

REGISTERED NUMBER: 61171

**COPY FOR THE
REGISTRAR OF
COMPANIES**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

FOR

RIPON RACE COMPANY LIMITED



RIPON RACE COMPANY LIMITED

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RIPON RACE COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS: A.C. Newton (Chairman)
M.C.H. Hutchinson (Managing)
C.R. Armstrong
J.M. Hutchinson
A.T.S. Wells
D.J.R. Wilmot-Smith

SECRETARY: M.C.H. Hutchinson

REGISTERED OFFICE: 77 North Street
Ripon
HG4 1DS

REGISTERED NUMBER: 61171

BANKERS: HSBC Bank plc
34 Westgate
Ripon
HG4 2BL

SOLICITORS: Hutchinson & Buchanan
Ripon
HG4 1DS

AUDITORS: **wbs**
Registered Auditors
Chartered Accountants
The Hamlet
Hornbeam Park
Harrogate
HG1 5PA

RIPON RACE COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the audited financial statements of the company for the year ended 31 March 2002.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was to conduct a racecourse.

REVIEW OF THE BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DONATIONS

Charitable contributions of £135 were made during the year.

FIXED ASSETS

Movements in fixed assets are detailed in the notes to the accounts. The principal addition to plant and machinery was a large video screen.

DIVIDENDS AND TRANSFER TO RESERVES

A dividend of 25p net which will cost £12,500 is proposed, with the balance transferred from reserves.

DIRECTORS

The directors of the company in office during the year and their beneficial interests in the issued share capital were as follows:

Name	Class of Capital	31.3.02	31.3.01
A.C. Newton	£1 Ordinary shares	600	600
M.C.H. Hutchinson	£1 Ordinary shares	727	727
C.R. Armstrong	£1 Ordinary shares	7,317	7,317
J.M. Hutchinson	£1 Ordinary shares	540	540
A.T.S. Wells	£1 Ordinary shares	1,256	1,256
D.J.R. Wilmot-Smith	£1 Ordinary shares	2,806	2,806

The retiring directors, Mr M.C.H. Hutchinson and Mr A.T.S. Wells, being eligible, offer themselves for re-election.

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 a 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.

RIPON RACE COMPANY LIMITED

REPORT OF THE DIRECTORS
(continued)

AUDITORS

During the year Wilson Braithwaite Scholey changed its name to wbs and the audit report is signed in the new name. The auditors will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD:

A handwritten signature in cursive script, appearing to read 'M. Metterson', is written over a dotted line.

Secretary

Dated: 29 July 2002

RIPON RACE COMPANY LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
RIPON RACE COMPANY LIMITED**

We have audited the financial statements of Ripon Race Company Limited for the year ended 31 March 2002 on pages seven to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page five 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 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



wbs
Registered Auditors
Chartered Accountants
The Hamlet
Hornbeam Park
Harrogate
HG1 5PA

Dated: 2 August 2002

RIPON RACE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2002

	Notes	<u>2002</u>		<u>2001</u>	
		£	£	£	£
TURNOVER			1,374,563		956,735
Other operating income - rents			35,244		26,461
Amortisation of capital grants			11,404		14,471
			1,421,211		997,667
Staff costs	3	168,277		165,623	
Depreciation of tangible assets		46,609		42,040	
Other operating charges		1,195,613	1,410,499	782,255	989,918
OPERATING PROFIT	2		10,712		7,749
Interest receivable			448		420
Dividends receivable			765		765
			11,925		8,934
Interest payable	4		16,386		10,439
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			(4,461)		(1,505)
Tax on profit on ordinary activities	5		4,164		3,495
PROFIT (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION			(8,625)		(5,000)
Dividend proposed			12,500		12,500
RETAINED PROFIT (DEFICIT) FOR THE YEAR			(21,125)		(17,500)
Retained profit brought forward			378,787		396,287
RETAINED PROFIT CARRIED FORWARD			£ 357,662		£ 378,787

CONTINUING OPERATIONS: None of the company's activities were acquired or discontinued during the current and previous years.


RECOGNISED GAINS AND LOSSES: The company has no recognised gains or losses other than the profit for the current year and the profit for the previous year.

The notes form part of these financial statements

RIPON RACE COMPANY LIMITED

BALANCE SHEET
at 31 March 2002

	Notes	<u>2002</u>		<u>2001</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		1,417,430		898,777
Investments	7		<u>850</u>		<u>850</u>
			1,418,280		899,627
CURRENT ASSETS					
Stocks	8	3,541		5,633	
Debtors	9	261,857		85,861	
Cash at bank and in hand		<u>30,994</u>		<u>8,117</u>	
		296,392		99,611	
CREDITORS Amounts falling due within one year	10	<u>692,980</u>		<u>239,676</u>	
NET CURRENT (LIABILITIES)			(396,588)		(140,065)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,021,692		759,562
CREDITORS Amounts falling due after more than one year	11		<u>200,000</u>		<u>95,000</u>
			821,692		664,562
PROVISIONS FOR LIABILITIES					
Deferred tax		7,659		-	
Deferred grant income	13	<u>318,059</u>		<u>147,463</u>	
			<u>325,718</u>		<u>147,463</u>
NET ASSETS			£ 495,974		£ 517,099
CAPITAL AND RESERVES					
Called up share capital	14		50,000		50,000
Capital reserve	15		88,312		88,312
Profit and loss account			<u>357,662</u>		<u>378,787</u>
EQUITY SHAREHOLDERS' FUNDS			£ 495,974		£ 517,099



 A.C. Newton - Director

Approved by the Board on 29 July 2002

The notes form part of these financial statements

RIPON RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **31 March 2002**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention. Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net sales income, excluding value added tax.

Tangible fixed assets

Depreciation is provided, at the following annual rates, in order to write off each asset over its estimated useful life.

Freehold land and buildings	- 2% of cost
Plant and machinery	- 20% of reducing balance
Fixtures and fittings	- 20% of reducing balance
Motor vehicles	- 25% of reducing balance

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that they are likely to be permanent.

Pension Costs

Contributions to defined contribution schemes are charged as due.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Horserace Betting Levy Board Grants

Revenue grants are written off against the relevant expense. Capital grants are taken to the grant account and amortised over the life of the relevant asset.

Media Rights Income

Income received through the Racecourse Association from Attheraces Plc for media rights is treated as income of the Agreement year in which it is received.

Compliance with Accounting Standards

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

RIPON RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 March 2002

2. OPERATING PROFIT	<u>2002</u> £	<u>2001</u> £
The operating profit is stated after charging:		
Directors' fees	9,000	7,500
Directors' salaries	4,703	5,702
Directors' benefits in kind	3,926	3,490
Directors' pension contribution (money purchase schemes)	<u>2,000</u>	<u>2,000</u>
Total directors' emoluments	<u>19,629</u>	<u>18,692</u>
Auditors' remuneration	5,500	5,300
Hire of plant and machinery - operating leases	6,361	1,852

TRANSACTIONS WITH RELATED PARTIES

Messrs Hutchinson and Buchanan, a firm in which M.C.H. Hutchinson is a partner and J.M. Hutchinson an employee, charged £38,000 during the year in respect of management, secretarial and accountancy services provided. (2001 £39,500).

The Allton Group of Companies in which M.C.H. Hutchinson and J.M. Hutchinson have an interest carried out work to the value of £212,626 during the year. (2001 £2,979).

3. STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:-

	<u>2002</u> <u>Number</u>	<u>2001</u> <u>Number</u>
	<u>52</u>	<u>46</u>

The aggregate payroll costs of these persons were as follows:

	<u>2002</u> £	<u>2001</u> £
Wages and salaries	156,888	154,369
Social security costs	7,546	8,084
Other pension costs	<u>3,843</u>	<u>3,170</u>
	<u>168,277</u>	<u>165,623</u>

The company operates defined contribution pension schemes, whose assets are held separate from those of the company. Contributions of £2,000 (2001 £2,000) were accrued at the year end and included in creditors.

4. INTEREST PAYABLE	<u>2002</u> £	<u>2001</u> £
Bank loans and overdraft interest	7,772	4,475
Other loan interest	<u>8,614</u>	<u>5,964</u>
	<u>16,386</u>	<u>10,439</u>

RIPON RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 March 2002

5. TAXATION	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Current tax		
Corporation tax at 20% (2001 - 20%)	(3,595)	3,495
Corporation tax adjustment re past years	<u>100</u>	<u>-</u>
	(3,495)	3,495
Deferred tax:		
From movement in timing differences	<u>7,659</u>	<u>-</u>
	<u>4,164</u>	<u>3,495</u>

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
Cost	£	£	£	£	£
At 31 March 2001	967,207	160,178	78,483	26,420	1,232,288
Additions	279,513	268,365	8,884	16,000	572,762
Disposals	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>(14,000)</u>	<u>(15,000)</u>
At 31 March 2002	<u>1,246,720</u>	<u>427,543</u>	<u>87,367</u>	<u>28,420</u>	<u>1,790,050</u>
Depreciation					
At 31 March 2001	165,493	92,754	65,775	9,489	333,511
Charge for year	24,914	13,738	4,318	3,639	46,609
On disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,500)</u>	<u>(7,500)</u>
At 31 March 2002	<u>190,407</u>	<u>106,492</u>	<u>70,093</u>	<u>5,628</u>	<u>372,620</u>
Net book value					
At 31 March 2002	<u>1,056,313</u>	<u>321,051</u>	<u>17,274</u>	<u>22,792</u>	<u>1,417,430</u>
At 31 March 2001	<u>801,714</u>	<u>67,424</u>	<u>12,708</u>	<u>16,931</u>	<u>898,777</u>

The freehold land and buildings are charged as security for bank borrowings.

No depreciation is provided yet on the large video screen purchased for use in the coming year.

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
7. INVESTMENTS		
Fixed assets		

Ripon City Gravel Company Ltd 850 Ordinary shares at cost	<u>850</u>	<u>850</u>
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In the opinion of the Directors this unquoted investment is worth not less than cost. It represents 10.6% of the ordinary shares of this company which is incorporated in England.

No carrying value is placed on the company's interest in Satellite Information Services Ltd.

RIPON RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 March 2002

	<u>2002</u>	<u>2001</u>
	£	£
8. STOCKS		
Finished goods for resale or reward	<u>3,541</u>	<u>5,633</u>
9. DEBTORS - amounts falling due within one year		
	£	£
Trade debtors	12,680	17,303
Prepayments and accrued income	70,615	62,538
Corporation tax recoverable	3,595	-
Other taxation	20,467	6,020
Other debtors	<u>154,500</u>	<u>-</u>
	<u>261,857</u>	<u>85,861</u>
10. CREDITORS - amounts falling due within one year		
	£	£
Bank loans and overdrafts	20,000	21,196
Other loans	286,000	100,000
Trade creditors	210,045	59,774
Corporation tax	-	3,495
Social security and other taxes	3,636	5,414
Accruals and deferred income	160,542	37,059
Proposed dividend	12,500	12,500
Unclaimed dividends	<u>257</u>	<u>238</u>
	<u>£ 692,980</u>	<u>£ 239,676</u>
11. CREDITORS - amounts falling due after more than one year		
	£	£
Loans - interest free	200,000	75,000
Bank loan	<u>-</u>	<u>20,000</u>
	<u>£ 200,000</u>	<u>£ 95,000</u>

The bank loan is repayable by annual instalments of £20,000. One interest free loan is repayable by annual instalments of from 2003 to 2006 and another is repayable in 2007.

The bank borrowings are secured by a charge on the freehold property and a floating charge on other assets.

12. DEFERRED TAX	<u>2002</u>	<u>2001</u>
	£	£
Tax charge for the year	<u>7,659</u>	<u>-</u>
Closing balance	<u>7,659</u>	<u>-</u>
Tax deferred by capital allowances	23,490	3,078
Tax deferred by other timing difference	(3,924)	(3,078)
Tax value of losses carried forward	<u>(11,907)</u>	<u>-</u>
	<u>7,659</u>	<u>-</u>

RIPON RACE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 March 2002

13. DEFERRED INCOME - Grant Account

	<u>Gross</u> £	<u>Amortised</u> £	<u>Net</u> £
Balance at 31 March 2001	218,253	70,790	147,463
Capital grants in the year	182,000	-	182,000
Amortised in the year	<u>-</u>	<u>11,404</u>	<u>11,404</u>
Balance at 31 March 2002	<u>400,253</u>	<u>82,194</u>	<u>318,059</u>

14. CALLED UP SHARE CAPITAL

	<u>2002</u> £	<u>2001</u> £
Authorised		
50,000 Ordinary shares of £1	<u>50,000</u>	<u>50,000</u>
Allotted, issued and fully paid		
50,000 Ordinary shares of £1	<u>50,000</u>	<u>50,000</u>

15. CAPITAL RESERVE

This represents distributable profits from capital transactions. There has been no movement on capital reserve in the year.

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2002</u> £	<u>2001</u> £
Profit (Loss) for the financial year	(5,125)	(5,000)
Dividends	<u>12,500</u>	<u>12,500</u>
Net additions to (reduction in) shareholders' funds	<u>(17,625)</u>	<u>(17,500)</u>
Opening equity shareholders' funds	<u>517,099</u>	<u>534,599</u>
Closing equity shareholders' funds	£ <u>499,474</u>	£ <u>534,599</u>

17. CONTINGENT LIABILITIES

Under the agreement negotiated for racecourses by the Racecourse Association with Attheraces Plc for media rights for the five years to 30 June 2006, a rebate of income is due in certain circumstances including the cancellation of 7% of races across all courses. If such a rebate could not be covered by the income for the remainder of the period, then income for earlier years would be rebated.

18. CONTROLLING PARTY

In the opinion of the directors no single party controls the company.