

Redcar Racecourse Limited

Report of the Directors and
Financial Statements
for the year ended 31 December 2003

“Registrar of Companies Copy”
Company No. 9592



ANDERSON BARROWCLIFF
Chartered Accountants

Redcar Racecourse Limited

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for the Year Ended 31 December 2003

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Redcar Racecourse Limited
Company Information
for the Year Ended 31 December 2003

DIRECTORS: P A Hill-Walker
Mrs J Garrett
Lord Ronaldshay
J Hanson
Major P H K Steveney

SECRETARY: J F Sanderson

REGISTERED OFFICE: The Racecourse
Redcar
TS10 2BY

REGISTERED NUMBER: 9592

AUDITORS: Anderson Barrowcliff
Registered Auditor
Chartered Accountants
Waterloo House
Teesdale South
Thornaby Place
Thornaby on Tees
TS17 6SA

BANKERS: Barclays Bank
56 Station Road
Redcar
TS10 1DX

SOLICITORS: Goodswens
118 High Street
Redcar
TS10 3DJ

Redcar Racecourse Limited

Report of the Directors for the Year Ended 31 December 2003

The directors present their report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

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

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors during the year under review were:

P A Hill-Walker
Mrs J Garrett
Lord Ronaldshay
J Hanson
Major P H K Steveney

The beneficial interests of the directors holding office on 31 December 2003 in the issued share capital of the company were as follows:

	31.12.03	1.1.03
Ordinary £5 shares		
P A Hill-Walker	71	71
Mrs J Garrett	547	2,747
Lord Ronaldshay	70	70
J Hanson	60	60
Major P H K Steveney	-	-

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations totalling £1,140.

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 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 keeping 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.

AUDITORS


The auditors, Anderson Barrowcliff, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Redcar Racecourse Limited

Report of the Directors
for the Year Ended 31 December 2003

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

ON BEHALF OF THE BOARD:



.....
J F Sanderson - Secretary

Date: 22 June 2004

Report of the Independent Auditors to the Shareholders of
Redcar Racecourse Limited

We have audited the financial statements of Redcar Racecourse Limited for the year ended 31 December 2003 on pages five to twelve. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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 the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Anderson Barrowcliff

Anderson Barrowcliff
Registered Auditor
Chartered Accountants
Waterloo House
Teesdale South
Thornaby Place
Thornaby on Tees
TS17 6SA

Date: 28th June 2004

Redcar Racecourse Limited
Profit and Loss Account
for the Year Ended 31 December 2003

		2003		2002	
	Notes	£	£	£	£
TURNOVER			1,714,740		1,476,970
Cost of sales			1,357,776		1,098,300
GROSS PROFIT			356,964		378,670
Administrative expenses			493,451		519,970
			(136,487)		(141,300)
Other operating income			111,281		98,896
OPERATING LOSS	2		(25,206)		(42,404)
Income from investments	3	43,749		2,428	
Interest receivable and similar income		8,800		10,586	
			52,549		13,014
			27,343		(29,390)
Amounts written off investments	4		1,286		12,851
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			26,057		(42,241)
Tax on profit/(loss) on ordinary activities	5		582		3,000
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION			25,475		(45,241)
Dividends	6		1,600		1,600
			23,875		(46,841)
Retained profit brought forward			2,984,686		3,031,527
RETAINED PROFIT CARRIED FORWARD			<u>£3,008,561</u>		<u>£2,984,686</u>

The notes form part of these financial statements

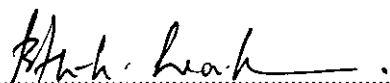
Redcar Racecourse Limited

Balance Sheet
31 December 2003

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		3,147,543		3,114,629
Investments	8		27		27
			<u>3,147,570</u>		<u>3,114,656</u>
CURRENT ASSETS:					
Debtors	9	83,041		99,304	
Investments	10	53,421		45,170	
Cash at bank and in hand		405,853		422,597	
		<u>542,315</u>		<u>567,071</u>	
CREDITORS: Amounts falling due within one year	11	189,407		179,303	
NET CURRENT ASSETS:			<u>352,908</u>		<u>387,768</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>3,500,478</u>		<u>3,502,424</u>
CREDITORS: Amounts falling due after more than one year	12		(52,000)		(34,000)
ACCRUALS AND DEFERRED INCOME:	13		(188,691)		(251,375)
			<u>£3,259,787</u>		<u>£3,217,049</u>
CAPITAL AND RESERVES:					
Called up share capital	14		40,000		40,000
Other reserves	15		211,226		192,363
Profit and loss account			3,008,561		2,984,686
SHAREHOLDERS' FUNDS:			<u>£3,259,787</u>		<u>£3,217,049</u>

These 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 June 2002).

ON BEHALF OF THE BOARD:



P A Hill-Walker - Director

Approved by the Board on 22 June 2004

The notes form part of these financial statements

Redcar Racecourse Limited

Notes to the Financial Statements
for the Year Ended 31 December 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

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

Tangible fixed assets

Depreciation is calculated so as to write off the cost of the 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 years unless otherwise stated:-

No depreciation has been charged on that part of the costs 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 at rates between 10% and 25% on a reducing balance basis.

Freehold land is not depreciated.

Deferred tax

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.

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 installments over a period of years which, on average matches the period over which the relevant fixed assets are depreciated.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Current asset investments are stated at cost less provision for any permanent diminution in value. For listed investments, market value is based on the closing middle market price.

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

Deferred Income

Gross revenue for the first five years of a Media Rights Agreement has been ascertained and will be recognised in the profit and loss account evenly over the first five years of the contract. The balance of the funds received but not credited to the profit and loss account are included in the balance sheet as deferred income.

Redcar Racecourse Limited

Notes to the Financial Statements
for the Year Ended 31 December 2003

2. **OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation - owned assets	91,560	87,589
Auditors' remuneration	4,500	4,500
Amortisation of capital grants	(34,097)	(10,164)
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	6,800	6,100
	<u> </u>	<u> </u>

3. **INCOME FROM INVESTMENTS**

	2003	2002
	£	£
Dividends listed invest - FII received	2,317	2,034
Profit on disposal of investments listed	-	394
Unlisted investment income	41,432	-
	<u> </u>	<u> </u>
	43,749	2,428
	<u> </u>	<u> </u>

Included in Income from investments is an exceptional dividend of £41,432.

4. **AMOUNTS WRITTEN OFF INVESTMENTS**

	2003	2002
	£	£
Written off in year	1,286	12,851
	<u> </u>	<u> </u>

5. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2003	2002
	£	£
Current tax:		
UK corporation tax	1,600	3,000
Adjustment in respect of prior years	(1,018)	-
	<u> </u>	<u> </u>
Total current tax	582	3,000
	<u> </u>	<u> </u>
Tax on profit/(loss) on ordinary activities	582	3,000
	<u> </u>	<u> </u>

6. **DIVIDENDS**

	2003	2002
	£	£
Final	1,600	1,600
	<u> </u>	<u> </u>

Redcar Racecourse Limited

Notes to the Financial Statements
for the Year Ended 31 December 2003

7. TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Property	Plant and machinery	Totals
	£	£	£	£
COST:				
At 1 January 2003	8,466	4,057,293	746,389	4,812,148
Additions	-	49,356	75,118	124,474
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	8,466	4,106,649	821,507	4,936,622
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION:				
At 1 January 2003	-	1,041,453	656,066	1,697,519
Charge for year	-	58,300	33,260	91,560
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	-	1,099,753	689,326	1,789,079
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:				
At 31 December 2003	8,466	3,006,896	132,181	3,147,543
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2002	8,466	3,015,840	90,323	3,114,629
	<hr/>	<hr/>	<hr/>	<hr/>

Included in land and buildings is freehold land valued at £8,466 (2002 - £8,466) which is not depreciated.

	2003	2002
	£	£
Analysis of net book value of land and buildings:		
Freehold Land	8,466	8,466
Stands & buildings	3,006,896	3,015,840
	<hr/>	<hr/>
	3,015,362	3,024,306
	<hr/>	<hr/>

8. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 January 2003	27
and 31 December 2003	<hr/>
NET BOOK VALUE:	
At 31 December 2003	27
	<hr/>
At 31 December 2002	27
	<hr/>
	2003
	£
Unlisted investments	27
	<hr/>
	2002
	£
	27
	<hr/>

Redcar Racecourse Limited

Notes to the Financial Statements
for the Year Ended 31 December 2003

9. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003	2002
	£	£
V.A.T.	23,669	21,793
Trade Debtors	29,764	54,988
Other Debtors	2,981	4,286
Prepayments	26,627	18,237
	<u>83,041</u>	<u>99,304</u>

10. **CURRENT ASSET INVESTMENTS**

	2003	2002
	£	£
Listed Investments	<u>53,421</u>	<u>45,170</u>

Market value of listed investments at 31 December 2003 - £56,448 (2002 - £44,383).

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

	2003	2002
	£	£
Other Loans	32,000	32,000
Trade Creditors	36,368	69,744
Dividend proposed	1,600	1,600
Social Security & Other Taxes	1,445	1,370
Taxation	1,600	3,000
Accrued Expenses	116,394	71,589
	<u>189,407</u>	<u>179,303</u>

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

	2003	2002
	£	£
Other Loans	<u>52,000</u>	<u>34,000</u>

Horse Betting Levy Board Loans (Interest Free Loans)

The terms of repayment are as follows:-

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. This loan has been repaid during the year.

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.

Loan of £50,000 received in 2003 repayable by five half yearly instalments of £8,000 each commencing on 31 January 2004, followed by a final half yearly instalment of £10,000.

Redcar Racecourse Limited

Notes to the Financial Statements
for the Year Ended 31 December 2003

13. ACCRUALS AND DEFERRED INCOME

	2003 £	2002 £
Deferred Media Rights		
Brought forward	251,375	136,566
Received in year	99,503	256,967
Released in year	(162,187)	(142,158)
	<u>188,691</u>	<u>251,375</u>

During the year the company received £99,503 in respect of the third instalment of the Media Rights Agreement with ATR plc. The amounts received are released to the profit and loss account annually throughout the five year period, provided in the contract, when the company becomes entitled to the income under the terms of the contract. Amounts not yet released to the profit and loss account are included in the balance sheet as deferred income.

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	2003	2002
		value:	£	£
8,000	Ordinary	£5	<u>40,000</u>	<u>40,000</u>

Allotted and issued:				
Number:	Class:	Nominal	2003	2002
		value:	£	£
8,000	Ordinary	£5	<u>40,000</u>	<u>40,000</u>

15. OTHER RESERVES

	2003 £	2002 £
Brought forward	192,363	172,527
Capital grants received in the year	52,960	30,000
Capital grants credited to the profit and loss account	(34,097)	(10,164)
	<u>211,226</u>	<u>192,363</u>

16. 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 horsemeetings on the Company's Racecourse) should occur. At 31 December 2003 the liability of the company for repayment of the Grants and Contributions would have been £9,019.

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.

Redcar Racecourse Limited

Notes to the Financial Statements
for the Year Ended 31 December 2003

17. CAPITAL COMMITMENTS

	2003	2002
	£	£
Contracted but not provided for in the financial statements	<u>45,400</u>	<u>57,098</u>

18. POST BALANCE SHEET EVENTS

The Media Rights Agreement with ATR plc was terminated by that company on 29 March 2004. The Accounting Policies and Note 13 to the financial statements sets out the basis on which income from this agreement has been taken by the company. The legal and financial position regarding the termination of the contract is uncertain.

19. HORSERACE BETTING LEVY BOARD

Capital credit balances of £128,420 are available at 31 December 2003 for the finance of approved schemes to improve facilities or for the repayment of Levy Board loans (2002: £105,135). The capital credit scheme is due to end on 31 March 2006 and all capital credits must be drawn down by that date.