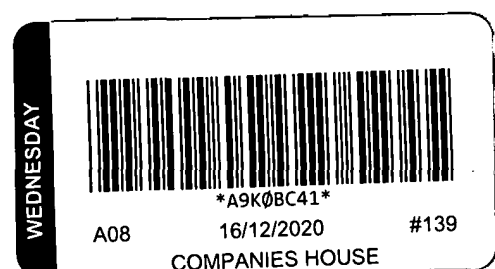


Company Registration No 06205872

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

DIRECTORS AND ADVISERS

Directors

S A J Nahum
J A Reuben
K S Robertson
E M Sawyer

Company number

06205872

Registered Office

4th Floor
Millbank Tower
21-24 Millbank
London
SW1P 4QP

Registered Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

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NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

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 a holding company. The principal activity of the group is the owning and operation of racecourses.

Review of the business

The directors are satisfied with the results for the year and the year end position of the group.

In 2019 turnover increased from £53.2m in 2018 to £55.1m. This was largely a result of growth in media rights across the group combined with staging 6 more fixtures than 2018.

Outside of turnover, the key performance indicator the directors use in assessing the group is Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). EBITDA achieved during the year was £4.0m (2018: £8.8m).

The racing industry continues to face challenges from the closure of licensed betting offices throughout the UK following the Government's action to reduce the maximum stake for Fixed Odds Betting Terminals to £2. This impact continues with the further closure of shops.

The UK onset of the COVID-19 pandemic in March 2020 has caused a significant impact on the UK and global economy and until such time as a vaccine programme is successfully rolled out, the uncertainty brought about by ongoing lockdown measures creates ongoing uncertainty and challenges for the UK economy.

The group's principal revenue streams are dependent on British horseracing fixtures being staged. Racing was suspended for a period approaching two and a half months and whilst racing resumed on 1 June 2020, at the time of reporting, this remains behind closed doors at the majority of the group's racecourses. As a result, the group's revenue streams have been profoundly impacted by the temporary cessation of racing and continue to be affected by the ongoing prohibition of on-course spectators in Tier 3 and the limited capacity crowds in Tier 2.

Throughout the period where racing was unable to take place, various resumption of racing scenarios were conceived with the support of The British Horseracing Authority, The Horseman's Group and The Department for Culture Media and Sport and as such racing was able to be one of the first sports in the UK to resume; at Newcastle Racecourse. At the time of reporting, the sport continues to host fixtures behind closed doors in Tier 3 areas and with limited capacity crowds in Tiers 1 and 2.

The group continues to receive income from the staging of fixtures held behind closed doors. Whilst there was some disruption to this income stream on account of the cessation of racing, the resumption of racing means that these amounts are now being received.

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 Group's employees, customers, suppliers and other stakeholders, the impact of its activities on the community, the environment and the Group'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 Group. We explain below, how the Board engages with stakeholders.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

Section 172 Statement (continued)

- 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 Group 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.

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. 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.

Prize Money Executive Contribution

The level of Prize Money contribution we make into our race programme is one of the most material decisions that the Board takes in any year. This impacts on the competitiveness of our business in attracting the best runners at each level of racing to our racecourses, and provides direct and indirect financial support to owners, trainers, jockeys, horsemen and their own employees. We aim to strike a balance between ensuring our leading races and festivals maintain their competitiveness in horse racing, while ensuring that we are supporting all levels of the ownership and breeding industry at both small and large racecourses.

Our decision on Prize Money contribution is traded off against other competing priorities for the Group, such as investments into property infrastructure at our racecourses, which are required to maintain the highest level of sporting and customer experience and safety for racing participants and spectators alike.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

Section 172 Statement (continued)

In 2019 our Prize Money decision was made in the context of a media rights income level that year affected as a result of LBO closures. We nevertheless made the decision not to adjust Prize Money materially and to maintain contributions at a sustainable level, as the Board considered the views of racing stakeholders, as well as the likely overall economic impact on the industry as a whole. This decision will need to be revisited before the end of 2020, together with racing stakeholders and the funding mechanism, in light of the impacts of Covid-19 on the business.

Use of Group Property Assets

The Board continuously reviews the best use of Group assets. Where land assets are considered non-sacrosanct, the Board considers development opportunities. A project at Newcastle was considered during the year. The project involves the development of the infrastructure of the racecourse.

Approval of 2020 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, including forecast media income, admissions and hospitality performance and developments in the betting industry which have had negative impacts on 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.

Some material elements of the Three Year Plan will be revisited before the end of 2020 in light of the impacts of Covid-19 on the business.

Employee engagement

The Board considers it very important that employees are kept informed about both the financial performance of the Group, factors impacting the wider industry and more general employment related matters. Every business day 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 Group policies such as safeguarding or CCO 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. Group-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. More recently, we have been staging remote meetings for all employees to maintain information flow and engagement through the Covid-19 lockdown period.

We encourage the involvement of employees in the Group's performance through a bonus scheme. This is calculated and paid annually based on the financial performance of the Group 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 Group. 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 Raceday events. Regular board meetings are held at our locations around the country.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

Principal risks and uncertainties

The group 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.

The company is aware of the risk created by COVID-19.

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 group does allow for a certain number of abandonments when completing its business plans.

The main risks arising from the group'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 group's income streams, the exposure to credit risk is considered minimal. One of the main sources of income is received from the HBLB and media income from the transmission of pictures through the media rights contracts. Other third party income is derived from customers on race days and this is either paid in advance of the event or paid on the day. Of the income received by the group that is subject to credit risk, there are established credit procedures and collection policies in place which are reviewed and monitored centrally.

Going concern

After reviewing the group's forecasts and projections for not less than 12 months from the date of approval of these financial statements and taking into account current financial resources, the directors have a reasonable expectation that NR Acquisitions Topco Limited has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties that give rise to significant doubt as to the group's ability to continue to prepare its financial statements on a going concern basis. Further details regarding the directors' considerations in drawing this conclusion are provided in note 2 to the financial statements.

On behalf of the board



S A J Nahum
Director

8/12/20

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors' present their report and financial statements for the year ended 31 December 2019.

Results and dividend

The consolidated statement of comprehensive income for the year is set out on page 10. No dividend will be distributed for the year (2018: £nil).

Directors

The following directors have held office since 1 January 2019 to the date of this report:

J A Reuben
S A J Nahum
K S Robertson

Other changes in directors holding office:

E M Sawyer – appointed 15 January 2019

Matters covered in the strategic report

As permitted by S414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

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 group's revenues are dependent on UK horse racing taking place. UK racing was suspended from 18 March 2020 to 1 June 2020 and continues to be staged behind closed doors at the majority of the group's racecourses. Operational costs have been minimised and the group continues to be restructured to accommodate the limited revenue streams.

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of Arena Racing Corporation Limited and its subsidiaries.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitude and abilities.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Auditors

The auditors, BDO LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

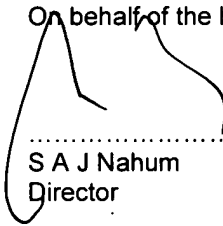
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and of the profit or loss of the group 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information

On behalf of the board


.....
S A J Nahum
Director

8/12/20
.....

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NR ACQUISITIONS TOPCO LIMITED

Opinion

We have audited the financial statements of NR Acquisitions Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2019 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated and company balance sheets, consolidated and company statements of changes in equity, consolidated statement of cash flows 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 Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's loss 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 Group and the Parent 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 Group or the Parent 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 annual report, 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.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NR ACQUISITIONS TOPCO LIMITED (CONTINUED)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Group's and the Parent 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 Group or the Parent 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.

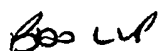
NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NR ACQUISITIONS TOPCO LIMITED (CONTINUED)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent 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
London

11 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Turnover	3	55,123	53,207
Cost of sales		(34,671)	(33,696)
Gross profit		20,452	19,511
Administrative expenses		(19,811)	(20,823)
Operating profit/(loss)	4	641	(1,312)
Other income		1	6,581
Interest payable and similar charges	6	(7,166)	(7,026)
Loss on activities before taxation		(6,524)	(1,757)
Tax on loss on ordinary activities	7	(49)	(884)
Loss for the financial year		(6,573)	(2,641)
Loss for the financial year attributable to:			
Non-controlling interests		(218)	(213)
Owners of the parent company		(6,355)	(2,428)

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

The notes on pages 15 to 32 form part of these financial statements

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Loss for the year	(6,573)	(2,641)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(6,573)</u>	<u>(2,641)</u>
Total comprehensive income for the year attributable to:		
Non-controlling interest	(218)	(213)
Owners of the parent company	(6,355)	(2,428)
	<u>(6,573)</u>	<u>(2,641)</u>

The notes on pages 15 to 32 form part of these financial statements

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

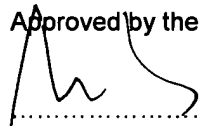
BALANCE SHEETS

AS AT 31 DECEMBER 2019 (Company number 06205872)

		Consolidated		Company	
	Notes	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fixed assets					
Intangible assets	8	-	9	-	-
Tangible assets	9	84,135	87,023	-	-
Investments	10	-	-	1	1
		<u>84,135</u>	<u>87,032</u>	<u>1</u>	<u>1</u>
Current assets					
Stocks	11	642	605	-	-
Debtors	12	4,047	11,794	22,753	22,753
Cash at bank and in hand		3,806	3,655	-	-
		<u>8,495</u>	<u>16,054</u>	<u>22,753</u>	<u>22,753</u>
Creditors: amounts falling due within one year	13	(35,488)	(39,956)	(10,999)	(10,999)
		<u>(26,993)</u>	<u>(23,902)</u>	<u>11,754</u>	<u>11,754</u>
Net current (liabilities)/assets					
Total assets less current liabilities		<u>57,142</u>	<u>63,130</u>	<u>11,755</u>	<u>11,755</u>
Creditors: amounts falling due after more than one year	14	(107,978)	(107,393)	-	-
		<u>(50,836)</u>	<u>(44,263)</u>	<u>11,755</u>	<u>11,755</u>
Capital and reserves					
Called up share capital	17	1	1	1	1
Profit and loss account		(51,012)	(44,657)	11,754	11,754
Equity attributable to the owners of the parent company		<u>(51,011)</u>	<u>(44,656)</u>	<u>11,755</u>	<u>11,755</u>
Non-controlling interests		<u>175</u>	<u>393</u>	<u>-</u>	<u>-</u>
		<u>(50,836)</u>	<u>(44,263)</u>	<u>11,755</u>	<u>11,755</u>

The group has taken the exemption from presenting the company profit and loss account under section 408 of the Companies Act 2006. The company's profit for the year was £nil (2018: £nil).

Approved by the board and authorised for issue on 8/12/20


S A J Nahum
Director

The notes on pages 15 to 32 form part of these financial statements

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

CONSOLIDATED

	Share capital £'000	Profit and loss account £'000	Equity attributable to the owners of the parent company £'000	Equity attributable to non- controlling interests £'000	Total equity £'000
Balance at 1 January 2018	1	(42,229)	(42,228)	606	(41,622)
Year ended 31 December 2018					
Loss and total comprehensive income for the year	-	(2,428)	(2,428)	(213)	(2,641)
Balance at 31 December 2018	1	(44,657)	(44,656)	393	(44,263)
Year ended 31 December 2019					
Loss and total comprehensive income for the year	-	(6,355)	(6,355)	(218)	(6,573)
Balance at 31 December 2019	1	(51,012)	(51,011)	175	(50,836)

COMPANY

	Share Capital £'000	Profit and loss reserve £'000	Total Equity £'000
Balance at 1 January 2018	1	11,754	11,755
Year ended 31 December 2018			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2018	1	11,754	11,755
Year ended 31 December 2019			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2019	1	11,754	11,755

The notes on pages 15 to 32 form part of these financial statements

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Cash flows from operating activities			
Cash generated from operations	1	7,217	2,756
Cash flows from investing activities			
Purchase of tangible fixed assets		(485)	(1,289)
Financing activities			
Repayment of other long term loans		(6,581)	-
Increase in cash and cash equivalents		151	1,467
Cash and cash equivalents at beginning of year		3,655	2,188
Cash and cash equivalents at end of year		3,806	3,655

The notes on pages 15 to 32 form part of these financial statements

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

1 Reconciliation of net cash flow to movement in net debt

	1 January 2019 £'000	Cash flows £'000	Other non cash movements £'000	31 December 2019 £'000
Cash at bank and in hand	3,655	151	-	3,806
Other loans	(107,393)	6,581	(7,166)	(107,978)
Net debt	(103,738)	6,732	(7,166)	(104,172)

2 Reconciliation of loss after taxation to cash generated from operations

	2019 £'000	2018 £'000
Loss after taxation	(6,573)	(2,641)
Taxation charged	— 49	884
Finance costs	7,166	7,026
Depreciation of tangible fixed assets	3,373	3,517
Amortisation of intangible assets	9	10
	<u>4,024</u>	<u>8,796</u>
Corporation tax paid	(266)	(266)
Decrease/(Increase) in stocks	(37)	24
Decrease/(Increase) in debtors	7,962	(7,323)
(Decrease)/increase in creditors	(4,466)	1,525
Cash generated from operations	<u>7,217</u>	<u>2,756</u>

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

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

1 Statutory information

NR Acquisitions Topco Limited is a company limited by shares incorporated in England and Wales. The registered office and principal place of business is 4th Floor, Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

2 Accounting policies

2.1 Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

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, it has been possible to significantly reduce a number of operational costs, including race day variable costs. The group has placed a high proportion of permanent staff on furlough through the Coronavirus Job Retention Scheme and stopped all non-essential development and marketing activity. The group is undertaking a restructure to ensure the business is as agile and cost efficient as possible to cope with the effects of COVID-19 and its impact on the horse and industry into the future.

As part of the consideration of the Group and 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 Group and 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 Group and 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 Omaha Business Holdings Corp that it will continue to make funds available to enable the Group and 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.

2.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2019. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation. The group uses both merger and acquisition accounting in relevant circumstances. Under the principles

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies (continued)

2.2 Basis of consolidation (continued)

of merger accounting the results of the subsidiaries are included in the profit and loss account for whole the financial period regardless of the date when control passes. Under acquisition accounting the results of subsidiaries acquired are included in the profit and loss account from the date control passes.

2.3 Judgements and key sources of estimation uncertainty

In the application of the Group'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.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into account in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determine the extent to which deferred tax assets are recognised upon taxable profits that are expected to arise in the future.
- Determine whether leases entered into by the company are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation and uncertainty:

- Tangible fixed assets

The company recognises fixed assets where such expenditure enhances the racecourse assets, whereas any expenditure classed as maintenance is expensed in the period incurred. Determining enhancement from maintenance is a subjective area. The estimated useful economic lives of fixed assets are based on management judgement and experience.

2.4 Turnover

Turnover principally relates to income derived directly from the holding of horse race meetings, including industry related funding from the HBLB, and the non-raceday use of the racecourse facilities.

Income is recognised once a race meeting or non-raceday event has been held. This includes admissions revenue, other racing income and catering income. In certain circumstances income is taken over the life of the agreement to which it relates, such as rental income and annual memberships.

Media rights

Income received in respect of media rights over the broadcasts from the Group's racecourses is recognised within revenue in the period in which the relevant race meetings are held.

HBLB revenue

The HBLB provides revenue to racecourses to support the holding of race meetings. For taxation purposes, this revenue can be waived by racecourses, with HBLB approval, and

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies (continued)

2.4 Turnover (continued)

transferred to 'capital credits', which is a tax-efficient scheme operated by the HBLB. These capital credits may be claimed by racecourses against expenditure on HBLB-approved capital projects and as a result, are not assessable to tax. It is the Company's policy that, as they are derived from and are dependent upon trading activities, capital credit receipts are recognised within revenue when the race meetings to which they relate are held. A corresponding receivable is recognised until the cash is received.

2.5 Goodwill

Acquired goodwill (representing the excess of the fair value of the consideration given over the fair value of the separate assets acquired) arising on consolidation is capitalised and amortised over its estimated useful economic life of 10 years. Goodwill amortisation is included in administration expenses.

2.6 Purchased racing fixtures

Purchased racing fixtures are shown at cost. Purchased racing fixtures are written off in equal instalments over their useful economic life of 20 years. The amortisation is included in administration expenses.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	Buildings: 25 to 50 years
Leasehold land and buildings	Over the term of the lease
Plant and machinery	Straight line over 4 to 10 years
Fixtures, fittings and equipment	Straightline over 5 to 10 years and 25% reducing balance

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.

2.8 Impairment of fixed assets

At each reporting end date, the Group 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 group 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.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies (continued)

2.8 Impairment of fixed assets (continued)

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.

2.9 Leasing

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

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

2.10 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2.11 Stock

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.

2.12 Tax

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.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies (continued)

2.12 Tax (continued)

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.

2.13 Pensions

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

2.14 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.

2.15 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group 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.

2.16 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.

2.17 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.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies (continued)

2.18 Financial instruments

The Group 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 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies (continued)

2.18 Financial instruments (continued)

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, 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 receipts discounted at a market rate of interest.

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

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

3 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit/(loss)

	2019 £'000	2018 £'000
Operating loss is stated after charging:		
Inventory recognised as an expense	3,243	3,134
Amortisation of intangible assets	9	10
Depreciation of tangible assets	3,373	3,517
Operating lease rentals	374	434
Auditors' remuneration	35	35

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2019 Number	2018 number
Salaried staff	227	240

The group employs casual staff on racedays. The number of casual staff varied between 25 and 479 (2018: 30 and 389). Casual staff are not included in the numbers stated above.

Employment costs	2019 £'000	2018 £'000
Wages and salaries	11,016	10,995
Social security costs	963	1,059
Other pension costs	326	308
	12,305	12,362

6 Net interest payable

	2019 £'000	2018 £'000
On other loans wholly repayable within five years	7,166	7,026

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Taxation

	2019 £'000	2018 £'000
Total current tax	-	-
Deferred tax	49	884
	<u>49</u>	<u>884</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	<u>(6,524)</u>	<u>(1,757)</u>
Loss on ordinary activities before taxation multiplied by the effective rate of UK corporation tax of 19% (2018: 19%)	(1,240)	(334)
Effects of:		
Non-deductible expenses	331	397
Tax losses utilised	84	(545)
Restricted interest	1,072	785
Prior year movement	(189)	613
Group relief	9	
Change in tax rate	<u>(18)</u>	<u>(32)</u>
Total tax charge for the period	<u>49</u>	<u>884</u>

8 Intangible fixed assets

Group	Goodwill £'000	Purchased Fixtures £'000	Total £'000
Cost			
At 1 January 2019 and 31 December 2019	<u>24,418</u>	<u>162</u>	<u>24,580</u>
Amortisation			
At 1 January 2019	24,418	153	24,571
Charge for the year	-	9	9
At 31 December 2019	<u>24,418</u>	<u>162</u>	<u>24,580</u>
Net book value			
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2018	<u>-</u>	<u>9</u>	<u>9</u>

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Tangible fixed assets Group

	Freehold land and buildings £'000	Leasehold land & buildings £'000	Plant & machinery £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost					
At 1 January 2019	80,293	28,149	9,482	1,576	119,500
Additions	172	63	84	166	485
Transfers	(546)	-	546	-	-
At 31 December 2019	79,919	28,212	10,112	1,742	119,985
Depreciation					
At 1 January 2019	14,251	7,700	8,981	1,545	32,477
Charge for the year	2,259	408	642	64	3,373
Transfers	(309)	-	309	-	-
At 31 December 2019	16,201	8,108	9,932	1,609	35,850
Net book value					
At 31 December 2019	63,718	20,104	180	133	84,135
At 31 December 2018	66,042	20,449	501	31	87,023

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10 Fixed asset investments Company

Shares in
group
undertakings
£'000

Cost

At 1 January 2019 and 31 December 2019

1

Net book value

At 1 January 2019 and 31 December 2019

1

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company holds share capital in the following companies:

Company	Shares held		Country of registration or incorporation
	Class	%	
NR Acquisitions Midco Limited	Ordinary	100	England and Wales
NR Acquisitions Limited *	Ordinary	100	England and Wales
Northern Racing Limited *	Ordinary	100	England and Wales
Northern Races Limited *	Ordinary	100	England and Wales
Bath Racecourse Company Limited *	Ordinary	100	England and Wales
Brighton Racecourse Company Limited *	Ordinary	81	England and Wales
Chepstow Races Limited *	Ordinary	100	England and Wales
Chepstow Markets Limited *	Ordinary	100	England and Wales
The Fontwell Park Steeplechase Limited *	Ordinary	100	England and Wales
Great Yarmouth Racecourse Limited *	Ordinary	81	England and Wales
Hereford Racecourse Company Limited *	Ordinary	100	England and Wales
High Gosforth Park Limited *	Ordinary	100	England and Wales
Sedgefield Steeplechase Company (1927) Limited *	Ordinary	100	England and Wales
Uttoxeter Leisure and Development Company Limited *	Ordinary	92	England and Wales

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10 Fixed Assets Investments (continued)

Company	Principal activity
NR Acquisitions Midco Limited	Holding company
NR Acquisitions Limited *	Holding company
Northern Racing Limited *	Holding company
Northern Races Limited *	Holding company
Bath Racecourse Company Limited *	Racecourse management
Brighton Racecourse Company Limited *	Racecourse management
Chepstow Races Limited *	Racecourse management
Chepstow Markets Limited *	Dormant
The Fontwell Park Steeplechase Limited *	Racecourse management
Great Yarmouth Racecourse Limited *	Racecourse management
Hereford Racecourse Company Limited *	Racecourse management
High Gosforth Park Limited *	Racecourse management
Sedgefield Steeplechase Company (1927) Limited *	Racecourse management
Uttoxeter Leisure and Development Company Limited *	Racecourse management

* Companies held through subsidiary undertakings

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

11 Stocks

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Goods for resale	642	605	-	-

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

12 Debtors

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	1,191	1,387	-	-
Amounts owed by group undertakings	-	-	22,753	22,753
Corporation Tax debtor	632	367	-	-
VAT	189	371	-	-
Other debtors	710	8,659	-	-
Prepayments and accrued income	1,012	648	-	-
	<u>3,734</u>	<u>11,432</u>	<u>22,753</u>	<u>22,753</u>
Amounts falling due after more than one year:				
Deferred tax	313	362	-	-
Aggregate amounts	<u>4,047</u>	<u>11,794</u>	<u>22,753</u>	<u>22,753</u>

Deferred Tax

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Accelerated capital allowances	305	270	-	-
Trading losses	-	84	-	-
Provisions	8	8	-	-
	<u>313</u>	<u>362</u>	<u>-</u>	<u>-</u>

	Deferred Tax	
	Group	Company
	£'000	£'000
Balance at 1 January 2019	362	-
Recognised during the year	(49)	-
Balance at 31 December 2019	<u>313</u>	<u>-</u>

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

13 Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade creditors	2,305	2,793	-	-
Amounts owed to related undertakings	29,943	33,505	10,999	10,999
Tax and social security	279	299	-	-
Other creditors	325	583	-	-
Accruals and deferred income	2,636	2,776	-	-
	<u>35,488</u>	<u>39,956</u>	<u>10,999</u>	<u>10,999</u>

Amounts due to related undertakings are interest free and repayable on demand.

14 Creditors: amounts falling due after more than one year

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Other loans	<u>107,978</u>	<u>107,393</u>	<u>-</u>	<u>-</u>
Maturity analysis of loans				
Repayable between two and five years	<u>107,978</u>	<u>107,393</u>	<u>-</u>	<u>-</u>

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

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

15 Financial instruments

The group's financial instruments may be analysed as follows:

	Group	
	2019	2018
	£'000	£'000
Financial assets		
Financial assets measured at amortised cost	5,708	13,701
Financial liabilities		
Financial liabilities measured at amortised cost	141,609	145,516

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by related undertakings.

Financial liabilities measured at amortised cost comprise overdrafts, finance leases, other loans, trade creditors, other creditors, accruals and amounts owed to related undertakings.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Strategic report.

16 Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately to those of the group in an independently administered fund. The pension costs charge represents contributions payable by the group to the fund.

There was a pension creditor at the year end amounting to £41,000 (2018: £40,000).

One group company, Great Yarmouth Racecourse Limited, participated in a multi-employer defined benefit pension scheme. Full disclosure has been made in the accounts of that company. The scheme is not considered material to the group.

17 Share capital

Group and company	2019	2018
	£'000	£'000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1	1	1

18 Reserves

Called up share capital

Represents the nominal value of equity shares issued.

Profit and loss account

Retained earnings represent the company's cumulative net gains and losses.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

19 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £'000	2018 £'000
Within one year	343	372
Between two and five years	954	959
In over five years	22,264	22,482
	<u>23,561</u>	<u>23,813</u>

20 Control

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

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

21 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 group's revenues are dependent on UK horse racing taking place. UK racing was suspended from 18 March 2020 to 1 June 2020 and continues to be staged behind closed doors at the majority of the group's racecourses. Operational costs have been minimised and the group continues to be restructured to accommodate the limited revenue streams. Due to the on-going nature of the restructure at the time of reporting, the cost savings cannot be fully quantified.

NR ACQUISITIONS TOPCO LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

22 Related party transactions

The Group has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with any wholly owned group companies.

	Recharged costs		Management charges	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Brighton Racecourse Company Limited	19	37	266	283
Sedgefield Steeplechase Company (1927) Limited	157	90	220	195
Uttoxeter Leisure and Development Company Limited	40	16	516	533
Great Yarmouth Racecourse Limited	17	24	242	242
			Balance due to/(from)	
			2019	2018
			£'000	£'000
Brighton Racecourse Company Limited			8,337	6,926
Sedgefield Steeplechase Company (1927) Limited			2,372	1,165
Uttoxeter Leisure and Development Company Limited			(9,258)	(10,464)
Great Yarmouth Racecourse Limited			9,700	7,941

Arena Leisure Limited, a related company controlled by the ultimate holding company, owns an equity share in Attheraces Holdings Limited (ATR). During the year, the group made sales to ATR amounting to £4,791,000 (2018: £2,883,000).

Included in creditors falling due in less than one year is an amount of £14,153,000 (2018: £17,712,000) due to Arena Racing Corporation, a group controlled by the ultimate holding company. Sales to Arena Racing Corporation amounted to £11,971,000 (2018: £12,351,000).

Included in creditors falling due after more than one year is an amount of £107,978,000 (2018: £107,393,000) due to TFB (Mortgages) Designated Activity Company, a related company. Interest of £7,166,000 (2018: £7,026,000) was charged and has been capitalised on this amount.

Included in creditors falling due after less than one year is an amount of £15,790,000 (2018: £15,790,000) due to Aldersgate Investments Limited, a related company.

The directors receive remuneration for their services to the group from companies outside of the group. It is not practicable to allocate the proportion of their remuneration that relates to this group.

Key management personnel include all directors and a number of senior managers across the group who, together, have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £1,799,000 (2018: £1,956,000).