and social security costs	5,924	4,582
Loans (see note 11)	49,000	46,000
Accruals and deferred income	84,499	62,079
Proposed dividend	1,600	1,600
	<u>188,664</u>	<u>174,323</u>

11. CREDITORS: amounts falling due after more than one year

	2000	1999
	£	£
Other creditors	96,000	75,000
Horse Betting Levy Board Loans (Interest Free Loans)		

The terms of repayment are as follows:-

Loan of £100,000 received in 1997 repayable by four half yearly instalments of £10,000 each commencing on 1 July 1997, followed by four half yearly instalments of £12,500.

Loan of £75,000 received in 1998 repayable by three half yearly instalments of £6,000 each commencing on 2 January 1999, followed by three half yearly instalments of £7,000 each and a further four half yearly instalments of £9,000 each.

Loan of £70,000 received in 2000 repayable by two half yearly instalments of £5,000 each commencing on 1 January 2001, followed by two half yearly instalments of £6,000 each, two half yearly instalments of £7,000 each, two half yearly instalments of £8,000 each and finally two instalments of £9,000 each.

12. BORROWINGS

	2000	1999
	£	£
The company's borrowings are repayable as follows		
Up to one year and on demand	49,000	46,000
Between one and two years	30,000	39,000
Between two and five years	66,000	36,000
	<u>145,000</u>	<u>121,000</u>
Wholly repayable within five years	<u>145,000</u>	<u>121,000</u>
Included in current liabilities	<u>49,000</u>	<u>46,000</u>

REDCAR RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Not provided		Provided	
	2000	1999	2000	1999
	£	£	£	£
Deferred tax is calculated at 30% (1999 - 30%) analysed over the following timing differences:				
On other timing differences	878,000	878,000	-	-

14. GRANT ACCOUNT

	2000	1999
	£	£
At 1 January 2000	86,377	54,516
Capital grants received in the year	57,500	42,266
Capital grants credited to the profit and loss account	(12,392)	(10,405)
At 31 December 2000	131,485	86,377

15. SHARE CAPITAL

	2000	1999
	£	£
Authorised:		
Equity interests:		
8,000 Ordinary shares of £5 each	40,000	40,000
Allotted, called up and fully paid:		
Equity interests:		
8,000 Ordinary shares of £5 each	40,000	40,000

16. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Retained profit as at 1 January 2000	3,301,894	3,383,647
Loss for the year	(104,701)	(81,753)
Retained profit as at 31 December 2000	3,197,193	3,301,894

REDCAR RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Loss for the year	(103,101)	(80,153)
Dividends	(1,600)	(1,600)
Net reduction to shareholders' funds	(104,701)	(81,753)
Opening shareholders' funds	3,341,894	3,423,647
Closing shareholders' funds	3,237,193	3,341,894
Represented by:-		
Equity interests	3,237,193	3,341,894

18. CONTINGENT LIABILITIES

(a) Various Grants and Contributions received by the company from the Horserace Betting Levy Board and the Horserace Totalisator Board are subject to a number of Agreements under the terms of which a reducing proportion of the amounts received is repayable if any of certain events detailed in the agreements (including the cessation of regular horserace meetings on the Company's Racecourse) should occur.

At 31 December 2000 the liability of the company for repayment of the Grants and Contributions would have been £16,562.

(b) All amounts due to the building contractors in respect of the major construction projects completed in 1991 and 1992 have been paid in accordance with our Architects instructions. The contractors, BRIMS, are now in receivership and the Receiver is alleging that further monies are due but no formal claim has been lodged. Our architects are vigorously contesting this matter and advise the directors that in their opinion there are no further liabilities.

19. HORSERACE BETTING LEVY BOARD

Capital Credit balances of £57,948 are available at 31 December 2000 for the finance of approved schemes to improve facilities or for the repayment of Levy Board loans (1999: £57,380). The capital credit scheme is due to end on 31 March 2003 and all capital credits must be drawn down by that date.

20. CAPITAL COMMITMENTS

	2000	1999
	£	£
Details of capital commitments at the accounting date are as follows:		
Contracted but not provided for in the financial statements	-	57,500