

Company Registration No 0014667 (England and Wales)

HIGH GOSFORTH PARK LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2012

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HIGH GOSFORTH PARK LIMITED

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HIGH GOSFORTH PARK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and financial statements for the year ended 31 March 2012

Principal activities and review of the business

The principal activity of the company continued to be that of operation of a racecourse, under Jockey Club and National Hunt Rules at Newcastle Racecourse, and management of an owned estate including the Parklands Golf Course

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 April 2011

J Harrington	(Resigned 16 March 2012)
A B Kelly	
S Nahum	
P O'Driscoll	
R I Renton	(Appointed 30 May 2012 and resigned 31 August 2012)

Auditors

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006

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 profit or loss of the company 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,
- 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

HIGH GOSFORTH PARK LIMITED

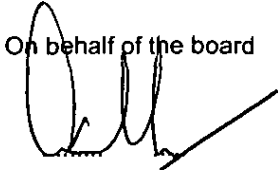
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

Statement of disclosure to auditors

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

On behalf of the board



A B Kelly

Director

16/11/12

HIGH GOSFORTH PARK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIGH GOSFORTH PARK LIMITED

We have audited the financial statements of High Gosforth Park Limited for the year ended 31 March 2012 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HIGH GOSFORTH PARK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HIGH GOSFORTH PARK LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

S P Coleman (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

16/11/12

Chartered Accountants
Statutory Auditor

25 Harley Street
London
W1G 9BR

HIGH GOSFORTH PARK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 £	2011 £
Turnover	2	7,429,349	6,873,330
Cost of sales		(4,468,960)	(3,735,340)
Gross profit		2,960,389	3,137,990
Administrative expenses		(1,972,996)	(2,483,419)
Profit on ordinary activities before taxation	3	987,393	654,571
Tax on profit on ordinary activities	4	-	-
Profit for the year	13	987,393	654,571

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

There are no recognised gains and losses other than those passing through the profit and loss account

Note of historical cost profits and losses

	2012 £	2011 £
Reported profit on ordinary activities before taxation	987,393	654,571
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	9,493	9,493
Historical cost profit on ordinary activities before taxation	996,886	664,064
Historical cost profit for the year retained after taxation, extraordinary items and dividends	996,886	664,064

HIGH GOSFORTH PARK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	5	112,784		126,073	
Tangible assets	6	10,276,480		10,307,442	
		10,389,264		10,433,515	
Current assets					
Stocks	7	189,875		149,651	
Debtors	8	11,011,089		4,044,794	
Investments	9	1,188		1,188	
Cash at bank and in hand		583,329		4,203,593	
		11,785,481		8,399,226	
Creditors, amounts falling due within one year	10	(6,795,231)		(4,440,620)	
Net current assets		4,990,250		3,958,606	
Total assets less current liabilities		15,379,514		14,392,121	
Capital and reserves					
Called up share capital	12	90,960		90,960	
Revaluation reserve	13	2,367,737		2,377,230	
Profit and loss account	13	12,920,817		11,923,931	
Shareholders' funds	14	15,379,514		14,392,121	

Approved by the Board and authorised for issue on 16/11/12

A B Kelly
Director

Company Registration No. 0014667

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable directly and indirectly from race meetings plus other miscellaneous income from the use of the racecourse facilities

Income is recognised at the time of the event, unless it is more appropriate to take it over the period of the agreement, such as rental and deferred income. Income receivable from the sale of media rights to Attheraces is taken to income when quantifiable

1.4 Purchased goodwill

Purchased goodwill are shown at cost. Acquired goodwill is written off in equal instalments over its estimated useful economic life of 25 years

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	over 50 years
Plant and machinery	10%-20%
Motor vehicles	25%

Freehold property is carried at modified cost, not amended since the valuation in 1995 as permitted by FRS 15 "Tangible Fixed Assets"

1.6 Investments

Current asset investments are stated at the lower of cost and net realisable value

1.7 Stock

Stock is valued at the lower of cost and net realisable value

1.8 Pensions

The company 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

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies (continued)

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Capital credits

The Horserace Betting Levy Board (HBLB) provides revenue grants to racecourses to support the holding of a race meeting.

A racecourse can elect in advance to convert the revenue to capital credits which can be drawn down to meet approved project expenditure or to meet repayment of HBLB loans. Revenue grants are taken to profit and loss account as turnover to match related costs of holding the race meeting. Capital credits are recognised as income when the related race meeting is held and when recoverable against the repayment of HBLB loan or expenditure on approved capital projects.

2 Turnover

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

3 Operating profit	2012 £	2011 £
Operating profit is stated after charging		
Amortisation of intangible assets	13,289	12,456
Depreciation of tangible assets	544,121	507,670
Fees payable to the company's auditor		
- Audit fees	5,000	5,000
- Accounts	1,000	1,000
- Tax	1,000	1,000
	<u>564,410</u>	<u>526,126</u>

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

4	Taxation	2012	2011
		-	-
	Total current tax		
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	987,393	654,571
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	256,722	183,280
	Effects of		
	Non deductible expenses	141,471	142,148
	Capital allowances	(47,222)	(46,245)
	Tax losses utilised	(350,971)	(279,183)
		(256,722)	(183,280)
	Current tax charge for the year	-	-
5	Intangible fixed assets		
		Purchased goodwill	
		£	
	Cost		
	At 1 April 2011 & at 31 March 2012	261,500	
	Amortisation		
	At 1 April 2011	135,427	
	Charge for the year	13,289	
	At 31 March 2012	148,716	
	Net book value		
	At 31 March 2012	112,784	
	At 31 March 2011	126,073	

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

6 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 April 2011	13,202,307	1,518,832	22,807	14,743,946
Additions	247,515	265,643	-	513,158
	<u>13,449,822</u>	<u>1,784,475</u>	<u>22,807</u>	<u>15,257,104</u>
Depreciation				
At 1 April 2011	3,251,841	1,161,856	22,807	4,436,504
Charge for the year	443,065	101,055	-	544,120
	<u>3,694,906</u>	<u>1,262,911</u>	<u>22,807</u>	<u>4,980,624</u>
Net book value				
At 31 March 2012	<u>9,754,916</u>	<u>521,564</u>	<u>-</u>	<u>10,276,480</u>
At 31 March 2011	<u>9,950,466</u>	<u>356,976</u>	<u>-</u>	<u>10,307,442</u>

Included in fixtures, fittings and equipment are assets held under hire purchase agreements with a net book value of £nil (2011 £105,819) and accumulated depreciation of £nil (2011 £70,546) at 31 March 2012

The liability of the leased asset included in fixtures, fittings and equipments, is included in Northern Races Limited accounts, the immediate parent company

The freehold land building included above at valuation could alternatively be stated at a cost of £10,530,327 (2011 £10,282,812) with accumulated depreciation of £3,819,652 (2011 £3,386,080) The property was valued on 31 December 1995 at open market value on the basis of existing use by the directors The value of land not depreciated is £1,453,202 (2011 £1,453,202)

7 Stocks

	2012 £	2011 £
Finished goods and goods for resale	<u>189,875</u>	<u>149,651</u>

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

8 Debtors	2012 £	2011 £
Trade debtors	511,954	381,610
Amounts owed by parent and fellow subsidiary undertakings	9,055,165	2,557,045
Other debtors	409,370	469,245
Prepayments and accrued income	1,034,600	636,894
	<u>11,011,089</u>	<u>4,044,794</u>

9 Current asset investments	2012 £	2011 £
Other unlisted investments	<u>1,188</u>	<u>1,188</u>

10 Creditors amounts falling due within one year	2012 £	2011 £
Levy board loans	44,133	-
Trade creditors	2,117,733	409,105
Amounts owed to parent and fellow subsidiary undertakings	3,326,014	2,390,846
Taxes and social security costs	285,895	233,896
Other creditors	94,844	166,912
Accruals and deferred income	926,612	1,239,861
	<u>6,795,231</u>	<u>4,440,620</u>

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

11 Pension and other post-retirement benefit commitments

Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	<u>7,325</u>	<u>8,837</u>

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

12 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
90,960 Ordinary Shares of £1 each	90,960	90,960
13 Statement of movements on reserves	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 April 2011	2,377,230	11,923,931
Profit for the year	-	987,393
Transfer from revaluation reserve to profit and loss account	(9,493)	9,493
Balance at 31 March 2012	2,367,737	12,920,817
14 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Profit for the financial year	987,393	654,571
Opening shareholders' funds	14,392,121	13,737,550
Closing shareholders' funds	15,379,514	14,392,121

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

15 Employees

Number of employees

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

2012 Number	2011 Number
37	42

Employment costs

	2012 £	2011 £
Wages and salaries	969,495	1,002,733
Social security costs	73,918	83,133
Other pension costs	7,325	8,837
	<u>1,050,738</u>	<u>1,094,703</u>

16 Control

The immediate parent company is Northern Races Limited and the ultimate UK parent company is NR Acquisitions Topco Limited. NR Acquisitions Topco Limited prepares group financial statements and copies can be obtained from Companies House. The ultimate parent company is Landal Worldwide Corp, a company registered in the British Virgin Islands.