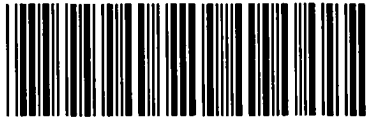


**Company registration number 00203365 (England and Wales)**

**NORTHERN RACING LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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# **NORTHERN RACING LTD**

## **COMPANY INFORMATION**

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<b>Directors</b>	<b>S A J Nahum M Spincer</b>
<b>Secretary</b>	<b>M Hill</b>
<b>Company number</b>	<b>00203365</b>
<b>Registered office</b>	<b>Millbank Tower 21-24 Millbank London SW1P 4QP</b>
<b>Auditor</b>	<b>Gerald Edelman LLP 73 Cornhill London EC3V 3QQ</b>

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# **NORTHERN RACING LTD**

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# **NORTHERN RACING LTD**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present the strategic report for the year ended 31 December 2021.

The principal activity of the company is that of an intermediary holding company.

#### **Review of business**

The directors consider the performance of the company and the year end position to be satisfactory.

The trading results and balance sheet and other financial statements are shown on pages 9 to 11.

The Company holds the loan facility which it lends to other group members. The Company made a profit for the year of £10,075 (2020: £8,072). It's cash balance remained stable over the period and there was no investment in fixed assets this year with other expenditure monitored closely.

#### **Section 172 statement**

Section 172 of the Companies Act 2006 requires Directors, in the case of the Board (and by delegation the Executive Management team), to take into consideration the interests of stakeholders and other matters in their decision making. The Board has regard to the interests of the Company's employees, customers, suppliers and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct. In this context, acting in good faith and fairly, the Board considers what is most likely to promote the success of the Company. We explain below, how the Board engages with stakeholders.

- Relations with key stakeholders such as employees, shareholders and suppliers are considered in more detail below.
- The Board is fully aware of its responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.
- The Board regularly reviews the principal stakeholders and how it engages with them. This is achieved through information provided by the Executive team and also, within the Racing Industry, by direct engagement with stakeholders themselves.
- We aim to work responsibly with our stakeholders, including suppliers. The Board continues to have a diligent adoption policy for statutory measures which most recently have included anti-corruption and anti-bribery, equal opportunities and whistleblowing policies, the Corporate Criminal Offences Act and IR35.

#### **Approach to engagement with stakeholders**

- The company is able to take a long-term view and this approach is reflected also in the engagement with the various stakeholders expected to be impacted by the Board's decisions. As part of this, the Board maintains an ethos of being held to the highest possible standards of corporate conduct.
- The Board is in regular communication with all key racing stakeholders (e.g. RCA, BHA, The Horsemen's Group) to gauge potential views and reactions to important decisions made that impact across the industry. The company also engages with a range of stakeholders, including, but not limited to, employees, sponsors, residents in areas where racecourses and stadia operate, suppliers, media and commercial partners.
- The Board engages with all of the above stakeholders either directly or through the various management teams, at formal industry and other events, on racedays at courses and elsewhere and through various industry forums.
- There are Employee Days and team meetings across the Group which allow employees to voice any suggestions and concerns they may have. The Board and management also engage regularly with suppliers, media partners and sponsors, as well as taking feedback from customers.
- In addition, the Board and management foster strong relationships across all our locations with both Local Authorities, including individual councillors, and the local community in general via trade bodies, community groups and other relevant forums.

## NORTHERN RACING LTD

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

#### Approval of 2021 Budget and Three-Year Plan

In approving the Annual Group Budget and Three-Year Plan, the Board carried out a detailed review of the various commercial drivers and sensitivities in the business. The Board also considered continued investment in our employees, including signing off specific budgets for training, employee medical cover and other benefits. The interests of racing stakeholders were also inherent in agreed investment in prize money (above) and other racecourse facilities.

The above considerations were given in the context of ensuring ongoing investment in customer experience and continued capital expenditure.

#### Key Board Decisions

During the year, the Board made a number of key decisions which are considered to be in the interests of the overall success of the company and the wider sport. This year these decisions centred around ways in which to minimise the impact of the pandemic on the company and how to boost performance as restrictions were eased. In particular how best to control costs to ensure the company remained profit making and place the company and wider Northern group in the best position to come out of the pandemic stronger. These decisions have impacts on certain stakeholder groups that have, to the extent considered appropriate by the Board, been reflected in the decision-making process.

#### Employee engagement

The Board considers it very important that employees are kept informed about both the financial performance of the Company, factors impacting the wider industry and more general employment related matters. As and when applicable an email is sent to employees summarising the instances where companies within the Group have been mentioned in the media along with other important news events in both horseracing and the wider sport industry. Regular emails are sent to all employees updating them on new Company policies such as safeguarding or COO compliance.

Employee feedback is actively sought by management. Employees are routinely consulted regarding changes in their working environment and organisational changes. Consultations can be on a one-to-one basis, in a group and/or a combination of both.

There are a number of regular communications meetings. Company-wide divisional employee days are held along with annual senior management forums and regular regional update meetings. In addition, specialist functional areas meet on a regular basis such as the, Executive Directors and Financial Controllers forum meetings. During 2020 we began staging remote meetings for all employees to maintain information flow and engagement through the Covid-19 lockdown periods, this has been continued throughout 2021.

We encourage the involvement of employees in the Company's performance through a bonus scheme. This is calculated and paid annually based on the financial performance of the Company compared to its annual budget target. In addition, a number of employees are eligible for a bonus scheme which is which linked to both individual KPIs and the financial performance of the Company. Our appraisal scheme means that everyone gets a full appraisal at least once a year. This includes a review of KPIs/objectives which are aligned to the business and the setting of new KPIs/objectives for the next year. It is important that our directors are visible in the business. Directors meet new employees at our induction events at our central offices and at Raceoday events. Regular board meetings are held at our locations around the country.

#### Principal risks and uncertainties

The company operates in the sporting and leisure sector within the UK and as such faces the same risks as other similar businesses, primarily economic welfare, the availability of disposable income and competing interests for the leisure pound.

In addition, as with any business that is conducted outdoors in the UK, a further risk is that of weather related abandonments. It is impossible to mitigate this risk but the company does allow for a certain number of abandonments when completing its business plans.

The effects of a future pandemic to market and economic conditions, as seen during 2020 and 2021, is currently unknown and will remain an uncertain risk. The company has and will manage these risks appropriately. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, credit risk, legislation and regulation risk. The financial risk management objectives and policies for each of these risks are described in more detail below.

# **NORTHERN RACING LTD**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### *Interest rate risk*

Hedging for interest risk is not currently deemed necessary, however, with the ever-changing economic climate the position is kept under regular review by the Board.

### *Liquidity risk*

Liquidity risk is managed centrally. The current loan facilities have been agreed at appropriate levels given the Group's forecasted operating cash flows, loan repayments, expected future capital expenditure and trading income over the course of the foreseeable future.

### *Credit risk*

Due to the nature of the company's income streams, the exposure to credit risk is considered minimal. Of the income received by the company that is subject to credit risk, there are established credit procedures and collection policies in place which are reviewed and monitored centrally.

### *Legislation and Regulation risk*

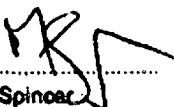
#### **U.K. Exit from the European Union**

The UK's departure from the European Union has given rise to some uncertainty about the possible divergence between the regulation of UK media businesses and European media businesses over time and whether Brexit will have any long-term impact on the economy. It is not yet known what effect either of these might have on the business.

### **Going concern**

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis has been adopted in preparing the financial statements for the year ended 31 December 2021. Further details are given in note 1.2 to the accounts.

On behalf of the board

  
.....

M Spinoer  
Director

Date: 30/09/2022  
.....

# NORTHERN RACING LTD

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

### Principal activities

The principal activity of the company continued to be that of a holding company for a group of racecourse owning entities.

### Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S A J Nahum  
M Spincer  
K S Robertson

(Resigned 28 February 2022)

### Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all the directors of Northern Racing Ltd.

### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

### Auditor

Gerald Edelman LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Statement of directors' responsibilities

The directors are responsible for preparing the annual 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# **NORTHERN RACING LTD**

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**

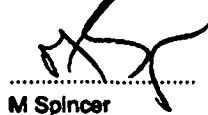
### **Matters covered in the strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

On behalf of the board



M Spincer  
Director

Date: 30/09/2022



## NORTHERN RACING LTD

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHERN RACING LTD

#### Opinion

We have audited the financial statements of Northern Racing Ltd (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

- In our opinion, based on the work undertaken in the course of our audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **NORTHERN RACING LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF NORTHERN RACING LTD**

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our audit procedures were primarily directed towards testing the accounting systems in operation which we have based our assessment of the financial statements for the year ended 31 December 2021.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, data protection, anti-bribery, employment and health and safety.

# **NORTHERN RACING LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NORTHERN RACING LTD**

### **Audit response to risks identified**

#### ***Fraud due to management override***

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

#### ***Irregularities and non-compliance with laws and regulations***

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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 auditor's 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.

  
**Stephen Coleman ACA**  
**Senior Statutory Auditor**  
**For and on behalf of Gerald Edelman LLP**

**Chartered Accountants**  
**Statutory Auditor**

Date: 30/09/2022

**73 Cornhill**  
**London**  
**EC3V 3QQ**

# **NORTHERN RACING LTD**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Administrative expenses</b>		<b>(15)</b>	<b>-</b>
<b>Interest receivable and similar income</b>	<b>4</b>	<b>10,090</b>	<b>8,072</b>
<b>Profit before taxation</b>		<b>10,075</b>	<b>8,072</b>
<b>Tax on profit</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Profit for the financial year</b>		<b>10,075</b>	<b>8,072</b>

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

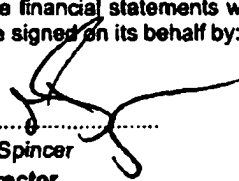
# NORTHERN RACING LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	6	763,045		763,045	
Investments	7	41,119,197		41,119,197	
		<u>41,882,242</u>		<u>41,882,242</u>	
<b>Current assets</b>					
Debtors	9	40,984,371		40,974,206	
Cash at bank and in hand		3,982		4,073	
		<u>40,988,353</u>		<u>40,978,279</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(28,110,315)</u>		<u>(28,110,316)</u>	
<b>Net current assets</b>		<u>12,878,038</u>		<u>12,867,963</u>	
<b>Net assets</b>		<u>54,760,280</u>		<u>54,750,205</u>	
<b>Capital and reserves</b>					
Called up share capital	12	8,885,871		8,885,871	
Share premium account		352,373		352,373	
Other reserves		27,308,280		27,308,280	
Profit and loss reserves		18,213,756		18,203,681	
<b>Total equity</b>		<u>54,760,280</u>		<u>54,750,205</u>	

The financial statements were approved by the board of directors and authorised for issue on 30/09/22 and are signed on its behalf by:

  
M Spincer  
Director

Company Registration No. 00203365

# **NORTHERN RACING LTD**

## **STATEMENT OF CHANGES IN EQUITY**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>	<b>8,885,871</b>	<b>352,373</b>	<b>27,308,280</b>	<b>18,195,609</b>	<b>54,742,133</b>
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year	-	-	-	8,072	8,072
<b>Balance at 31 December 2020</b>	<b>8,885,871</b>	<b>352,373</b>	<b>27,308,280</b>	<b>18,203,681</b>	<b>54,750,205</b>
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year	-	-	-	10,075	10,075
<b>Balance at 31 December 2021</b>	<b>8,885,871</b>	<b>352,373</b>	<b>27,308,280</b>	<b>18,213,756</b>	<b>54,760,280</b>

# NORTHERN RACING LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

#### Company information

Northern Racing Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of NR Acquisitions Topco Limited. These consolidated financial statements are available from Companies House.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Northern Racing Ltd is a wholly owned subsidiary of NR Acquisitions TopCo Limited and the results of Northern Racing Ltd are included in the consolidated financial statements of NR Acquisitions TopCo Limited which are available from Companies House.

#### 1.2 Going concern

The Directors have drawn up the financial statements on a going concern basis.

The Directors consider it appropriate to draw up the financial statements on a going concern basis as they have received assurance from Omaha Business Holdings Corp that it will continue to make sufficient funds available to enable the company to meet its obligations as they fall due for the foreseeable future, and at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

# NORTHERN RACING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies (Continued)

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold  
No depreciation is provided on freehold land.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# **NORTHERN RACING LTD**

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

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Accounting policies**

**(Continued)**

##### **1.7 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# **NORTHERN RACING LTD**

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

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1 Accounting policies**

**(Continued)**

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.9 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.10 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# NORTHERN RACING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

- Intercompany debtor recoverability  
An assessment of intercompany debtor recoverability has been made by the Directors as at 31 December 2021. The recoverability of these debts was based on expected future trade. Due to the material nature of the intercompany balance this is considered a significant judgement area.

- Carrying value of investments  
An assessment of the carrying value of investments has been made by the Directors as at 31 December 2021. The carrying value of these investments was based on expected future trade of the subsidiary companies. Due to the material nature of the intercompany balance this is considered a significant judgement area.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
Number	Number	Number
Total	.	.
4 Interest receivable and similar income	£	£
Income from fixed asset investments	10,090	8,072
Income from shares in group undertakings		

# NORTHERN RACING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 5 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	10,075	8,072
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,914	1,534
Tax effect of utilisation of tax losses not previously recognised	-	(1,534)
Group relief	(1,914)	-
Taxation charge for the year	-	-

#### 6 Tangible fixed assets

	Land and buildings Freehold £
Cost	
At 1 January 2021 and 31 December 2021	763,045
Depreciation and impairment	
At 1 January 2021 and 31 December 2021	-
Carrying amount	
At 31 December 2021	763,045
At 31 December 2020	763,045

#### 7 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	8	41,119,197	41,119,197

#### 8 Subsidiaries

Details of the company's subsidiaries, all of which are registered and incorporated in England and Wales with the registered Office of Millbank Tower, 21-24 Millbank, London, SW1P 4QP, at 31 December 2021 are as follows:

# NORTHERN RACING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Subsidiaries

(Continued)

Name of undertaking		Class of shares held	% Held Direct
Northern Races Limited		Ordinary	100.00
Chepstow Races Limited		Ordinary	100.00
Chepstow Markets Limited		Ordinary	100.00
Bath Racecourse Company Limited	1	Ordinary	100.00
Hereford Racecourse Company Limited	1	Ordinary	100.00
High Gosforth Park Limited	1	Ordinary	100.00
Uttoxeter Leisure and Development Company Limited	1	Ordinary	92.40
Brighton Racecourse Company Limited	1	Ordinary	81.00
Sedgefield Steeplechase Company (1972) Limited	1	Ordinary	99.80
Great Yarmouth Racecourse Limited	1	Ordinary	81.00
Fontwell Park Steeplechase Limited	1	Ordinary	100.00

1 Companies held through subsidiary undertakings

### 9 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Amounts owed by group undertakings	40,984,371	40,974,208

### 10 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other borrowings	11	4,076,270	4,076,270
Trade creditors		1	1
Amounts owed to group undertakings		24,004,414	24,004,415
Other creditors		29,630	29,630
		28,110,315	28,110,316

### 11 Loans and overdrafts

	2021 £	2020 £
Other loans	4,076,270	4,076,270
Payable within one year	4,076,270	4,076,270

The bank loans and overdrafts of the NR Acquisitions Topco group are secured by a legal charge over the racecourse properties in the group. An unlimited guarantee exists across the group for the liabilities of the same.

# NORTHERN RACING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital issued and fully paid				
Ordinary Shares of 25p each	35,543,485	35,543,485	8,885,871	8,885,871

### 13 Related party transactions

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
Amounts due from related parties		
Uttoxeter Leisure and Development Company Limited	2,065,861	2,065,861
Great Yarmouth Racecourse Limited	2,024,918	2,024,918
Sedgefield Steeplechase Company (1927) Limited	1,578,187	1,578,187
Brighton Racecourse Company Limited	1,303,559	1,303,559

The companies above are all under common control with the company.

Included in other loans is an amount of £4,076,270 (2020: £4,076,270) due to Aldersgate Investments Limited, a company under common control.

### 14 Ultimate controlling party

The immediate parent company is NR Acquisitions Limited. The ultimate parent company is Omaha Business Holdings Corp., a company registered in the British Virgin Islands.

The company's ultimate UK parent is NR Acquisitions Topco Limited. NR Acquisitions Topco Limited prepares group financial statements and copies can be obtained from Companies House.

The registered address and principal place of business of NR Acquisitions Topco Limited and NR Acquisitions Limited is Millbank Tower, 21-24 Millbank, London, SW 1P 4QP.

The registered address and principal place of business of Omaha Business Holdings Corp is 2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Wickham's Cay II, Road Town, Tortola, British Virgin Islands.