

# **Racecourse Retail Business Limited**

## **Directors' report and financial statements**

**For the year ended 31 March 2021**

**Company registration No. 09776843**



# Racecourse Retail Business Limited

## Strategic Report for the year ended 31 March 2021

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The directors present their strategic report with the financial statements of Racecourse Retail Business Limited ("the Company") for the year ended 31 March 2021.

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

The principal activity of the Company is the licensing of horseracing 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 financial year to 31 March 2021 has been dominated by the impact of COVID-19 which resulted in the significant disruption to income streams as a result of the suspension of horseracing in the UK from 18 March 2020 resuming on 1 June 2020. When horseracing resumed the business additionally suffered as there were regional, or total, enforced temporary closures of, or restrictions on the Licensed Betting Offices intermittently for the rest of the financial year. As a consequence, the Company's turnover in the year was £40.8m lower than the previous year whilst operating profit reduced by £0.1m.

Licensed Betting Offices have now been fully open since May 17 2021 and the business has made a full recovery.

Licence fees are paid to licensors in accordance with the terms of the licences.

### **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:

#### *Access to horseracing and Licensed Betting Offices*

The results for the year ended 31 March 2021 have been significantly affected by the COVID-19 pandemic. Revenues are £40.8m lower than the previous year; however, since the Company is largely a flow through vehicle passing licence fees to the shareholder member racecourses a corresponding decrease of £40.8m in cost of sales was seen with a decrease in profit of only £0.1m. The experience of the disruption to the business of COVID-19 has drawn into sharp focus the principal risks to the business of horseracing being suspended and Licensed Betting Offices being shut or having their trading significantly restricted. The Company has successfully navigated its way through these disruptions with the support of its principal customer SIS and the racecourse licensors. The process of coping with the pandemic has demonstrated the Company is well placed to cope with the altered trading conditions. This gives the Company confidence that it can successfully respond to the reimposition of restrictions should the need arise.

# Racecourse Retail Business Limited

## Strategic Report for the year ended 31 March 2021

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### *Media rights licences.*

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

### *Reliance on a key distributor*

The business distributes its horseracing media rights to the Licensed Betting Offices via its contractual arrangements with SIS. There are various step in and other contractual rights that the Company can action in the event of non performance by SIS.

### *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 nature of the business model of the Company and the structure of its media rights licences means that business has sufficient headroom to deal with all reasonable scenarios.

### *Legislative environment*

The Government implemented a significant reduction to the maximum stake for Fixed Odds Betting Terminals, effective 1 April 2019. This has resulted in a reduction in the number of Licensed Betting Offices who are the ultimate client of the Company. The effects of this reduction has been incorporated into the financial and operational forecasts for future periods. The Company regularly considers the impact of any potential future legislation on the business.

### **Key Performance Indicators ("KPIs")**

In the light of the exceptional circumstances prevailing in the year the Company has performed relatively well. The Company uses turnover, licence fees and the % of turnover which flows through to licence fees as key performance indicators. During the suspension of racing the Company managed to reduce its fixed cost base and the % of turnover which flowed through to licence fees only dropped by 6 percentage points to 86% (2019: 92%). Turnover was £31,565,000 (2019: £72,408,000) and licence fees payable to licensor racecourses were £27,110,000 (2019: £66,344,000).

### **Section 172 statement**

In accordance with section 172 of the UK Companies Act 2006, in its decision making the Board considers the interests of the business's employees and other stakeholders. The Board understands the importance of taking into account the views of all stakeholders and considers the impact of the Company's activities on the communities in which Racecourse Retail Business Limited operates, the environment and the Company's reputation. In its decision making, the Board also considers what is most likely to promote the success of the Company for its stakeholders in the long term.

# Racecourse Retail Business Limited

Strategic Report for the year ended 31 March 2021

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## ***How the Board engaged with key stakeholders during the year:***

### *Member racecourses*

Licensor racecourses are also shareholders of the Company and the business communicates to racecourses on a regular basis both formally and informally and the Company's Board includes racecourse representative directors. In response to the COVID-19 outbreak, the annual shareholder update was conducted remotely during the year.

### *Employees*

The Company has no employees.

### *Suppliers*

The Company's sole supplier is Racecourse Media Group Limited with which it is closely affiliated as a result of its substantially similar ownership. The level of communication with suppliers during 2020 has increased as new terms and working practices have evolved in response to the changing business environment.

### *Customers*

The Company maintains a close relationship with its customer including via regular meetings to ensure that it has a relevant understanding of the customer's needs and to remain a trusted partner. The level of communication with customers increased during 2020 as new commercial terms have been agreed in response to the changing business environment.

### *Communities*

The Company's principal community is the British horseracing industry and the Company via its activities seeks to ensure that it plays a full role in supporting the success of the industry via its products and services.

### *Environment*

The Company is cognisant of the importance of its impact on the environment and its supplier, Racecourse Media Group Limited, has begun a project to examine the feasibility of remote production in order to reduce the consumption of fossil fuels in its activities.

## ***How factors under s172 have influenced the Board's key decisions and strategy during the year:***

### *Strategy and Board*

During the year the Board met regularly to examine issues of strategy for the business, and in particular to review changes to operating practices and cost reduction required in response to the COVID-19 pandemic.

# Racecourse Retail Business Limited

Strategic Report for the year ended 31 March 2021

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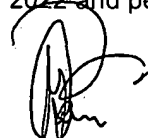
The development and implementation of the Company's strategy is led by the Chief Executive Officer, Martin Stevenson, who has a clear strategic vision and strong understanding of the needs and interests of the Company's stakeholders.

## *Corporate Governance*

In 2019 the Board appointed two new independent non-executive directors; Jim Mullen, CEO of Reach plc and Britt Boeskov, Chief Experience Officer of Kindred Group PLC who both bring relevant senior experience of sectors the business operates in. The Board now has three Independent non-executive directors as well as a non-executive chairman to provide oversight on governance issues.

## *Finances*

During the year, the Board requested and reviewed a series of projections and forecasts to ensure responses to the COVID-19 pandemic were timely and appropriate to ensure the ongoing financial health of the business, and to ensure intermediate action was not permanently detrimental to the longer-term strategic objectives of the business. The Board has approved a budget for year ending 31 March 2022 and performed a review of licence fee policy.



**M J Stevenson**  
Director

**Date 29 September 2021**

# Racecourse Retail Business Limited

## Report of the Directors for the year ended 31 March 2021

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The directors present their report and financial statements of Racecourse Retail Business Limited ("the Company") for the year ended 31 March 2021. 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 £180,000 (2020: £269,000) are set out in the Statement of Comprehensive Income and Retained Earnings on page 12.

The directors do not recommend the payment of a dividend for the year (2020: £nil).

### Directors

The directors shown below held office during the year from 1 April 2020 to the date of this report:

A E Anson  
I D Barnett (alternate for J Garratt)  
B I Boeskov  
W J P Derby (appointed 23 July 2021 as alternate for A J P Waterworth)  
R J N FitzGerald (resigned 11 September 2020)  
J Garratt  
R C Lewis  
I D McGregor (appointed 14 August 2020)  
N J Mills (appointed 30 September 2020)  
J J Mullen  
D M Parry (resigned 18 May 2020)  
J H Sanderson  
J J A Sanderson (alternate for J H Sanderson)  
J M Slot (resigned 14 August 2020)  
A L Starkey (appointed 18 May 2020 as alternate for N J Truesdale)  
M J Stevenson  
J M Thick (resigned 14 July 2021)  
N J Truesdale  
A J M Warwick (alternate for J M Slot, resigned 14 August 2020)  
A J P Waterworth

### 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;

# Racecourse Retail Business Limited

## Report of the Directors for the year ended 31 March 2021

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- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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: 29 September 2021

## **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 2021, which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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

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



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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

### **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.

### **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 have 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, 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.

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

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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and industry in which it operates through our general commercial and sector experience and discussions with management. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006) and the relevant tax compliance regulations in the UK.
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts.
- Audit procedures performed by the engagement team included:
  - evaluation of the procedures and controls established to address the risks related to irregularities and fraud;
  - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;

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

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- identifying and testing related party transactions
  - Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
    - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation; and
    - knowledge of the industry in which the client operates; and
    - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
      - the provisions of the applicable legislation; and
      - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules; and
      - the applicable statutory provisions.
  - We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

### 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.



### Nicholas Page PhD BSc FCA

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

30 September 2021

# Racecourse Retail Business Limited

Statement of Comprehensive Income and Retained Earnings for the year ended  
31 March 2021

	Note	2021 £'000	2020 £'000
<b>Turnover</b>		31,565	72,408
<b>Cost of sales</b>		(30,749)	(71,471)
<b>Gross profit</b>		<b>816</b>	<b>937</b>
Administrative expenses		(593)	(645)
<b>Operating profit</b>	2	<b>223</b>	<b>292</b>
Interest receivable	4	-	40
<b>Profit on ordinary activities before taxation</b>		<b>223</b>	<b>332</b>
Tax on profit on ordinary activities	5	(43)	(63)
<b>Profit for the year transferred to reserves</b>	10	<b>180</b>	<b>269</b>

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 16 to 22 form part of the financial statements.

# Racecourse Retail Business Limited

## Statement of Financial Position as at 31 March 2021

	<i>Note</i>	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Current assets</b>			
Debtors	6	5,030	4,444
Cash at bank		1,153	7,523
		<b>6,183</b>	<b>11,967</b>
<b>Creditors amounts falling due within one year</b>	7	<b>(5,318)</b>	<b>(11,159)</b>
<b>Net current assets</b>		<b>865</b>	<b>808</b>
<b>Creditors amounts falling due after one year</b>		<b>(124)</b>	<b>(247)</b>
<b>Net assets</b>		<b>741</b>	<b>561</b>
<b>Capital and reserves</b>			
Called up share capital	8	4	4
Profit and loss account		737	557
<b>Shareholders' funds</b>	15	<b>741</b>	<b>561</b>

The notes on pages 16 to 22 form part of the financial statements

The financial statements on pages 12 to 22 were approved and authorised for issue by the board of directors on 29 September 2021 and signed on its behalf by:



M J Stevenson  
Director

# Racecourse Retail Business Limited

## Statement of Cashflows as at 31 March 2021

	Notes	2021 £'000	2020 £'000
<b>Operating activities</b>			
Cash generated from operations	14	(6,307)	(3,117)
Net interest		-	40
Taxation - corporation tax paid		(63)	(69)
<b>Net cash from operating activities</b>		<b>(6,370)</b>	<b>(3,146)</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 (decrease) in cash and cash equivalents</b>		<b>(6,370)</b>	<b>(3,146)</b>
as at 1 April		7,523	10,669
<b>as at 31 March</b>		<b>1,153</b>	<b>7,523</b>

The notes on pages 16 to 22 form part of the financial statements.

# Racecourse Retail Business Limited

## Statement of Changes in Equity for the year ended 31 March 2021

	Share Capital £'000	Income Statement £'000	Total £'000
	Notes		
<b>Balance at 31 March 2019</b>	4	288	292
Profit for the year	-	269	269
<b>Balance at 31 March 2020</b>	4	557	561
Profit for the year	-	180	180
<b>Balance at 31 March 2021</b>	4	737	741

The notes on pages 16 to 22 form part of the financial statements.

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2021

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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 principal 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 horseracing 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 2021

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## **f) Going concern**

The Company had a profit for the year of £180,000 (2020: £269,000) and had net assets of £741,000 (2020: £561,000).

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.

Additionally, RMG Operations Limited will support the business if required and have provided the directors with a letter of support at the time of the approval of the financial statements to indicate this, meaning they will provide such support to enable the Company to meet their liabilities as they fall due for a period of at least 12 months. On the basis of the forecasts, the support from RMG and 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 terms 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.

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2021

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## 2. Operating profit

Operating profit is stated after charging:	2021 £'000	2020 £'000
Services provided by the Company's auditor:		
Auditor's remuneration	18	15
Other services relating to taxation	4	3
Fees for other services	3	3

## 3. Employees and Directors

The Company has no employees.

The Company made no contributions to a defined contribution pension scheme for directors during the year (2020: nil).

The Company made no compensation payments in respect of loss of office in the year (2020: nil). No share options have been granted to or exercised by any of the directors (2020: nil). During the year no director had an interest in the shares of the Company (2020: nil).

During the year, £4,182,000 (2020: £5,726,000) was charged from RMG Operations Limited (formerly Racing UK Ltd). The amount charged includes £222,000 (2020: £229,000) in respect of director's services and Non-Executive Directors who are contracted to RMG Operations Limited and recharged to Racecourse Retail Business.

## 4. Interest

	2021 £'000	2020 £'000
Bank interest receivable	-	40

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2021

## 5. Taxation

### Analysis of the tax charge

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax	43	63
<b>Tax on profit/(loss) on ordinary activities</b>	<b>43</b>	<b>63</b>

### The Company's effective tax rate reconciliation is

	2021 £'000	2020 £'000
Profit/(loss) on ordinary activities before tax	223	332
Tax on profit/(loss) on ordinary activities at standard corporation tax rate of 19% (PY: 19%)	43	63
Effects Of:		
Adjustments to tax charge in respect of previous periods	-	-
<b>Current tax charge for period</b>	<b>43</b>	<b>63</b>

## 6. Debtors

	2021 £'000	2020 £'000
<b>Amounts falling due within one year:</b>		
Prepayments & accrued income	4,736	3,299
Other debtors	170	900
	<b>4,906</b>	<b>4,199</b>
<b>Amounts falling due after one year:</b>		
Prepayments & accrued income	124	245
	<b>124</b>	<b>245</b>
<b>Total Debtors</b>	<b>5,030</b>	<b>4,444</b>

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2021

## 7. Creditors

	2021 £'000	2020 £'000
<b>Amounts falling due within one year</b>		
Trade creditors	(806)	(5,157)
UK Corporation Tax	(43)	(63)
Other creditors	(124)	(124)
Accruals and deferred Income	(4,345)	(5,815)
	<u>(5,318)</u>	<u>(11,159)</u>
<b>Amounts falling due after one year</b>		
Other creditors	(124)	(247)
	<u>(124)</u>	<u>(247)</u>
<b>Total Creditors</b>	<u>(5,442)</u>	<u>(11,406)</u>

## 8. Share capital

	2021 £'000	2020 £'000
Allotted, called and fully paid:		
<b>36 Ordinary shares of £100 each</b>	<u>4</u>	<u>4</u>

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

## 9. Post statement of financial position events

There are no post statement of financial position events affecting the Company.

## 10. Reserves

	2021 £'000	2020 £'000
Opening profit and loss account	557	288
Retained profit for the year	180	269
<b>Closing profit and loss account</b>	<u>737</u>	<u>557</u>

## 11. Contingent liabilities

There were no contingent liabilities at 31 March 2021 or 31 March 2020.

## 12. Capital commitments

There were no capital commitments at 31 March 2021 or 31 March 2020.

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2021

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## 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  
Leicester Racecourse Holdings Limited  
Musselburgh Joint Racing Committee  
Newbury Racecourse Plc  
The Perth Hunt Club  
Redcar Racecourse Limited  
Stratford-on-Avon Racecourse Company Limited  
Taunton Racecourse Company Limited  
The Beverley Race Company Limited  
The Bibury Club Limited (Salisbury Racecourse)  
The Catterick Racecourse Company Limited  
The Chester Race 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

\*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 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 £27,110,000 (2020: £66,344,000). As at 31 March 2021 the balance outstanding was £3,189,000 (2020: £6,361,000).

# Racecourse Retail Business Limited

Notes to the financial statements for the year ended 31 March 2021

## 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 2021, RMG Operations Limited charged £4,182,000 (2020: £5,726,000) for services to Racecourse Retail Business Limited predominantly in relation to production and delivery of TV programming. The total balance outstanding at 31 March 2021 was £1,961,000 (2020: £2,181,000).

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

	2021 £'000	2020 £'000
Profit after tax	180	269
Adjustments for :		
Interest net	-	(40)
(Increase) in debtors	(586)	(773)
(Decrease) in creditors	(5,944)	(2,642)
Corporation Tax	43	69
<b>Net cash inflow from operating activities</b>	<b>(6,307)</b>	<b>(3,117)</b>

### 15. Reconciliation of movement in shareholders' funds

	2021 £'000	2020 £'000
Opening shareholders' funds	561	292
Retained profit of the year	180	269
<b>Closing shareholders' funds</b>	<b>741</b>	<b>561</b>

### 16. Ultimate controlling party

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

### 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.