

REGISTERED NUMBER: 02928971 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
NORTHERN RACES LIMITED**

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NORTHERN RACES LIMITED (REGISTERED NUMBER: 02928971)

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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NORTHERN RACES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

Directors: S A J Nahum
K S Robertson

Secretary: M J Hill

Registered office: Millbank Tower
21-24 Millbank
London
SW1P 4QP

Registered number: 02928971 (England and Wales)

Auditors: BDO LLP
55 Baker Street
London
W1U 7EU

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their strategic report for the year ended 31 December 2019.

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.

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 COVID-19, economic welfare, the availability of disposable income and competing interests for the leisure pound.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The financial risk management objectives and policies for each of these risks are described in more detail below.

Interest rate risk

Given the current low interest rate economic climate, hedging for interest risk is not deemed necessary, although 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.

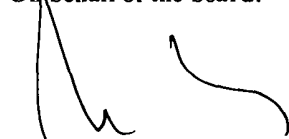
Credit risk

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.

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 2019. Further details are given in note 2 to the accounts.

On behalf of the board:



S A J Nahum - Director

Date: 8/12/20

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

Directors

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report:

S A J Nahum
K S Robertson

Qualifying third party indemnity provisions

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

Post balance sheet event

The onset of the COVID-19 pandemic in the UK in March 2020 has had a significant impact on 2020 revenues. The company's revenues are dependent on UK horse racing taking place. UK horse racing was suspended from 18 March 2020 to 1 June 2020 and continues to be staged behind closed doors at the majority of Northern Racing Group's racecourses.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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.

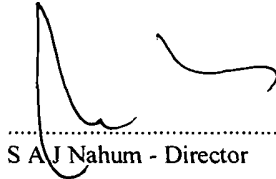
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board:


.....
S A J Nahum - Director

Date:8/12/20.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORTHERN RACES LIMITED

Opinion

We have audited the financial statements of Northern Races Limited ("the Company") for the year ended 31 December 2019 which comprise the Income statement, Balance sheet and notes to the financial statements, including a summary of 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report, Report of the Directors and Financial Statements, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- the information given in the Strategic report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Report of the Directors has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORTHERN RACES LIMITED

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 Director's 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 statement of Directors' responsibilities, 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

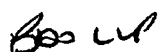
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A further description of our responsibilities for the audit of the financial statements is located at 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.



Dominic Stammers (Senior Statutory Auditor)
For and on behalf of BDO LLP
Statutory Auditor
55 Baker Street
London
W1U 7EU

Date: 11 December 2020

BDO LLP is a Limited Liability Partnership registered in England and Wales (with registered number OC305127)

NORTHERN RACES LIMITED (REGISTERED NUMBER: 02928971)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Turnover		4,146,247	4,801,964
Administrative expenses		<u>(3,434,205)</u>	<u>(3,362,932)</u>
Operating profit and Profit before taxation		712,042	1,439,032
Tax on profit	5	<u>(5,525)</u>	<u>153</u>
Profit for the financial year		<u><u>706,517</u></u>	<u><u>1,439,185</u></u>

The notes on pages 9 to 18 form part of these financial statements

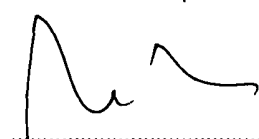
NORTHERN RACES LIMITED (REGISTERED NUMBER: 02928971)

**BALANCE SHEET
31 DECEMBER 2019**

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		4,328		10,128
Investments	7		<u>20,281,083</u>		<u>20,281,083</u>
			20,285,411		20,291,211
Current assets					
Stocks	8	-		18,232	
Debtors	9	53,165,662		43,947,522	
Cash at bank		<u>101,565</u>		<u>182,121</u>	
		53,267,227		44,147,875	
Creditors					
Amounts falling due within one year	10	<u>(59,343,572)</u>		<u>(50,936,537)</u>	
Net current liabilities			<u>(6,076,345)</u>		<u>(6,788,662)</u>
Total assets less current liabilities			<u>14,209,066</u>		<u>13,502,549</u>
Capital and reserves					
Called up share capital	12		1,317,504		1,317,504
Share premium			4,131,350		4,131,350
Retained earnings			<u>8,760,212</u>		<u>8,053,695</u>
Shareholders' funds			<u>14,209,066</u>		<u>13,502,549</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 8/12/20 and were signed on its behalf by:



.....
S A J Nahum - Director

The notes on pages 9 to 18 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Statutory information

Northern Races Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The directors are required to make an assessment of the appropriateness of using the going concern assumption in preparing these financial statements. Cash flow forecasts under a number of trading scenarios have been prepared to support their considerations.

During the period of suspended racing and now, during behind closed doors racing at the majority of Northern Racing Group's racecourses, it has been possible to significantly reduce a number of operational costs, including race day variable costs. The company has placed permanent staff on furlough through the Coronavirus Job Retention Scheme and stopped all non-essential development and marketing activity.

As part of the consideration of the Company's ability to continue as a going concern, the directors have prepared a range of forecasts for the remainder of the current calendar year and the year to 31 December 2021 on a number of bases including stress-test scenarios. The Company's base case forecasts assumed a phased reintroduction of spectator led revenues from early 2021. The directors have also considered stress test scenarios which model the impact if racing continues behind closed doors over the forecast period or if there were to be a cessation of racing.

Having reviewed the company's financial base case and stress test forecasts and expected future cash flows and considering the effects of COVID-19, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. NR Acquisitions Limited's facility agreement in place with TFB (Mortgages) Designated Activity Company provides sufficient headroom under each of the forecast scenarios to enable the company to continue in operational existence even under the worst case trading scenario considered by the Directors. Assurance has been received from NR Acquisitions Topco Limited that it will continue to make 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. Thus the directors continue to adopt the going concern basis in preparing the financial statements for the period ended 31 December 2019.

Preparation of consolidated financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of NR Acquisitions TopCo Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies - continued

Turnover

Turnover principally relates to management fees received from subsidiary undertakings plus income from the media rights agreement with SIS which is recognised equally over the life of the agreement.

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Tangible fixed assets

Tangible fixed assets, other than freehold land, are stated at cost 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:

Plant and machinery	5 to 10 years
Fixtures, fittings & equipment	5 to 10 years

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 the profit and loss account.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amount of its tangible fixed 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 the 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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable 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 is increased to the revised estimate of its recoverable amount, but so the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account unless the relevant asset is carried in a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. **Accounting policies - continued**

Stocks

Closing stock is stated at lower of cost and net realisable value. The cost includes all expenditure which has been incurred in bringing the stock to its present location and condition. Stock is valued using the first in first out method.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date, where applicable.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Pension costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. **Accounting policies - continued**

Cash and cash equivalents

Cash and cash equivalents 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.

Financial instruments

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

Financial instruments are recognised in the company's statement of financial position 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 trade and other receivables 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.

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.

Basic financial liabilities, including trade and other payables and loans from fellow group companies, 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 receipts discounted at a market rate of interest.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. **Accounting policies - continued**

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables 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.

Equity instruments

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

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

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.

3. **Employees and directors**

	2019	2018
	£	£
Wages and salaries	2,801,992	2,614,271
Social security costs	402,008	455,846
Other pension costs	148,019	142,181
	<u>3,352,019</u>	<u>3,212,298</u>

The average number of employees during the year was as follows:

	2019	2018
Total permanent staff	<u>33</u>	<u>30</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

4. **Operating profit**

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	5,800	77,811
Operating leases	33,910	51,690
Group management charges - income	<u>(3,771,247)</u>	<u>(3,613,633)</u>

5. **Taxation**

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2019	2018
	£	£
Deferred tax	<u>5,525</u>	<u>(153)</u>
Tax on profit	<u>5,525</u>	<u>(153)</u>

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit before tax	<u>712,042</u>	<u>1,439,032</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	135,288	273,416
Effects of:		
Expenses not deductible for tax purposes	284	-
Adjustments to tax charge in respect of previous periods	170	6,997
Group relief	(129,689)	(281,448)
Change in rate	<u>(528)</u>	<u>882</u>
Total tax charge/(credit)	<u>5,525</u>	<u>(153)</u>

NORTHERN RACES LIMITED (REGISTERED NUMBER: 02928971)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Totals £
Cost			
At 1 January 2019 and 31 December 2019	<u>883,906</u>	<u>34,233</u>	<u>918,139</u>
Depreciation			
At 1 January 2019	873,778	34,233	908,011
Charge for year	<u>5,800</u>	<u>-</u>	<u>5,800</u>
At 31 December 2019	<u>879,578</u>	<u>34,233</u>	<u>913,811</u>
Net book value			
At 31 December 2019	<u>4,328</u>	<u>-</u>	<u>4,328</u>
At 31 December 2018	<u>10,128</u>	<u>-</u>	<u>10,128</u>

7. Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2019 and 31 December 2019	<u>20,281,083</u>
Net book value	
At 31 December 2019	<u>20,281,083</u>
At 31 December 2018	<u>20,281,083</u>

The company holds share capital in the following companies:

Subsidiary Undertakings	Country of registration or incorporation	Shares held	%
Bath Racecourse Company Limited	England & Wales	Ordinary	100
Hereford Racecourse Company Limited	England & Wales	Ordinary	100
High Gosforth Park Limited	England & Wales	Ordinary	100
Uttoxeter Leisure and Development Company Limited	England & Wales	Ordinary	92.4
Brighton Racecourse Company Limited	England & Wales	Ordinary	81
Sedgefield Steeplechase Company (1972) Limited	England & Wales	Ordinary	99.9
Great Yarmouth Racecourse Limited	England & Wales	Ordinary	81
The Fontwell Park Steeplechase Limited	England & Wales	Ordinary	100

The registered address of all subsidiary undertakings is Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

NORTHERN RACES LIMITED (REGISTERED NUMBER: 02928971)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

8.	Stocks	2019	2018
		£	£
	Stocks	<u>-</u>	<u>18,232</u>
9.	Debtors: amounts falling due within one year	2019	2018
		£	£
	Trade debtors	216,257	-
	Amounts owed by group undertakings	52,895,479	43,881,665
	Other debtors	7,370	3,086
	VAT	10,621	21,568
	Deferred tax asset	26,025	31,550
	Prepayments and accrued income	<u>9,910</u>	<u>9,653</u>
		<u>53,165,662</u>	<u>43,947,522</u>
	 Deferred tax asset	 2019	 2018
		£	£
	Accelerated capital allowances	24,190	28,845
	Other timing differences	<u>1,835</u>	<u>2,705</u>
		<u>26,025</u>	<u>31,550</u>
10.	Creditors: amounts falling due within one year	2019	2018
		£	£
	Trade creditors	8,161	5,527
	Amounts owed to group undertakings	59,022,469	50,529,522
	Social security and other taxes	116,902	133,517
	Other creditors	-	3,690
	Accruals and deferred income	<u>196,040</u>	<u>264,281</u>
		<u>59,343,572</u>	<u>50,936,537</u>
11.	Deferred tax		£
	Balance at 1 January 2019		(31,550)
	Utilised during year		<u>5,525</u>
	Balance at 31 December 2019		<u>(26,025)</u>

NORTHERN RACES LIMITED (REGISTERED NUMBER: 02928971)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
855,629	Ordinary 'A' Shares	£1	855,629	855,629
461,875	Ordinary 'B' Shares	£1	<u>461,875</u>	<u>461,875</u>
			<u><u>1,317,504</u></u>	<u><u>1,317,504</u></u>

13. Related party disclosures

The company has taken advantage of exemption, under the terms of FRS102 not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the company provided management and racing services to and received racing services from the following related parties:

	Recharged costs	
	2019 £	2018 £
The Doncaster Racecourse Management Company Limited	33,208	16,813
Worcester Racecourse Limited	17,136	6,743
Uttoxeter Leisure and Development Company Limited	32,312	16,437
Brighton Racecourse Company Limited	13,739	13,342
Great Yarmouth Racecourse Limited	18,867	828,557
Sedgefield Steeplechase (1927) Company Limited	6,310	13,406

	Management charges		Balance due from/(to) related party as at 31 December	
	2019 £	2018 £	2019 £	2018 £
The Doncaster Racecourse Management Company Limited	-	-	(247,738)	(295,763)
Worcester Racecourse Limited	-	-	(9,103)	(26,208)
Uttoxeter Leisure and Development Company Limited	516,300	532,666	(11,323,825)	(12,529,863)
Brighton Racecourse Company Limited	266,024	283,030	7,033,077	5,622,820
Great Yarmouth Racecourse Limited	242,097	242,615	7,675,544	5,916,173
Sedgefield Steeplechase (1927) Company Limited	219,727	195,009	793,456	413,413

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

Arena Leisure Limited, an intermediate parent undertaking within the Omaha Business Holdings Corp. group, owns an equity share in Attheraces Holdings Limited ('ATR'). During the year ended 31 December 2019, S Nahum and K Robertson were Directors of ATR. During the year, the Company made sales of £4,790,821 (2018: £2,883,045) to ATR.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

14. **Post balance sheet events**

The onset of the COVID-19 pandemic in the UK in March 2020 has had a significant impact on 2020 revenues. The company's revenues are dependent on UK horse racing taking place. UK horse racing was suspended from 18 March 2020 to 1 June 2020 and continues to be staged behind closed doors at the majority of Northern Racing Group's racecourses.

15. **Ultimate parent company**

The immediate parent company is Northern Racing 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 Northern Racing Limited is Millbank Tower, 21-24 Millbank, London, SW1P 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.