

Company Registration No 159562 (England and Wales)

**BATH RACECOURSE COMPANY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2008**

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# **BATH RACECOURSE COMPANY LIMITED**

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# **BATH RACECOURSE COMPANY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 31 MARCH 2008**

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The directors present their report and financial statements for the period ended 31 March 2008

The company's accounting reference date was changed from 31 December to 31 March

#### **Principal activities**

The principal activity of the company continued to be that of the promotion of race meetings, under Jockey Club Rules, at Bath Racecourse

#### **Directors**

The following directors have held office since 1 January 2007

S W Clarke	(Resigned 22 June 2007)
R G Street	(Resigned 30 June 2008)
C J L Moorsom	(Resigned 31 July 2007)
A B Kelly	
S Nahum	(Appointed 1 August 2007)
P O'Driscoll	(Appointed 1 August 2007)
J Harrington	(Appointed 31 January 2008)

#### **Auditors**

Gerald Edelman were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

#### **Directors' responsibilities**

The directors are responsible for preparing 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). The financial statements are required by law to 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 that 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 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.

#### **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.

# **BATH RACECOURSE COMPANY LIMITED**

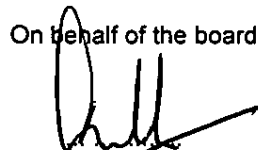
## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE PERIOD ENDED 31 MARCH 2008***

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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



A B Kelly  
Director

*28 July 2008*

# **BATH RACECOURSE COMPANY LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF BATH RACECOURSE COMPANY LIMITED**

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We have audited the financial statements of Bath Racecourse Company Limited for the period ended 31 March 2008 set out on pages 5 to 15. These financial statements have been prepared under 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 the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report 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 International Standards on Auditing (UK and Ireland) 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.

# **BATH RACECOURSE COMPANY LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE SHAREHOLDERS OF BATH RACECOURSE COMPANY LIMITED**

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#### **Opinion**

##### **In our opinion**

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



**Gerald Edelman**

*28 July 2008*

**Chartered Accountants  
Registered Auditor**

25 Harley Street  
London  
W1G 9BR

# BATH RACECOURSE COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2008

		Period ended 31 March 2008 £	Year ended 31 December 2006 £
	Notes		
Turnover		2,572,020	2,616,799
Cost of sales		(1,956,057)	(1,962,001)
Gross profit		615,963	654,798
Administrative expenses		(929,171)	(617,072)
(Loss)/profit on ordinary activities before taxation	2	(313,208)	37,726
Tax on (loss)/profit on ordinary activities	3	64,353	2,193
(Loss)/profit for the period	11	(248,855)	39,919

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

	Period ended 31 March 2008 £	Year ended 31 December 2006 £
Reported (loss)/profit on ordinary activities before taxation	(313,208)	37,726
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	123,775	99,020
Historical cost (loss)/profit on ordinary activities before taxation	(189,433)	136,746
Historical cost (loss)/profit for the period retained after taxation, extraordinary items and dividends	(125,080)	138,939

# BATH RACECOURSE COMPANY LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008 £	£	2006 £	£
<b>Fixed assets</b>					
Tangible assets	4	5,829,454		5,839,937	
<b>Current assets</b>					
Debtors	5	764,152		532,480	
Cash at bank and in hand		18,939		286,491	
		<u>783,091</u>		<u>818,971</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(2,125,269)</u>		<u>(1,700,656)</u>	
<b>Net current liabilities</b>		<u>(1,342,178)</u>		<u>(881,685)</u>	
<b>Total assets less current liabilities</b>		4,487,276		4,958,252	
<b>Creditors: amounts falling due after more than one year</b>	7	(97,918)		(255,686)	
<b>Provisions for liabilities</b>	8	(1,469)		(65,822)	
		<u>4,387,889</u>		<u>4,636,744</u>	
<b>Capital and reserves</b>					
Called up share capital	10	37,200		37,200	
Revaluation reserve	11	2,539,973		2,663,748	
Other reserves	11	-		253	
Profit and loss account	11	1,810,716		1,935,543	
<b>Shareholders' funds</b>	12	<u>4,387,889</u>		<u>4,636,744</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

Approved by the Board and authorised for issue on 28 July 2008

A B Kelly  
Director

J Harrington  
Director



# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 MARCH 2008**

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### **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 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

Freehold land	Nil
Freehold buildings	Straight line over 25 - 50 years
Plant, fixtures & equipment	Straight line over 4 - 10 years

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account

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

#### **1.5 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

#### **1.6 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 period they are payable

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

### 1 Accounting policies

(continued)

#### 1.7 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.

#### 1.8 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 the profit and loss account as turnover to match the 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 the HBLB loan or expenditure on approved capital projects.

#### 1.9 Share based payments

The company operated a share option programme, prior to acquisition by NR Acquisitions Limited, which allowed employees to acquire shares of the pre acquisition parent company, Northern Racing Plc. The fair value of options granted after 7 November 2002 and those not vested as at 31 December 2006 was recognised as an employee expense with a corresponding increase in equity. The fair value was measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted was measured using an option pricing model. As a result of acquisition by NR Acquisitions Limited this scheme has been discontinued with shares under the scheme being acquired at fair value by NR Acquisitions Limited.

#### 1.10 Period of account

Due to the change of accounting reference date, the financial statements have been prepared for a period of fifteen months to 31 March 2008. The comparative figures are for the twelve months to 31 December 2006.

### 2 Operating (loss)/profit

	2008	2006
	£	£
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	352,262	235,502
Auditors' remuneration	2,000	9,500
Directors' emoluments	5,600	6,600

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

<b>3 Taxation</b>	<b>2008</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
U K corporation tax	-	(9,189)
Adjustment for prior years	-	(17,644)
	<u>-</u>	<u>(26,833)</u>
<b>Current tax charge</b>	<u>-</u>	<u>(26,833)</u>
 <b>Deferred tax</b>		
Origination and reversal of timing differences	(64,353)	12,158
Deferred tax adjustments arising in previous periods	-	12,482
	<u>(64,353)</u>	<u>24,640</u>
	<u>(64,353)</u>	<u>(2,193)</u>
 <b>Factors affecting the tax charge for the period</b>		
(Loss)/profit on ordinary activities before taxation	<u>(313,208)</u>	<u>37,726</u>
 (Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	<u>(93,962)</u>	<u>11,318</u>
 Effects of		
Non deductible expenses	106,995	69,962
Capital allowances	(49,131)	(12,158)
Capital credits	(22,157)	(75,843)
Other timing differences	-	70
Adjustments to previous periods	-	(17,644)
Losses available	58,255	-
Small company rate	-	(2,538)
	<u>93,962</u>	<u>(38,151)</u>
 <b>Current tax charge</b>	<u>-</u>	<u>(26,833)</u>

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

### 4 Tangible fixed assets

	Land and buildings	Plant, fixtures & equipment	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2007	6,482,622	536,722	7,019,344
Additions	89,939	251,840	341,779
At 31 March 2008	6,572,561	788,562	7,361,123
<b>Depreciation</b>			
At 1 January 2007	865,308	314,099	1,179,407
Charge for the period	212,555	139,707	352,262
At 31 March 2008	1,077,863	453,806	1,531,669
<b>Net book value</b>			
At 31 March 2008	5,494,698	334,756	5,829,454
At 31 December 2006	5,617,314	222,623	5,839,937

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant, fixtures & equipment	Fixtures, fittings & equipment	Total
	£	£	£
<b>Net book values</b>			
At 31 March 2008	21,537	79,879	101,416
At 31 December 2006	23,105	-	23,105
<b>Depreciation charge for the period</b>			
At 31 March 2008	1,568	6,926	8,494
At 31 December 2006	1,987	-	1,987

The liability for the leased asset included in fixtures, fittings and equipment, is included in Northern Races Ltd accounts, the immediate parent company

The freehold land and building included above at valuation could alternatively be stated at a cost of £3,932,255 (2006 £3,842,316) with accumulated depreciation of £977,432 (2005 £888,652)

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

5	Debtors	2008 £	2006 £
	Trade debtors	127,754	37,510
	Amounts owed by group undertakings	538,065	464,209
	Other debtors	98,333	30,761
		<u>764,152</u>	<u>532,480</u>
6	Creditors: amounts falling due within one year	2008 £	2006 £
	Horserace Betting Levy Board loans	152,750	187,750
	Net obligations under finance leases	5,018	5,018
	Trade creditors	138,284	104,325
	Amounts owed to group undertakings	1,335,674	1,155,190
	Taxation and social security	169,499	149,812
	Other creditors	324,044	98,561
		<u>2,125,269</u>	<u>1,700,656</u>

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

7	Creditors: amounts falling due after more than one year	2008 £	2006 £
	Horserace Betting Levy Board loans	92,900	245,650
	Net obligations under finance leases	5,018	10,036
		<u>97,918</u>	<u>255,686</u>
	<b>Analysis of loans</b>		
	Wholly repayable within five years	245,650	433,400
	Included in current liabilities	(152,750)	(187,750)
		<u>92,900</u>	<u>245,650</u>
	<b>Loan maturity analysis</b>		
	In more than one year but not more than two years	152,750	187,750
	In more than two years but not more than five years	92,900	245,650
		<u>152,750</u>	<u>245,650</u>
	The loans and overdrafts 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.		
	<b>Net obligations under finance leases</b>		
	Repayable within one year	5,018	5,018
	Repayable between one and five years	5,018	10,036
		<u>10,036</u>	<u>15,054</u>
	Included in liabilities falling due within one year	(5,018)	(5,018)
		<u>5,018</u>	<u>10,036</u>

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

### 8 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2007	65,822
Profit and loss account	(64,353)
	<u>1,469</u>
Balance at 31 March 2008	<u>1,469</u>

The deferred tax liability is made up as follows:

	2008 £	2006 £
Accelerated capital allowances	<u>1,469</u>	<u>65,822</u>

### 9 Pension and other post-retirement benefit commitments

#### Defined contribution

	2008 £	2006 £
Contributions payable by the company for the period	<u>5,901</u>	<u>3,816</u>

### 10 Share capital

	2008 £	2006 £
<b>Authorised</b>		
5,000 Ordinary Shares of £10 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
3,720 Ordinary Shares of £10 each	<u>37,200</u>	<u>37,200</u>

# BATH RACECOURSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

### 11 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2007	2,663,748	253	1,935,543
Loss for the period	-	-	(248,855)
Transfer from revaluation reserve to profit and loss account	(123,775)	-	123,775
Movement during the period	-	(253)	253
Balance at 31 March 2008	2,539,973	-	1,810,716
<b>Capital contribution from parent</b>			
Balance at 1 January 2007		253	
Reserve for own shares movement		(253)	
Balance at 31 March 2008		-	

The 'capital contribution from parent' represents a credit in respect of share based payments under a share option scheme of the parent company. Upon acquisition by NR Acquisitions Limited all liabilities under the scheme were settled and as such the reserve has been cancelled.

### 12 Reconciliation of movements in shareholders' funds

	2008 £	2006 £
(Loss)/Profit for the financial period	(248,855)	39,919
Movements on other reserves	-	234
Net (depletion in)/addition to shareholders' funds	(248,855)	40,153
Opening shareholders' funds	4,636,744	4,596,591
Closing shareholders' funds	4,387,889	4,636,744

### 13 Control

The immediate parent company is Northern Races Limited and the ultimate UK parent company is NR Acquisitions Topco Limited. During the period NR Acquisitions Limited, a subsidiary of NR Acquisitions Topco Limited, acquired the entire share capital of Northern Racing PLC, (now Northern Racing Ltd), the former ultimate parent company.

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.



# **BATH RACECOURSE COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE PERIOD ENDED 31 MARCH 2008***

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### **14 Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company