

Company registration
number 04146183

NEWBURY RACECOURSE ENTERPRISES LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2015

THURSDAY



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NEWBURY RACECOURSE ENTERPRISES LIMITED

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NEWBURY RACECOURSE ENTERPRISES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D J Burke
M Lloyd Webber
C Spence (retired 4 June 2015)
C E Spencer
B T Stewart-Brown
J M Thick
R L Todd

SECRETARY

C E Spencer

REGISTERED OFFICE

The Racecourse
Newbury
Berkshire RG14 7NZ

AUDITOR

Deloitte LLP
Reading

BANKERS

HSBC Bank plc
6 Northbrook Street
Newbury
Berkshire RG14 1DJ

SOLICITORS

Burges Salmon
One Glass Wharf
Bristol BS2 0ZX

NEWBURY RACECOURSE ENTERPRISES LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and accounts for the year ended 31 December 2015.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

The company is exempt from the requirements to prepare a Strategic Report. The consolidated financial statements of the company's parent company, Newbury Racecourse Plc include a Strategic Report.

RESULTS AND DIVIDEND

The profit on ordinary activities after taxation was £4,028 (2014: £21,967).

The directors have not recommended that a dividend be paid (2014: nil).

ACTIVITIES AND REVIEW OF THE BUSINESS

The company is involved in the holding and renting of land.

FUTURE PROSPECTS

The directors view the future with confidence and the company is expected to continue to perform at a similar level.

DIRECTORS

The directors who served until the date of signing are:

D J Burke
M Lloyd Webber
C Spence (retired 4 June 2015)
C E Spencer
B T Stewart-Brown
J Thick
R Todd

GOING CONCERN

The company has net current assets and is able to meet its third party obligations as they fall due; it also has a positive cash position. The company is forecast to make profits before tax from renting its land. Having considered the financial position and performance of the entity and the current economic climate, the directors have concluded that the company has adequate resources to continue to trade for the foreseeable future and hence it is appropriate to prepare the financial statements on a going concern basis.

In making this conclusion, the Directors have also considered the letter of intention to support the company received by Newbury Racecourse plc (the ultimate parent company).

MARKET VALUE OF LAND

The completion of the development agreement with David Wilson Homes (DWH) and the parent company in September 2012 enhances the potential value of the land owned by the company.

NEWBURY RACECOURSE ENTERPRISES LIMITED

REPORT OF THE DIRECTORS (continued)

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) the directors have taken all the steps that they ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Newbury Racecourse plc, as the immediate parent of the entity, or by a shareholder holding in aggregate 5 per cent or more of the total allocated shares in the Company or more than half of the allotted share in the entity not held by Newbury Racecourse plc as the immediate parent.

Approved by the Board of Directors and signed on behalf of the Board



CLAIRE SPENCER
Secretary
The Racecourse
Newbury

10 June 2016

NEWBURY RACECOURSE ENTERPRISES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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; and
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NEWBURY RACECOURSE ENTERPRISES LIMITED**

We have audited the financial statements of Newbury Racecourse Enterprises Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Accounting Policies and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NEWBURY RACECOURSE ENTERPRISES LIMITED (continued)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report and in preparing the Directors' Report.



Andrew Bond FCA
(Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom

10 June 2016

NEWBURY RACECOURSE ENTERPRISES LIMITED**PROFIT AND LOSS****Year ended 31 December 2015**

	Note	2015 £	2014 £
TURNOVER	1	19,348	21,997
GROSS PROFIT		<u>19,348</u>	<u>21,997</u>
Administrative expenses		<u>(15,320)</u>	<u>(30)</u>
OPERATING PROFIT	2	<u>4,028</u>	<u>21,967</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,028	21,967
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE YEAR		<u>4,028</u>	<u>21,967</u>

There were no recognised gains or losses in the year other than the profit/loss for the current and previous financial years. Accordingly, no separate statement of comprehensive income has been presented.

All amounts derive from continuing operations.

NEWBURY RACECOURSE ENTERPRISES LIMITED

BALANCE SHEET

As at 31 December 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	5	1,315,298	1,315,298
		<u>1,315,298</u>	<u>1,315,298</u>
CURRENT ASSETS			
Debtors falling due in less than one year	6	-	1,958
Debtors falling due after more than one year	7	7,500,001	7,500,001
Cash at bank and in hand		1,290	648
		<u>7,501,291</u>	<u>7,502,607</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	-	(1,958)
NET CURRENT ASSETS		<u>7,501,291</u>	<u>7,500,649</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,816,589	8,815,947
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	9	(955,576)	(958,962)
NET ASSETS		<u>7,861,013</u>	<u>7,856,985</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,001	1,001
Share premium account		7,702,000	7,702,000
Profit and loss account surplus		158,012	153,984
Shareholder's funds		<u>7,861,013</u>	<u>7,856,985</u>

The financial statements of Newbury Racecourse Enterprises, company number 04146183, were approved by the board of directors and authorised for issue on 12 June 2016. They were signed on its behalf by:



RICHARD TODD
Director

NEWBURY RACECOURSE ENTERPRISES LIMITED

ACCOUNTING POLICIES

Year ended 31 December 2015

Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

Basis of preparation

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements have not been restated as there are no material adjustments on adoption of FRS 102 in the current year.

Newbury Racecourse Enterprises Limited is consolidated in the financial statements of its parent, Newbury Racecourse plc. The consolidated financial statements of Newbury Racecourse Plc are prepared in accordance with FRS 102, are available to the public and may be obtained from the address in note 12. Newbury Racecourse Enterprises Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in respect of the following disclosures;

- Financial instruments,
- Cash flow statement and related notes;
- Remuneration of key personnel; and
- Reconciliation of the number of shares outstanding from the beginning to the end of the period

Going Concern

The company has net current assets and is able to meet its third party obligations as they fall due; it also has a positive cash position. The company has shown consistent profits and is forecast to continue making profits from renting its land. Having considered the financial position and performance of the entity and the current economic uncertainty, the directors have concluded that the company has adequate resources to continue to trade for the foreseeable future and hence it is appropriate to prepare the financial statements on a going concern basis.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of any depreciation or provision for impairment. Depreciation is not provided on freehold land.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

NEWBURY RACECOURSE ENTERPRISES LIMITED

ACCOUNTING POLICIES (continued)

Year ended 31 December 2015

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences and that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Operating lease income

Operating lease income is credited to the profit and loss account on a straight-line basis over the term of the lease.

NEWBURY RACECOURSE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

1. TURNOVER

Turnover represents rental income receivable in the UK.

2. OPERATING PROFIT

This is stated after crediting:

	2015	2014
	£	£
Lease income	<u>19,348</u>	<u>21,997</u>

Auditor's remuneration of £1,000 (2014: £1,000) is expensed and borne by Newbury Racecourse PLC.

3. STAFF COSTS

The company has no employees (2014: no employees). Directors' remuneration is met by Newbury Racecourse plc where their remuneration and benefits are disclosed. It is not practicable to split their remuneration between their services as directors of the two companies.

4. TAXATION

Reconciliation of tax on profits on ordinary activities at the standard rate to total actual amount of current tax:

	2015	2014
	£	£
Profit on ordinary activities before tax	4,028	21,967
Total profits chargeable to corporation tax	<u>4,028</u>	<u>21,967</u>
Tax on profit on ordinary activities at 20% (2013: 20%)	806	4,393
Group relief not paid for	(806)	(4,393)
Total actual amount of current tax	<u>-</u>	<u>-</u>

Current year losses have been utilised through group relief via the parent company.

NEWBURY RACECOURSE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

5. TANGIBLE FIXED ASSETS

**Freehold
land
£**

Cost and net book value

At 1 January 2015 and 31 December 2015

1,315,298

All freehold land is held for rental purposes.

6. DEBTORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

**2015
£**

**2014
£**

Trade debtors

-

1,958

7. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

**2015
£**

**2014
£**

Amounts owed by parent company

7,500,001

7,500,001

Amounts owed by parent company are repayable in more than 5 years, unsecured and interest free.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

**2015
£**

**2014
£**

Accruals and deferred income

-

(1,958)

NEWBURY RACECOURSE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

9. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2015 £	2014 £
Amounts owed to parent company	<u>(955,576)</u>	<u>(958,962)</u>

Amounts owed to parent company are repayable in more than 5 years, unsecured and interest free.

10. SHARE CAPITAL

	2015 £	2014 £
Authorised 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
	£	£
Allotted, called up and fully paid 1,001 ordinary shares of £1 each	<u>1,001</u>	<u>1,001</u>

11. RELATED PARTIES

As a wholly owned subsidiary undertaking of Newbury Racecourse Plc, the company has taken advantage of the exemption under FRS 102 33.1A from disclosing transactions between entities, 100% or more of whose voting rights are controlled within the group.

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's ultimate parent company and controlling party is Newbury Racecourse plc, a company registered in England and Wales. This is the smallest and largest group in which the company's results are consolidated. Copies of the group financial statements are available from The Racecourse, Newbury, Berkshire, RG14 7NZ.

13. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of the company adopting FRS 102, no accounting policies have changed to comply with the standard.