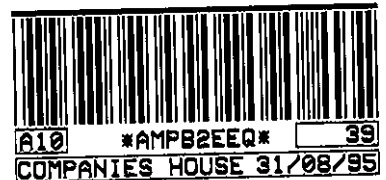


THE REDCAR RACE COMPANY LIMITED

**FINANCIAL STATEMENTS
for the year ended
31 DECEMBER 1994**

**"Registrar of Companies Copy"
Company No: 9592**



THE REDCAR RACE COMPANY LIMITED

DIRECTORS

The Most Hon. The Marquess of Zetland
(Chairman and Managing Director)
The Right Hon. The Earl of Ronaldshay
Mr J Hanson
Mrs J Garrett
Mr P A Hill-Walker

SECRETARY

Mrs M M Rose, M.B.E

REGISTERED OFFICE

The Racecourse
Redcar
Cleveland

AUDITORS

Andersons
Chartered Accountants
Midland House
202 Linthorpe Road
Middlesbrough

THE REDCAR RACE COMPANY LIMITED

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THE REDCAR RACE COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 1994.

PRINCIPAL ACTIVITIES

The principal activities of the Company consisted of the holding of Race Meetings and the letting of part of the Racecourse for use as an Open-Air Market.

DIVIDEND

The directors propose a dividend of 4% amounting to £1,600 for the year ended 31 December 1994.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1994</u>	<u>1993</u>
Lord Zetland	Ordinary shares	1,691	1,668
Mr J Hanson	Ordinary shares	43	20
Mrs J Garrett	Ordinary shares	2,747	2,737
Lord Ronaldshay	Ordinary shares	53	30
Mr P A Hill-Walker	Ordinary shares	61	40

In accordance with the company's articles P A Hill Walker retires and, being eligible, offers himself 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 the 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.

CLOSE COMPANY

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

THE REDCAR RACE COMPANY LIMITED

REPORT OF THE DIRECTORS (Continued)

AUDITORS

The auditors, Andersons, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY DISCLOSURE

In preparing this report, the directors have taken advantage of the special exemptions applicable to small companies on the grounds that the company is small.

Date: 5 June 1995



By Order of the Board

ZETLAND

Director

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE REDCAR RACE COMPANY LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

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 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 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



ANDERSONS
Registered Auditors
Chartered Accountants

Midland House
202 Linthorpe Road
Middlesbrough

Date: 5 June 1995

THE REDCAR RACE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	Notes	1994 £	1993 £
TURNOVER (Income from Racing)		1,025,760	1,156,825
Direct costs of Racing		(842,573)	(911,902)
GROSS PROFIT		183,187	244,923
Net operating expenses	2	(331,569)	(322,393)
OPERATING LOSS	3	(148,382)	(77,470)
Income from investments	5	27,116	139,609
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(121,266)	62,139
Tax on loss/profit on ordinary activities		5,802	(6,486)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(115,464)	55,653
Dividends	6	(1,600)	(1,600)
(LOSS)/PROFIT FOR THE YEAR	15	(117,064)	54,053

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

THE REDCAR RACE COMPANY LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Tangible assets	7	3,285,749	3,383,546
Investments	8	27	27
		<u>3,285,776</u>	<u>3,383,573</u>
CURRENT ASSETS			
Stocks	9	3,876	3,534
Debtors	10	96,101	68,290
Cash at bank and in hand		491,153	628,415
		<u>591,130</u>	<u>700,239</u>
CREDITORS: Amounts falling due within one year	11	(195,631)	(185,473)
NET CURRENT ASSETS		<u>395,499</u>	<u>514,766</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,681,275</u>	<u>3,898,339</u>
CREDITORS: Amounts falling due after more than one year	12	(150,000)	(250,000)
		<u>3,531,275</u>	<u>3,648,339</u>
CAPITAL AND RESERVES			
Called up share capital	14	40,000	40,000
Profit and loss account	15	3,491,275	3,608,339
		<u>3,531,275</u>	<u>3,648,339</u>

In preparing these financial statements, the directors have taken advantage of the special exemptions applicable to small companies on the grounds that the company is small.

The financial statements were approved by the board on 5 June 1995 and signed on its behalf by

ZETLAND )
J HANSON ) Directors

The notes on pages 6 to 11 form part of these financial statements.

THE REDCAR RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 CASH FLOW STATEMENT

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 from presenting a cash flow statement as it qualifies as a small company.

1.3 TURNOVER

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

1.4 DEPRECIATION

Depreciation is calculated so as to write off the cost of fixed assets on a straight line 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:-

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 at a rate of 2.5%.

Plant, machinery, vehicles and fittings are being written off at rates varying from 10 to 33%.

Freehold land is not depreciated.

1.5 STOCKS

Stocks are valued 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.

1.6 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

THE REDCAR RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994

2. NET OPERATING EXPENSES

Net operating expenses are made up as follows:-

	1994 £	1993 £
Other operating charges	340,216	318,994
Administration expenses	90,248	100,411
	<hr/>	<hr/>
Other operating income	430,464	419,405
	98,895	97,012
	<hr/>	<hr/>
Net operating expenses	331,569	322,393
	<hr/>	<hr/>

3. OPERATING LOSS

The operating loss is stated
after charging:-

	1994 £	1993 £
Depreciation	134,670	131,465
Auditors' remuneration	2,400	2,400
Profit on disposal of fixed assets	248	1,724
	<hr/>	<hr/>

4. DIRECTORS

Director's emoluments

	1994 £	1993 £
Director's emoluments	13,100	13,100
	<hr/>	<hr/>

5. INCOME FROM INVESTMENTS

Income from unlisted investments
Other interest receivable

	1994 £	1993 £
Income from unlisted investments	-	105,005
Other interest receivable	27,116	34,604
	<hr/>	<hr/>
	27,116	139,609
	<hr/>	<hr/>

6. DIVIDENDS

Ordinary:-

Proposed 20p per share (1993 : 20p per share)

	1994 £	1993 £
Proposed 20p per share (1993 : 20p per share)	1,600	1,600
	<hr/>	<hr/>

THE REDCAR RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994

7. TANGIBLE ASSETS

	Freehold Land and buildings £	Plant and machinery etc. £	Total £
<u>Cost</u>			
At 1 January 1994	3,691,951	523,522	4,215,473
Additions	18,625	18,250	36,875
Disposals	-	(4,067)	(4,067)
At 31 December 1994	<u>3,710,576</u>	<u>537,705</u>	<u>4,248,281</u>
<u>Depreciation</u>			
At 1 January 1994	453,823	378,104	831,927
Charge for year	92,517	42,153	134,670
On disposals	-	(4,065)	(4,065)
At 31 December 1994	<u>546,340</u>	<u>416,192</u>	<u>962,532</u>
<u>Net book value at 31 December 1994</u>	<u>3,164,236</u>	<u>121,513</u>	<u>3,285,749</u>
<u>Net book value at 31 December 1993</u>	<u>3,238,128</u>	<u>145,418</u>	<u>3,383,546</u>

8. INVESTMENTS

	Beginning of year £	Additions £	End of year £
Unlisted shares at cost	<u>27</u>	<u>-</u>	<u>27</u>
<u>Net book value</u>	<u>27</u>		<u>27</u>

9. STOCKS

	1994 £	1993 £
Stocks	<u>3,876</u>	<u>3,534</u>

THE REDCAR RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994

10. DEBTORS

	1994 £	1993 £
Trade debtors	63,414	47,796
Others	32,687	20,494
	<u>96,101</u>	<u>68,290</u>

All the above amounts are due within one year of the balance sheet date apart from an amount included in other debtors in 1993 of £4,983 which was due after more than one year.

11. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	1994 £	1993 £
Trade creditors	59,002	30,895
Instalment of loan	100,000	100,000
Other creditors	36,629	54,578
	<u>195,631</u>	<u>185,473</u>

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

	1994 £	1993 £
Loan (see below)	<u>150,000</u>	<u>250,000</u>

Horserace Betting Levy Board Loans (Interest Free Loans)

The terms of repayment are as follows:-

Loan of £600,000 received in 1990 repayable in six annual instalments (2 of £75,000 , 3 of £100,000 and 1 of £150,000) from 1 June 1991.

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 25% (1993 - 25%) analysed over the following timing differences:-

	Not provided		Provided	
	1994	1993	1994	1993
	£	£	£	£
Rollover gain	<u>1,093,000</u>	<u>1,093,000</u>	<u>-</u>	<u>-</u>

THE REDCAR RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994

14.	SHARE CAPITAL	1994 £	1993 £
	<u>Authorised</u>		
	Equity interests :		
	8,000 Ordinary shares of £5 each	40,000	40,000
	<u>Allotted, called up and fully paid</u>		
	Equity interests:		
	8,000 Ordinary shares of £5 each	40,000	40,000
15.	PROFIT AND LOSS ACCOUNT	1994 £	1993 £
	Retained profits at 1 January 1994	3,608,339	3,554,286
	Retained profit/(loss) for the year	(117,064)	54,053
	Retained profits at 31 December 1994	3,491,275	3,608,339
16.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1994 £	1993 £
	(Loss)/profit for the financial year	(115,464)	55,653
	Dividends	(1,600)	(1,600)
		(117,064)	54,053
	Shareholders' funds at 1 January 1994	3,648,339	3,594,286
	Shareholders' funds at 31 December 1994	3,531,275	3,648,339
	Represented by equity interests	3,531,275	3,648,339
17.	CAPITAL COMMITMENTS		

There were no capital commitments which were authorised by the Directors and contracted for at 31 December 1994 - (1993 - £NIL)

THE REDCAR RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994

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. Had such an event occurred at 31 December 1994 the liability of the company for repayment of Grants and contributions would have been £31,645.

(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 CREDITS SCHEME)

Capital Credit balances of £52,296 are available at 31 December 1994 for the finance of approved schemes to improve facilities or for the repayment of Levy Board loans (1993:£NIL).