

# **Racecourse Retail Business Limited**

**Directors' report and financial statements**

**For the year ended 31 March 2019**

**Company registration No. 09776843**



# Racecourse Retail Business Limited

## Strategic Report for the year ended 31 March 2019

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The directors present their strategic report with the financial statements of Racecourse Retail Business Limited ("the Company") for the year from 1 April 2018 to 31 March 2019.

### **Principal Activities, review of business and future developments**

The principal activity of the Company is the licensing of horse racing media rights for Licensed Betting Offices in the UK and Ireland to Sports Information Services Limited (SIS) on behalf of its 37 British racecourse licensors. In addition, the Company produces and delivers the programming and raceday data for the licensed events to SIS. This arrangement is secured by a five-year contract that commenced on 1 April 2018.

The Company had a strong first year of trading with turnover of £81.0m. This is despite the challenges of extreme weather at the start of the year causing unusually high abandonments and the suspension of racing in February 2019 due to the equine influenza outbreak. Despite those challenges the Company traded inline with the Directors expectations.

In May 2019 the Government announced a reduction in the maximum stake for Fixed Odds Betting Terminals to £2. This is anticipated to result in a reduction in the number of licenced betting offices which will have a negative impact on the future revenues of the Company.

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Licence fees are paid to licensors in accordance with the terms of the licences. The variable nature of licence fees means that payments flex in accordance with the performance of the Company and accordingly the directors have confidence in the financial stability of the business.

### **Strategy**

The Company's principal objective is to administer the media rights contract and maximise the value of licence fees payable to its licensor racecourses.

### **Principal risks and uncertainties**

The principal risks and uncertainties affecting the Company are as follows:

#### *Media rights licences.*

The business relies on media rights licences granted by its licensor racecourses. All racecourse licence agreements extend to 31<sup>st</sup> March 2023. This provides an appropriate level of confidence that the business will be able to continue to operate for the foreseeable future.

#### *Economic environment*

A consequence of the UK leaving the European Union is the risk of a negative impact on the economy. The directors have not undertaken a detailed review of this but it is believed that the business has sufficient headroom to deal with all reasonable scenarios.

#### *Legislative environment*

The Government recently announced a significant reduction to the maximum stake for fixed odds betting terminals. This is expected to result in a reduction in the number of licensed betting offices who are the ultimate client of the Company. This has been considered in the forecasts for future periods and it is believed that the business has sufficient headroom to deal with all reasonable scenarios.

# Racecourse Retail Business Limited

Strategic Report for the year ended 31 March 2019

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## Key Performance Indicators ("KPIs")

The Company has performed well during the year. The Company uses turnover and licence fees as performance indicators, both outperformed the budget that was set at the start of the year.



M J Stevenson  
Director

Date 24 September 2019

# Racecourse Retail Business Limited

## Report of the Directors for the year ended 31 March 2019

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The directors present their report and financial statements of Racecourse Retail Business Limited ("the Company") for the year from 1 April 2018 to 31 March 2019. Information regarding strategy, principal risks and uncertainties, and key performance indicators is not shown in the Directors' report because it is shown in the Strategic report in accordance with the Companies Act 2006 s414 (11).

### Results and dividends

The detailed results for the year and transfer to reserves of the retained profit of £314,000 (2018: loss of £22,000) are set out in the Statement of Comprehensive Income and Retained Earnings on page 8.

The directors do not recommend the payment of a dividend for the year (2018: £nil).

### Directors

The directors shown below held office during the year from 1 April 2018 to the date of this report:

A E Anson  
I D Barnett (alternate for J Garratt)  
S L Bazalgette  
B I Boeskov (appointed 1 April 2019)  
A J Eade (alternate for J M Thick)  
S T Ellen (resigned 31 December 2018)  
P R Fisher (alternate for S L Bazalgette)  
R J N FitzGerald  
J Garratt  
R C Lewis  
J J Mullen (appointed 2 April 2019)  
J H Sanderson  
J J A Sanderson (alternate for J H Sanderson)  
J M Slot  
M J Stevenson  
J M Thick  
A J M Warwick (alternate for J M Slot)

### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report and 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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.

# Racecourse Retail Business Limited

Report of the Directors for the year ended 31 March 2019

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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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

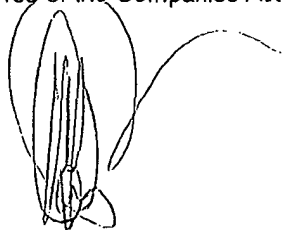
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of my knowledge:

- the Company financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company taken as a whole, together with a description of the principal risks and uncertainties that they face.

## Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.



M J Stevenson

Director

Date: 24 September 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACECOURSE RETAIL BUSINESS LIMITED**

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### ***Opinion***

We have audited the financial statements of Racecourse Retail Business Limited (the 'Company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income and Retained Earnings, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity 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 March 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.

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### ***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 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.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACECOURSE RETAIL BUSINESS LIMITED**

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### ***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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

### ***Matter on which we are required to report under the Companies Act 2006***

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

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

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 for the financial statements***

As explained more fully in the Directors' Responsibilities Statement set out on pages 3-4, 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 on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
RACECOURSE RETAIL BUSINESS LIMITED**

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**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.



**Mark Henshaw**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
30 Finsbury Square, London, EC2A 1AG

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**Date: 24 September 2019**



# Racecourse Retail Business Limited

Statement of Comprehensive Income and Retained Earnings for the year ended  
31 March 2019

	Notes	Year ended 31st March 2019 £'000	18 month period ended 31st March 2018 £'000
Turnover		80,965	-
Cost of sales		(80,003)	-
Gross profit		962	-
Administrative expenses		(614)	(22)
Operating profit/(loss)	2	348	(22)
Interest receivable	4	35	-
Profit/(loss) on ordinary activities before taxation		383	(22)
Tax on profit/(loss) on ordinary activities	5	(69)	-
Profit/(loss) for the year transferred to reserves	10	314	(22)

Turnover and operating profit are derived from the Company's continuing activities.

There were no recognised gains or losses other than the profit for the financial period.

The notes on pages 12 to 18 form part of the financial statements

**Racecourse Retail Business Limited**

Statement of Financial Position as at 31 March 2019

	<i>Notes</i>	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
<b>Current assets</b>			
Debtors	6	3,671	629
Cash at bank		10,669	-
		<b>14,340</b>	<b>629</b>
<b>Creditors amounts falling due within one year</b>	7	<b>(13,682)</b>	<b>(154)</b>
<b>Net current assets</b>		<b>658</b>	<b>475</b>
<b>Creditors amounts falling due after one year</b>		<b>(366)</b>	<b>(497)</b>
<b>Net assets/(liabilities)</b>		<b>292</b>	<b>(22)</b>
<b>Capital and reserves</b>			
Called up share capital	6	4	4
Profit and loss account		288	(26)
<b>Shareholders' funds/(deficit)</b>	8	<b>292</b>	<b>(22)</b>

The notes on pages 12 to 18 form part of the financial statements

The financial statements on pages 2 to 18 were approved and authorised for issue by the board of directors on 24<sup>th</sup> September 2019 and signed on its behalf by:

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M J Stevenson  
Director

# Racecourse Retail Business Limited

## Statement of Cashflows as at 31 March 2019

	Notes	2019 £'000	2018 £'000
<b>Operating Activities</b>			
Cash generated from operations	14	10,635	-
Net Interest		34	-
Taxation - Corporation tax paid			
<b>Net cash from operating activities</b>		<b>10,669</b>	<b>-</b>
<b>Investing Activities</b>			
<b>Net cash from investing activities</b>		<b>-</b>	<b>-</b>
<b>Financing Activities</b>			
<b>Net cash from investing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>10,669</b>	<b>-</b>
Effects of foreign exchange gains		-	-
Cash and cash equivalents at 1 April 2018		-	-
<b>Cash and cash equivalents at end of the year</b>		<b>10,669</b>	<b>-</b>

**Racecourse Retail Business Limited**

## Statement of Changes in Equity for the year ended 31 March 2019

	Share Capital £'000	Income Statement £'000	Total £'000
	Notes		
<b>Balance at 30 September 2016</b>	3	(4)	(1)
Loss for the period	-	(22)	(22)
Share issue	1	-	1
Dividends paid	-	-	-
<b>Balance at 31 March 2018</b>	<b>4</b>	<b>(26)</b>	<b>(22)</b>
Profit for the year	-	314	314
Dividends paid	-	-	-
<b>Balance at 31 March 2019</b>	<b>4</b>	<b>288</b>	<b>292</b>

The notes on pages 12 to 18 form part of the financial statements

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2019

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## 1. Accounting policies

Racecourse Retail Business Limited ("the Company") is a private company limited by shares incorporated in England. The registered office address of the Company is 10th Floor, The Met Building, 22 Percy Street, London, W1T 2BU.

The principle activities of the company are set out in the strategic report.

### a) Basis of preparation

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 including the provisions of the Large and Medium-sized Companies Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

### b) Turnover

Turnover is recognised at the fair value of the consideration received or receivable in respect of the principal activities of licensing of horse racing media rights to Licensed Betting Offices in the UK and Ireland for the 37 racecourses that have licensed their rights to the Company. Turnover is shown net of value added tax.

Turnover is recognised as the events take place.

### c) Interest income

Interest income is accrued on a time apportioned basis, by reference to the principle outstanding at the effective interest rate.

### d) Foreign currencies

The presentational and functional currency of the company is Sterling. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the financial year. Transactions in denominated currencies are translated into sterling at the exchange rate ruling on the date payment takes place or contractually specified as applicable. Any resultant foreign exchange differences are taken to the income statement in the period in which they arise.

### e) Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2019

## f) Going concern

The Company incurred a profit for the year of £314,000 (2018: loss of £22,000) and had net assets of £292,000 (2018: liabilities of £22,000).

The board has prepared financial forecasts for the current and subsequent trading periods which indicate that the Company will have sufficient resources to continue in operational existence for the foreseeable future and enable it to meet its liabilities as they fall due.

The Company's operational performance in the current financial year is in line with these forecasts and, based upon all the evidence available to the board, the directors consider it appropriate to prepare the financial statements on the going concern basis.

## g) Financial instruments

Financial instruments 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 entity after deducting all of its financial liabilities.

### *Trade and other debtors*

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

### *Cash and cash equivalents*

Cash and cash equivalents are included in the statement of financial position at transaction price. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

### *Trade and other creditors*

Trade and other creditors are recognised at transaction price.

## h) Judgements in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will by definition, seldom equal the related actual results.

The only critical estimate and judgement by management in preparing these financial statements is that of recovery of trade debtors and accrued income; based on the knowledge of its customer base and their specific circumstances. In the current period no material provisions against trade receivables have been deemed necessary.

## 2. Operating Profit

Operating profit is stated after charging:

	Year ended 31st March 2019 £'000	18 month period ended 31st March 2018 £'000
Services provided by the Company's auditor:		
Auditor's remuneration	15	4
Other services relating to taxation	2	-
Fees for other services	3	-

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2019

## 3. Directors' remuneration

No director received remuneration during the year in respect of services to the Company. The directors are not members of any Company pension scheme and have no options or interest in the shares of the Company. The Company has no employees so there was no staff remuneration.

During the period, £6,090,000 (2018: £36,000) was charged from RMG Operations Limited (formerly Racing UK Ltd). The amount charged includes £207,000 (2018: £7,000) in respect of director's services.

## 4. Interest

	Year ended 31st March 2019 £'000	18 month period ended 31st March 2018 £'000
Bank interest receivable	35	-

## 5. Taxation

### Analysis Of The Tax (Credit)/Charge

	Year ended 31st March 2019 £'000	18 month period ended 31st March 2018 £'000
Current Tax:		
Uk Corporation Tax	69	-
<b>Tax On Profit/(Loss) On Ordinary Activities</b>	<b>69</b>	<b>-</b>

	Year ended 31st March 2019 £'000	18 month period ended 31st March 2018 £'000
The Company's effective tax rate reconciliation is		
Profit/(Loss) On Ordinary Activities Before Tax	383	(22)
Tax on profit/(Loss) on ordinary activities at standard CT rate of 19% (PY: 19%)	73	(4)
Effects Of:		
Adjustments to tax charge in respect of previous periods	(4)	4
<b>Current Tax Charge For Period</b>	<b>69</b>	<b>-</b>

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2019

## 6. Debtors

	2019 £'000	2018 £'000
<b>Amounts falling due within one year:</b>		
Other debtors	-	4
Prepayments & accrued income	3,304	128
	<b>3,304</b>	<b>132</b>
<b>Amounts falling due after one year:</b>		
Prepayments & accrued income	367	497
	<b>367</b>	<b>497</b>
	<b>3,671</b>	<b>629</b>

## 7. Creditors

	2019 £'000	2018 £'000
<b>Amounts falling due within one year</b>		
Trade creditors	(5,890)	-
UK Corporation Tax	(69)	-
Other creditors	(570)	(150)
Accruals and deferred Income	(7,153)	(4)
	<b>(13,682)</b>	<b>(154)</b>
<b>Amounts falling due after one year</b>		
Other creditors	(366)	(497)
	<b>(366)</b>	<b>(497)</b>
	<b>(14,048)</b>	<b>(651)</b>

## 8. Share capital

	2019 £'000	2018 £'000
Allotted, called and fully paid:		
<b>36 Ordinary shares of £100 each</b>	<b>4</b>	<b>4</b>

The ordinary shares all carry voting rights, dividends and repayment of capital rights in accordance with the articles.

## 9. Post balance sheet events

There are no post balance sheet events affecting the Company.



# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2019

## 10. Reserves

	2019 £'000	2018 £'000
Opening profit and loss account	(26)	(4)
Retained profit for the year	314	(22)
Dividends	-	-
Closing profit and loss account	288	(26)

## 11. Contingent Liabilities

There were no contingent liabilities at 31 March 2019 or 31 March 2018.

## 12. Capital Commitments

There were no capital commitments at 31 March 2019 or 31 March 2018.

## 13. Related party transactions

In accordance with the provisions of FRS 102 section 33, "Related Party Disclosures", the following transactions, being material to either party, are required to be disclosed.

### Member racecourses / racecourse groups

The racecourse operators below are members of Racecourse Retail Business Limited and have licensed certain media rights to the Company for sale to licensed betting offices.

### Related parties

Ascot Racecourse Limited  
Cartmel Steeplechases (Holker) Limited  
Goodwood Racecourse Limited  
Jockey Club Racecourses Limited \*  
Kelso Races Limited  
Musselburgh Joint Racing Committee  
Newbury Racecourse Plc  
The Perth Hunt  
Redcar Racecourse Limited  
The Beverley Race Company Limited  
The Bibury Club Limited (Salisbury Racecourse)  
The Catterick Racecourse Company Limited  
The Hamilton Park Racecourse Company Limited  
The Ludlow Race Club Limited  
The Pontefract Park Race Company Limited  
The Western Meeting Club Limited Ayr Racecourse  
Thirsk Racecourse Limited  
Wetherby Steeplechase Committee Limited  
York Racecourse Knavesmire LLP

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2019

\*Owner of 14 affiliated courses (Aintree, Carlisle, Cheltenham, Epsom Downs, Exeter, Haydock Park, Huntingdon, Kempton Park, Market Rasen, Newmarket, Nottingham, Sandown Park, Warwick and Wincanton).

## Amounts owed to member racecourses

During the year Racecourse Retail Business Limited incurred fixture incentives and licence fees from racecourse operators in relation to sale of their media rights to licensed betting offices. The total value of these licence fees and services was £74,436,000 (2018: £Nil). As at 31 March 2019 the balance outstanding was £10,093,000 (2018: £Nil).

## RMG Operations Limited (formerly Racing UK Limited)

RMG Operations Limited is a company controlled by substantially the same shareholders as Racecourse Retail Business Limited. During the year ended 31 March 2019, RMG Operations Limited charged £6,090,000 (2018: £36,000) for services to Racecourse Retail Business Limited predominantly in relation to production and delivery of TV programming. The total balance outstanding at 31 March 2019 was £2,414,000 (2018: £647,000).

## 14. Reconciliation of profit after tax to net cash generated from operating activities

	2019 £'000	2018 £'000
Profit After Tax	314	(22)
Adjustments for :		
Interest net	(34)	-
Increase in debtors	(3,042)	(629)
Increase in creditors	13,328	651
Corporation Tax	69	-
<b>Net cash inflow from operating activities</b>	<b>10,635</b>	<b>0</b>

## 15. Reconciliation of movement in shareholders' funds

	2019 £'000	2018 £'000
Opening shareholders' funds	(22)	(1)
Share issue	-	1
Retained profit of the year	314	(22)
<b>Closing shareholders' funds</b>	<b>292</b>	<b>(22)</b>

## 16. Ultimate controlling party

The directors administer the Company in accordance with the articles of association. There is no single controlling party.

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2019

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## 17. Reserves

### Share capital

Share capital represents the nominal value of shares issued.

### Profit and loss account

Includes all current and prior period retained profits and losses.