THE LEOPARDSTOWN CLUB LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Registered Number 1246

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THE LEOPARDSTOWN CLUB LIMITED
DIRECTORS AND OTHER INFORMATION

Directors	Mr. J. Keeling (Chairperson: Resigned 10 June 2018) Mr. N. Hartery (Chairperson: Appointed 23 July 2018) Mr. R. Horan Mr. B. Kavanagh Mr. J. Osborne (Appointed 8 September 2017)
Secretary	Mr. R. Horan Ms. S. Eade (Appointed deputy Company Secretary 8 September 2017)
Registered Office	Horse Racing Ireland Ballymany The Curragh Co. Kildare
Auditors	Comptroller & Auditor General 3A Mayor Street Upper Dublin 1
Solicitors	William Fry Grand Canal Square Dublin 2 Kilroy Solicitors 69 Lr Leeson Street Dublin 2
Bankers	Bank of Ireland 2 College Green Dublin 2

THE LEOPARDSTOWN CLUB LIMITED
DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2017.

Principal activities and business review

The principal activities of the company continue to be the holding of race meetings, a golf centre and rental property. The company is a subsidiary of HRI Racecourses Limited and its ultimate parent is Horse Racing Ireland.

Results for the financial year	2017 €	2016 €
Profit/(Loss) on ordinary activities before taxation	1,010,837	(844,050)
Tax on profit/(loss) on ordinary activities	(217,980)	410,313
Profit/(loss) for the financial year	792,857	(433,737)

In the opinion of the directors, the state of affairs of the company is satisfactory.

Directors and interests

The directors who held office at 31 December 2017 are listed on page 2. Since 31 December 2017 Joe Keeling has retired and Nicholas Hartery was appointed.

The directors and secretary at 31 December 2017 had no interests in the share capital of the company or its fellow subsidiaries.

The directors received no fees or expenses in the year (2016: Nil). Please see Horse Racing Ireland for further details.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285, Companies Act, 2014, regarding adequate accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are maintained at the company's office at Ballymany, The Curragh, Co. Kildare.

Statement on relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the auditors are unaware.

Events since the financial year end

There has been no significant events affecting the company since the financial year end.

Principal risks and uncertainties

There are certain risks and uncertainties which may have an effect on the company's performance. This includes:

- where the racecourse is unable to hold a race meeting due to the weather conditions it will endeavour to reschedule the race meeting to a later date.
- where the golf centre is closed due to weather conditions.
- rental property values.

The company has considered the risks and is in a position to respond quickly to changes in economic conditions to ensure its business objectives are achieved.

Legal status

In accordance with Section 55 of the Companies Act 2014, the Company automatically became a Private Company Limited by Shares (LTD) on 1 December 2016.

Auditors

In accordance with Section 383 (2) of the Companies Act 2014 and section 13 (2) of the Horse and Greyhound Racing Act 2001 the Comptroller and Auditor General will continue as auditor of the company.

Directors' responsibilities statement

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and generally accepted accounting practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

Directors' responsibilities statement (continued)

In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards.

The directors are responsible for ensuring that the company keeps adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

Code of Practice for the Governance of State Bodies (2016)

The Code of Practice for the Governance of State Bodies (2016) requires additional disclosures in relation to certain categories of expenditure. These requirements have been addressed in the Governance Statements and Statement on internal control within the Group Financial Statements of Horse Racing Ireland.

The company was compliant with the Code of Practice for the Governance of State Bodies in 2017.

Signed on behalf of the Board

Brian Kavanagh
Director

John Osborne
Director

10TH SEPTEMBER 2018
Date

Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

The Leopardstown Club Limited

Opinion on financial statements

I have audited the financial statements of The Leopardstown Club Limited for the year ending 31 December 2017 as required under the provisions of section 13 of the Horse and Greyhound Racing Act 2001. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of financial position and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of The Leopardstown Club Limited at 31 December 2017 and of its income and expenditure for 2017
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the company and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions related to going concern

As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going concern basis of accounting by the directors and
- 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.

I have nothing to report in that regard.

Opinion on matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, I report that in my opinion

- the information given in the directors' report is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

In my opinion, the accounting records of The Leopardstown Club Limited were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

Report on information other than the financial statements, and on other matters

The directors have presented a directors' report together with the financial statements. My responsibilities to report in relation to information presented with (but not part of) the financial statements (such as the directors' report), and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Patricia Sheehan

Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General

18 September 2018

Appendix to the report

Responsibilities of the Directors

The directors' report sets out the directors' responsibilities. The directors are responsible for

- the preparation of financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 13 of Horse and Greyhound Racing Act 2001 to audit the financial statements of The Leopardstown Club Limited and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Leopardstown Club Limited's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the company to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

THE LEOPARDSTOWN CLUB LIMITED
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		€	€
Income from racing		6,502,773	6,046,294
Income from property		753,194	736,140
Income from golf		1,132,525	1,182,437
Turnover	2	8,388,492	7,964,871
Operating expenses	4	(6,566,952)	(6,024,578)
Administrative expenses	4	(1,618,680)	(1,548,490)
Other operating income	5	765,911	522,081
Operating Profit		968,771	913,884
Exceptional item	6	50,000	(1,740,000)
Profit/(Loss) on ordinary activities before interest		1,018,771	(826,116)
Interest receivable	7	4	2,793
Interest payable	8	(7,938)	(20,727)
Profit/(Loss) on ordinary activities before taxation	9	1,010,837	(844,050)
Tax on (loss)/profit on ordinary activities	12	(217,980)	410,313
Profit/(Loss) for the financial year		792,857	(433,737)
Retained profits at 1 January		33,275,518	33,709,255
Retained profits at 31 December		34,068,375	33,275,518

Notes 1 to 27 form part of these financial statements.

The company had no recognised gains and losses in the financial year or the preceding financial year other than those dealt with in the Statement of Income and Expenditure and Retained Revenue Reserves. The results on ordinary activities arises solely from continuing activities.

The financial statements were approved by the Board of Directors on 10/9/18 and signed on its behalf by:

Brian Kavanagh
Director

John Osborne
Director

10TH SEPTEMBER 2018
Date

THE LEOPARDSTOWN CLUB LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Notes	2017 €	2016 €
Fixed assets			
Tangible assets	13	30,033,227	30,668,940
Investment properties	14	7,100,000	7,050,000
		37,133,227	37,718,940
Current assets			
Debtors: (Amount falling due within one year)	15	3,075,912	5,692,987
Cash at bank and in hand		4,057,709	2,278,066
		7,133,621	7,971,053
Creditors: (Amounts falling due within one year)	16	(4,015,385)	(3,911,379)
Net current assets		3,118,236	4,059,674
Total assets less current liabilities		40,251,463	41,778,614
Provision for liabilities	19	(1,320,252)	(1,273,679)
Deferred capital grants	20	(3,324,743)	(5,691,324)
Net assets		35,606,468	34,813,611
Capital and reserves			
Called up share capital presented as equity	21	39,782	39,782
Share Premium	21	1,498,311	1,498,311
Retained profits		34,068,375	33,275,518
Shareholders' funds		35,606,468	34,813,611

Notes 1 to 27 form part of these financial statements.

The financial statements were approved by the Board of Directors on 10/09/18... and signed on its behalf by:

Brian Kavanagh
Director

John Osborne
Director

10th September 201
Date

1. Accounting policies

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the company's financial statements.

General Information and Basis of Accounting

Statement of compliance
The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value in accordance with the Companies Act 2014 and generally accepted accounting practice including Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The unit of currency in which the financial statements are presented is Euro.

The Leopardstown Club Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Leopardstown Club Limited is consolidated in the financial statements of its ultimate parent, Horse Racing Ireland, which may be obtained at Horse Racing Ireland, Ballymany, The Curragh, Co. Kildare. Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

As outlined in the Directors' report, the principal activity of the company is the holding of race meetings and related activities including a golf course and investment properties.

Income

Turnover which is recognised on an accruals basis represents income earned during the financial year from the provision of racing and golfing facilities and related activities and from income earned on the rental of the company's facilities.

Interest income is recognised when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of the interest income can be measured reliably. This is calculated using the effective interest rate method.

Deferred capital grants

Grants are recognised using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the Statement of Income and Expenditure and Retained Revenue Reserves over the expected useful life of the related assets, by equal annual instalments. Grants towards revenue expenditure are released to the Statement of Income and Expenditure and Retained Revenue Reserves as the related expenditure is incurred.

1. Accounting policies (continued)

Deferred income

Deferred membership and hospitality suites
Monies received for life and other membership are being amortised as follows:

Memberships	Over period of concession
Hospitality suites	Over period of concession
Admissions	Over period of concession

Other deferred income amounts are amortised over the period of concession.

Retirement benefit

Defined contribution scheme
Payments to the defined contribution scheme are charged to the Statement of Income and Expenditure and Retained Revenue Reserves in the financial year to which they relate.

Defined benefit scheme
The company has availed of disclosure exemptions applicable to multi-employer schemes under FRS102. The retirement benefit charge in the Statement of Income and Expenditure and Retained Revenue Reserves represents contributions made in the financial year.

Taxation and deferred tax

The yearly charge for taxation is based on the profit for the financial year and is calculated with reference to the tax rates applying at the Statement of Financial Position date.

Deferred tax is calculated on the differences between the company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Full provision for deferred tax assets and liabilities is made at tax rates that are expected to apply on reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

A net deferred asset is regarded as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1. Accounting policies (continued)

Tangible fixed assets

All tangible fixed assets are initially recorded at historic cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset systematically over its estimated useful life, on the straight line basis, at the following annual rates:

Freehold land	Nil
Racecourse buildings	2% - 10% straight line
Golf course buildings	2% straight line
Equipment, furniture and fittings	5% - 10% straight line
Tennis courts and car parks	2% - 5% straight line
Plant and equipment	10% - 33.33% straight line
Computers	20% - 33.33% straight line
Motor vehicles	20% - 33.33% straight line
Track enhancement	2% - 5% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Assets under construction are not depreciated until the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

Rental income arising on investment property is accounted for on a straight-line basis over the lease term of the ongoing leases.

1. Accounting policies (continued)

Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight line basis over the lease period.

Rental income arising on operating leases is accounted for on a straight-line basis over the lease term of the ongoing leases.

Operating Lease incentives
Operating lease incentives granted as a reduction against rental income are recognised over the lease term on a straight line basis.

Ordinary Share Capital
The ordinary share capital of the company is presented as equity.

Financial Instruments

Cash and cash equivalents
Cash consists of cash on hand and demand deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

Other financial assets
Other financial assets including trade and other debtors are initially measured at transaction price and subsequently where necessary, less of any provision for impairment.

Other financial liabilities
Other financial liabilities comprising of trade and other payables are measured at transaction price. Amounts owed to parent are shown at original cost.

Exceptional Items

In order to highlight significant items within the company results for the year, the company include significant items as exceptional items within The Statement of Income and Expenditure and Retained Revenue Reserves. Such items may include: impairment of assets, litigation settlements and profit or loss on disposal of investments. Judgment is used by management in assessing the particular items, which by virtue of their scale and nature, should be disclosed in The Statement of Income and Expenditure and Retained Revenue Reserves and notes as exceptional items.

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Going concern
The directors have prepared budgets and cash flows for the next financial period which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

Useful lives of tangible fixed assets
The annual depreciation charge depends primarily on the estimated lives of each type of asset. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation was €27,728,750 (2016: €28,364,463).

Valuation of investment property
Significant assumptions were applied in the valuation of investment properties. These assumptions applied to size, location, terms, covenant and other material factors.

Litigation
The court proceedings between The Leopardstown Club Limited and Templeville Developments Limited concluded with a Supreme Court ruling in favour of The Leopardstown Club Limited. The court also awarded costs to The Leopardstown Club Limited together with the costs of proceedings in the High Court and the Court of Appeal. Templeville Developments Limited have commenced payments on a monthly basis to The Leopardstown Club Limited in relation to the award of costs.

2. Income

	2017 €	2016 €
Income from racing	6,502,773	6,046,294
Income from property	753,194	736,140
Income from golf	1,132,525	1,182,437
Turnover	8,388,492	7,964,871

3. Staff numbers and costs

The average number of persons employed by the company during the financial year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Full time staff	45	43
Part time and casual staff	27	33
	72	76

The aggregate payroll costs of these persons were as follows:	2017	2016
	€	€
Wages and salaries	1,988,978	1,968,202
Social welfare costs	208,666	199,019
Other retirement benefit costs	155,225	150,103
	2,352,869	2,317,324

Included within the figure for wages & salaries are amounts relating to overtime €40,877 (2016: €53,966) and allowances €15,095 (2016: €9,348).

Other retirement benefit costs include employer's contribution to scheme costs and the cost of death in service benefit.

No breakdown of total employee remuneration over €60,000 in increments of €10,000, was included in The Leopardstown Club Limited as required under circular 13/2014 by the Department of Public Expenditure and Reform (DPER). The Leopardstown Club Limited is consolidated in the financial statements of its parent, Horse Racing Ireland, where the employee benefit breakdown disclosure note under DPER circular 13/2014 is included.

4. Operating and Administration expenses

	2017	2016
	€	€
Operating expenses		
Labour	1,074,248	1,090,787
Marketing	966,132	916,162
Maintenance and course upkeep	504,017	472,542
Rates and insurance	303,759	264,326
Depreciation	1,299,178	1,215,619
Other operating expenses	2,419,618	2,065,142
	6,566,952	6,024,578
Administration expenses		
Labour	1,278,621	1,226,537
Rates and insurance	74,865	72,143
Other administration expenses	265,194	249,810
	1,618,680	1,548,490

5. Other operating income

	2017	2016
	€	€
Capital grant amortisation	525,911	457,575
Revenue grants received from Horse Racing Ireland	40,000	40,000
Other revenue grants	-	20,000
Conciliation and arbitration payments (Note 25)	200,000	-
Profit on disposal of asset	-	4,506
	765,911	522,081

6. Exceptional item

	2017	2016
	€	€
Fair value movement on investment properties	50,000	(1,740,000)

Investment properties were valued to fair value by Knight Frank, an independant valuer. Please see note 14 for further details.

7. Interest receivable

	2017	2016
	€	€
Bank interest receivable	4	2,793

8. Interest payable

	2017	2016
	€	€
On borrowings from parent	7,938	20,727

9. Statutory and other information

	2017	2016
	€	€
Operating Profit is stated after charging:		
Depreciation	1,299,178	1,215,619
Auditors' remuneration	7,000	8,000
Operating lease rentals	7,341	8,313
Fair value movement on investment properties	-	1,740,000
and after crediting:		
Profit on disposal of asset	-	4,506
Fair value movement on investment properties	50,000	-
Capital grant amortisation	525,911	457,575
Conciliation and arbitration payments (Note 25)	200,000	-

10. Directors Remuneration

There was no directors' remuneration or directors' expenses in the financial year or the preceding financial year.

11. Retirement benefit information

	2017	2016
	€	€
Defined contribution retirement benefit scheme		
Contribution to defined contribution retirement benefit scheme	112,018	107,911

The company operates a defined contribution scheme for certain employees. The assets of the scheme are vested in independent trustees for the sole benefit of these employees. There are no amounts due to or from the scheme as at the financial year end. The company offers a PRSA to all other employees.

12. Taxation

(A) Analysis of charge/(credit) in the financial year

	2017 €	2016 €
Current tax:		
Corporation tax	171,407	133,870
Deferred tax:		
Origination and reversal of timing differences (Note 19)	46,573	(544,183)
Tax on profit on ordinary activities	217,980	(410,313)

(B) Reconciliation between tax charge/(credit) included in profit and loss and profit on ordinary activities before tax multiplied by the applicable tax rate:

The tax assessed for the financial year is different to the standard rate of corporation tax in Ireland (12.5 per cent). The differences are explained below:

	2017 €	2016 €
Profit/(Loss) on ordinary activities before taxation	1,010,837	(844,050)
Profit/(Loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in Ireland of 12.5% (2016 - 12.5%)	126,355	(105,506)
Effect of:		
Non deductible expenses	9,045	224,002
Non allowable income	(71,989)	(63,059)
Depreciation in excess of capital allowances	61,337	53,696
Income taxable at higher rate	46,659	40,189
Losses utilised on current period basis - Case I	-	(15,452)
Current tax charge for the year	171,407	133,870

13. Tangible fixed assets

	Land & Buildings	Assets in Course of Construction	Plant, Machinery, & Motor Vehicles	Office Equipment & Fixtures & Fittings	Total
	€	€	€	€	€
Cost					
At 1 January 2017	39,204,136	531,803	3,757,638	10,206,643	53,700,220
Additions	165,651	287,213	103,777	106,824	663,465
At 31 December 2017	39,369,787	819,016	3,861,415	10,313,467	54,363,685
Depreciation					
At 1 January 2017	14,146,650	-	1,853,608	7,031,022	23,031,280
Charge for financial year	626,581	-	255,844	416,753	1,299,178
At 31 December 2017	14,773,231	-	2,109,452	7,447,775	24,330,458
Net book value					
At 31 December 2017	24,596,556	819,016	1,751,963	2,865,692	30,033,227
At 31 December 2016	25,057,486	531,803	1,904,030	3,175,621	30,668,940

13. Tangible fixed assets (continued)

In respect of prior financial year:	Land & Buildings	Assets in Course of Construction	Plant, Machinery, & Motor Vehicles	Office Equipment & Fixtures & Fittings	Total
	€	€	€	€	€
Cost					
At 1 January 2016	35,890,862	4,944,383	2,957,247	8,297,388	52,089,880
Additions	652,053	456,178	198,370	335,239	1,641,840
Transfers	2,661,221	(4,868,758)	633,521	1,574,016	-
Disposals	-	-	(31,500)	-	(31,500)
At 31 December 2016	39,204,136	531,803	3,757,638	10,206,643	53,700,220
Depreciation					
At 1 January 2016	13,533,468	-	1,665,690	6,642,753	21,841,911
Charge for financial year	613,182	-	214,168	388,269	1,215,619
Disposals	-	-	(26,250)	-	(26,250)
At 31 December 2016	14,146,650	-	1,853,608	7,031,022	23,031,280
Net book value					
At 31 December 2016	25,057,486	531,803	1,904,030	3,175,621	30,668,940
At 31 December 2015	22,357,394	4,944,383	1,291,557	1,654,635	30,247,969

14. Investment Properties

	2017	2016
	€	€
At 1 January	7,050,000	8,790,000
Gain/(Loss) on fair value movement on revaluation	50,000	(1,740,000)
At 31 December	7,100,000	7,050,000

Investment properties, which are a health and fitness club and a retail unit, were valued to fair value by Knight Frank, an independent valuer with recent experience in the location and class of investment property being valued. The method to determine fair value was the comparative and investment methods and significant assumptions were applied to size, location, terms, covenant and other material factors. There are no restrictions on the realisability of investment property.

15. Debtors: (Amounts falling due within one year)

	2017	2016
	€	€
Trade debtors	2,157,443	1,654,112
Accrued income and prepayments	206,025	524,705
Amounts owed from parent and group companies	712,444	3,514,170
	3,075,912	5,692,987

16. Creditors: (Amounts falling due within one year)

	2017	2016
	€	€
Trade creditors	597,174	179,321
Amounts owed to parent and group companies	1,287,598	1,430,849
Taxation and social welfare	107,810	175,584
Accruals	1,042,146	1,286,396
Other creditors	91,019	82,201
Deferred income (Note 18)	889,638	757,028
	4,015,385	3,911,379

All amounts included above are unsecured.

Taxation and social welfare is split out as follows:

PAYE	3,568	5,589
PRSI	10,234	10,836
VAT	17,454	67,446
Corporation tax	37,536	53,618
Other taxes	39,018	38,095
	107,810	175,584

17. Details of borrowings

	Within 1 year	Between 1 & 2 years	Between 2 & 5 years	After 5 years	Total
	€	€	€	€	€
Repayable by installments					
Amounts owed to parent	175,000	175,000	490,690	-	840,690
	175,000	175,000	490,690	-	840,690
In respect of prior financial year:	175,000	175,000	525,000	140,690	1,015,690

During 2016, it was agreed that an amount in the sum of €1,500,000 due from the repayment of a loan made by Horse Racing Ireland to The Leopardstown Club Limited be converted from debt to equity. Please see note 21 for further details.

Interest is charged at a 3 month Euribor rate plus margin. The loan agreement states that the loan is repayable on demand and therefore the full amount due is classified as amounts falling due within one year. These amounts are unsecured.

18. Deferred income

	2017	2016
	€	€
Amounts falling due within one year:		
Annual seats and badges	77,330	83,957
Annual suites	164,944	185,044
Annual track signage	10,252	6,252
Media deferred income	273,211	300,962
Miscellaneous deferred income	363,901	180,813
	889,638	757,028

19. Provision for liabilities

	2017	2016
	€	€
Deferred taxation		
At 1 January	1,273,679	1,817,862
(Released)/Charged to Statement of Income and Expenditure and Retained Revenue Reserves	46,573	(544,183)
At 31 December	1,320,252	1,273,679
Components of deferred taxation		
Valuation of investment properties	1,165,813	1,149,313
Accelerated capital allowances	154,439	124,366
	1,320,252	1,273,679

20. Deferred capital grants

	2017	2016
	€	€
At 1 January	5,691,324	4,238,229
Received during the financial year	1,098,320	1,910,670
Project Deferral	(2,938,990)	-
Released to Statement of Income and Expenditure and Retained Revenue Reserves	(525,911)	(457,575)
At 31 December	3,324,743	5,691,324

Deferred capital grants are disclosed separately from other liabilities as it is believed that this treatment is more appropriate to the circumstances of a State body.
During the financial year, some capital projects scheduled for 2017 were deferred to future financial years.

21. Called up share capital presented as equity

	2017	2016
	€	€
Alloted, called up and fully paid		
Ordinary shares of €12.69738 each at 1 January	39,782	38,093
Share issue - 133 shares of €12.69738 each	-	1,689
3,133 Ordinary shares of €12.69738 each at 31 December	39,782	39,782
Share Premium		
At 1 January	1,498,311	-
Share issue	-	1,498,311
At 31 December	1,498,311	1,498,311

During 2016, it was agreed that an amount in the sum of €1,500,000 due from the repayment of a loan made by Horse Racing Ireland to The Leopardstown Club Limited be converted from debt to equity. This conversion was achieved through the issuing of 133 ordinary shares in The Leopardstown Club Limited at a total share consideration of €1,500,000 (€11,278 per share).

22. Reserves

Retained profits includes all cumulative gains and losses recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

23. Operating Leases

Operating Leases - Lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	€	€
Due:		
Within one year:	7,340	8,313
Within two to five years:	7,088	14,429
After five years:	-	-
	14,428	22,742

Operating Leases - Lessor

Total future minimum lease income under non-cancellable operating leases are as follows:

	2017	2016
	€	€
Owed:		
Within one year:	546,241	634,241
Within two to five years:	2,152,966	2,160,966
After five years:	5,347,978	5,891,959
	8,047,185	8,687,166

23. Operating Leases (continued)

Significant leasing arrangements
The health and fitness club has a 35 year lease expiring in 2033. A rent review due in January 2018 is being assessed.
There are two retail unit operating leases detailed as follows:
The first retail unit has a 20 year lease expiring in January 2018. A 10 year lease extension is being assessed.
The second retail unit has a 16 year lease expiring in February 2032.

24. Capital commitments

Future capital committed but not provided for in these financial statements are as follows:

	2017	2016
	€	€
Contracted	36,525	10,576

25. Contingent liabilities

Litigation
The court proceedings between The Leopardstown Club and Templeville Developments Limited concluded with a Supreme Court ruling in favour of The Leopardstown Club Limited in July 2017. The court also awarded costs to The Leopardstown Club Limited together with the costs of proceedings in the High Court and Court of Appeal. Templeville Developments Limited have commenced payments on a monthly basis to The Leopardstown Club Limited in relation to the award of costs (Note 9).

Other
Under an agreement between The Leopardstown Club Limited and Horse Racing Ireland, capital grants amounting in total at 31 December 2017 to €5,469,000 (2016: €4,471,000) have been received. If racing ceases to take place at Leopardstown Racecourse, the company may be liable to make repayments to Horse Racing Ireland.

26. Holding company and related party transactions

The company is a subsidiary of HRI Racecourses Limited and its ultimate parent is Horse Racing Ireland. Both companies are incorporated in the Republic of Ireland. Copies of the financial statements of Horse Racing Ireland are available from Horse Racing Ireland, Ballymany, The Curragh, Co. Kildare.

In accordance with the exemption afforded by paragraph 33.1A from the provisions of FRS 102, 'related party transactions', there is no disclosure in these financial statements of transactions with wholly owned subsidiaries. Horse Racing Ireland, Navan Races Limited, Fairyhouse Club Limited, The Tipperary Race Company Plc, Tote Ireland Limited, Irish Thoroughbred Marketing Limited, HRI Racecourses Limited and Cork Racecourse Limited are all considered related parties because they are part of a group in which The Leopardstown Club Limited is not a wholly owned subsidiary undertaking.

26. Holding company and related party transactions (continued)

In accordance with the exemption afforded by FRS102 paragraph 1.12, there is no disclosure in these financial statements of key management personnel compensation.

Transactions in the financial year between the company and its related parties included payroll and cost recharges of €1,914,795 (2016: €1,590,593), bookmakers income of €184,212 (2016: €205,088), sponsorship collected of €578,000 (2016: €570,000) and interest charged of €6,930 (2016: €20,727). The company received grants totalling €1,138,320 (2016: €1,950,670) from related parties.

During the financial year, the company received repayments on intercompany amounts of nil (2016: nil) The Leopardstown Club Limited repaid intercompany amounts of €175,000 (2016: €175,000).

During the financial year, The Leopardstown Club Limited advanced short term loans of nil (2016: €30,000) to related parties and received short term loan repayments of nil (2016: €30,000).

At the end of the financial year, the amounts due from/(to) related parties are as follows:

Related party name	2017	2016
	€	€
Fairyhouse Club Limited	53,053	30,734
Cork Racecourse Limited	953	-
Navan Races Limited	439,895	408,112
Horse Racing Ireland	(1,094,144)	1,623,484
Tote Ireland Limited	17,276	18,287
The Tipperary Race Company Plc	7,813	2,703

27. Approval of financial statements

The Board of Directors approved these financial statements for issue on ..... 10TH SEPTEMBER 2018.

CORK RACECOURSE LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Registered Number 225592

CORK RACECOURSE LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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CORK RACECOURSE LIMITED
DIRECTORS AND OTHER INFORMATION

Directors	Mr. J. Keeling (Chairperson: Resigned 10 June 2018) Mr. N. Hartery (Chairperson: Appointed 23 July 2018) Mr. R. Horan Mr. B. Kavanagh Mr. J. Osborne (Appointed 8 September 2017)
Secretary	Mr. R. Horan Ms. S. Eade (Appointed deputy Company Secretary 8 September 2017)
Registered Office	Horse Racing Ireland Ballymany The Curragh Co. Kildare
Auditors	Comptroller & Auditor General 3A Mayor Street Upper Dublin 1
Solicitors	William Fry 2 Grand Canal Square Dublin 2

CORK RACECOURSE LIMITED
DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2017.

Principal activities and business review

The principal activity of the company is the ownership of a racecourse at Mallow. The racecourse lands are leased to a racecourse operating company. The company is a wholly owned subsidiary of HRI Racecourses Limited and its ultimate parent is Horse Racing Ireland.

Results for the financial year	2017 €	2016 €
Profit on ordinary activities before taxation	6,259	4,489
Tax on profit on ordinary activities	(2,187)	(953)
Profit for the financial year	4,072	3,536

In the opinion of the directors, the state of affairs of the company is satisfactory.

Directors and interests

The directors who held office at 31 December 2017 are listed on page 2. Since 31 December 2017 Joe Keeling has retired and Nicholas Hartery was appointed.

The directors and secretary at 31 December 2017 had no interests in the share capital of the company or its fellow subsidiaries.

The directors received no fees or expenses in the year (2016: Nil). Please see Horse Racing Ireland for further details.

Statement on relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the auditors are unaware.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285, Companies Act 2014, regarding adequate accounting records are the implementation of necessary policies and procedures for recording transactions, the utilisation of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are maintained at the company's office at Ballymany, The Curragh, Co. Kildare.

Events since the financial year end

There have been no significant events affecting the company since the financial year end.

Principal risks and uncertainties

There are certain risks and uncertainties which may have an effect on the company's performance. These include:

- The continuance of the lessee operating on a going concern basis.

The company has considered the risks and is in a position to respond quickly to changes in economic conditions to ensure its business objectives are achieved.

Auditors

In accordance with Section 383 (2) of the Companies Act 2014 and section 13 (2) of the Horse and Greyhound Racing Act 2001 the Comptroller and Auditor General will continue as auditor of the company.

Legal Status

In accordance with Section 55 of the Companies Act 2014, the Company automatically became a Private Company Limited by Shares (LTD) on 1 December 2016.

Directors' responsibilities statement

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and generally accepted accounting practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

Directors' responsibilities statement (continued)

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards.

The directors are responsible for ensuring that the company keeps adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

Code of Practice for the Governance of State Bodies (2016)

The Code of Practice for the Governance of State Bodies (2016) requires additional disclosures in relation to certain categories of expenditure. These requirements have been addressed in the Governance Statements and Statement on internal control within the Group Financial Statements of Horse Racing Ireland.

The company was compliant with Code of Practice for the Governance of State Bodies in 2017.

Signed on behalf of the Board

Brian Kavanagh
Director

John Osborne
Director

10TH SEPTEMBER 2018
Date

Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Cork Racecourse Limited

Opinion on financial statements

I have audited the financial statements of Cork Racecourse Limited for the year ending 31 December 2017 as required under the provisions of section 13 of the Horse and Greyhound Racing Act 2001. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of financial position and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of Cork Racecourse Limited at 31 December 2017 and of its income and expenditure for 2017
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the company and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions related to going concern

As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going concern basis of accounting by the directors and
- 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.

I have nothing to report in that regard.

Opinion on matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, I report that in my opinion

- the information given in the directors' report is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

In my opinion, the accounting records of Cork Racecourse Limited were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

Report on Information other than the financial statements, and on other matters

The directors have presented a directors' report together with the financial statements. My responsibilities to report in relation to information presented with (but not part of) the financial statements (such as the directors' report), and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Patricia Sheehan

Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General

18 September 2018

Appendix to the report

Responsibilities of the Directors

The directors' report sets out the directors' responsibilities. The directors are responsible for

- the preparation of financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 13 of Horse and Greyhound Racing Act 2001 to audit the financial statements of Cork Racecourse Limited and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Cork Racecourse Limited's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the company to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

CORK RACECOURSE LIMITED
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017 €	2016 €
Operating income		15,138	15,138
Operating expenses		(8,879)	(10,649)
Operating Profit	2	6,259	4,489
Tax on profit on ordinary activities	3	(2,187)	(953)
Profit for the financial year		4,072	3,536
Retained profits at 1 January		1,243,081	1,239,545
Retained profits at 31 December		1,247,153	1,243,081

Notes 1 to 12 form part of these financial statements.

The company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the Statement of Income and Expenditure and Retained Revenue reserves. The result on ordinary activities arises solely from continuing activities.

The financial statements were approved by the Board of Directors on 10/09/18 and signed on its behalf by:

Brian Kavanagh
Director

John Osborne
Director

10TH SEPTEMBER 2018
Date

CORK RACECOURSE LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Notes	2017	2016
		€	€
Fixed assets			
Tangible assets	4	1,202,972	1,202,972
Current assets			
Debtors	5	59,806	54,685
Creditors: (Amounts falling due within one year)	6	(2,928)	(1,879)
Net current assets		56,878	52,806
Net assets		1,259,850	1,255,778
Capital and reserves			
Called up share capital presented as equity	7	12,697	12,697
Retained profits		1,247,153	1,243,081
Shareholders' funds		1,259,850	1,255,778

Notes 1 to 12 form part of these financial statements.

The financial statements were approved by the Board of Directors on 10/09/18 and signed on its behalf by:

Brian Kavanagh
Director

John Osborne
Director

10TH SEPTEMBER 2018
Date

1. Accounting policies

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the company's financial statements.

General Information and Basis of Accounting

Statement of compliance
The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value in accordance with the Companies Act 2014 and generally accepted accounting practice including Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The unit of currency in which the financial statements are denominated is Euro.

Cork Racecourse Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Cork Racecourse Limited is consolidated in the financial statements of its ultimate parent, Horse Racing Ireland, which may be obtained at Horse Racing Ireland, Ballymany, The Curragh, Co. Kildare. Exemptions have been taken in these separate company financial statements in relation to the presentation of a cash flow statement.

Operating leases

Annual rental income received under operating leases on land is recorded in the Statement of Income and Expenditure and Retained Revenue Reserves on a straight line basis and the land is recorded as a fixed asset in the Statement of Financial Position.

Taxation

The yearly charge for taxation is based on the profit for the financial year and is calculated with reference to the tax rates applying at the Statement of Financial Position date.

Ordinary Share Capital
The ordinary share capital of the company is presented as equity.

Tangible fixed assets

Land is stated in the Statement of Financial Position at cost. Racecourse development is stated in the Statement of Financial Position at cost less accumulated depreciation.

1. Accounting policies (continued)

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset systematically over its estimated useful life, on the straight line basis, at the following annual rates:

Land	Nil
Racecourse development	6.67%

The carrying value of tangible fixed assets are reviewed for impairment in accounting periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Revenue

Revenue is in the form of land rental and is recognised on an accruals basis.

Financial Instruments

Cash and cash equivalents
Cash consists of cash on hand and demand deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

Other financial assets
Other financial assets including trade and other debtors are initially measured at transaction price and subsequently where necessary, less of any provision for impairment.

Other financial liabilities
Other financial liabilities comprise of trade and other payables are measured at transaction price.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Going concern
The directors have prepared budgets and cash flows for the next financial year which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

2. Statutory and other information	2017	2016
	€	€
Operating Profit is stated after charging:		
Auditors' remuneration	1,000	1,000

3. Taxation

(A) Analysis of charge in the financial year	2017	2016
	€	€
Current tax:		
Corporation tax	2,187	953
Tax on profit on ordinary activities	2,187	953

(B) Reconciliation between tax expense included in profit and loss and profit on ordinary activities before tax multiplied by applicable tax rate:

The tax assessed for the financial year is different to the standard rate of corporation tax in Ireland (12.5 per cent). The differences are explained below:

	2017	2016
Profit on ordinary activities before taxation	6,259	4,489
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in Ireland of 12.5% (2016 - 12.5%)	782	561
Effect of:		
Non deductible expenses	311	-
Income taxable at higher rate	1,094	392
Corporation tax	2,187	953

4. Tangible fixed assets

	Land	Racecourse Development	Total
	€	€	€
Cost			
At 1 January 2017	1,202,972	615,283	1,818,255
At 31 December 2017	1,202,972	615,283	1,818,255
Depreciation			
At 1 January 2017	-	615,283	615,283
At 31 December 2017	-	615,283	615,283
Net book value:			
At 31 December 2017	1,202,972	-	1,202,972
At 31 December 2016	1,202,972	-	1,202,972

The land above is held for use in operating leases.

4. Tangible fixed assets (continued)

In respect of prior financial year:	Land	Racecourse Development	Total
	€	€	€
Cost			
At 1 January 2016	1,202,972	615,283	1,818,255
At 31 December 2016	1,202,972	615,283	1,818,255
Depreciation			
At 1 January 2016	-	615,283	615,283
At 31 December 2016	-	615,283	615,283
Net book value:			
At 31 December 2016	1,202,972	-	1,202,972
At 31 December 2015	1,202,972	-	1,202,972

The land above is held for use in operating leases.

5. Debtors: (Amounts falling due within one year)	2017	2016
	€	€
Corporation tax recoverable	-	10
Accrued income	15,138	-
Amounts owed from parent and group companies	44,668	54,675
	59,806	54,685

6. Creditors: (Amounts falling due within one year)

	2017	2016
	€	€
Accruals	1,704	1,879
Corporation tax	1,224	-
	2,928	1,879

All amounts included above are unsecured.

7. Called up share capital presented as equity

	2017	2016
	€	€
Authorised		
100,000 Ordinary shares of €1.269738 each	126,974	126,974
Allotted, called up and fully paid		
10,000 Ordinary shares of €1.269738 each	12,697	12,697

Ordinary Shares
The ordinary shares have no right to fixed income.

8. Reserves

The retained profits include all cumulative gains and losses recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

9. Operating Lease

Operating Lease - Lessor
Total future minimum lease income under non-cancellable operating leases is as follows:

	2017	2016
	€	€
Due:		
Within one year:	24,370	3,785
Within two to five years:	97,480	-
After five years:	119,819	-
	241,669	3,785

Significant Leasing arrangements
The land lease expired in March 2017 and a new land lease of 9 years and 11 months will commence from January 2018.

10. Staff numbers

There is no staff in Cork Racecourse Limited.

11. Holding company and related party transactions

The company is a wholly owned subsidiary of HRI Racecourses Limited and its ultimate parent is Horse Racing Ireland. Both companies are incorporated in the Republic of Ireland. Copies of the financial statements of Horse Racing Ireland are available from Horse Racing Ireland, Ballymany, The Curragh, Co. Kildare.

In accordance with the exemption afforded by paragraph 33.1A from the provisions of FRS 102, 'related party transactions', there is no disclosure in these financial statements of transactions with wholly owned subsidiaries.

12. Approval of financial statements

The Board of Directors approved these financial statements for issue on 10TH SEPTEMBER 2018.

NAVAN RACES LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Registered Number 8943

NAVAN RACES LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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NAVAN RACES LIMITED
DIRECTORS AND OTHER INFORMATION

Directors	Mr. J. Keeling (Chairperson: Resigned 10 June 2018) Mr. N. Hartery (Chairperson: Appointed 23 July 2018) Mr. R. Horan Mr. B. Kavanagh Mr. J. Osborne (Appointed 8 September 2017)
Secretary	Mr. R. Horan Mr. S. Eade (Appointed deputy Company Secretary 8 September 2017)
Registered Office	Horse Racing Ireland Ballymany The Curragh Co. Kildare
Auditors	Comptroller & Auditor General 3A Mayor Street Upper Dublin 1
Solicitors	William Fry 2 Grand Canal Square Dublin 2
Bankers	Bank of Ireland 2 College Green Dublin 2

NAVAN RACES LIMITED
DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2017.

Principal activities and business review

The principal activities continue to be the holding of race meetings and ancillary activities. Navan Races Limited is a subsidiary of HRI Racecourses Limited which is a wholly owned subsidiary of Horse Racing Ireland.

Results for the financial year	2017	2016
	€	€
Profit on ordinary activities before taxation	331,969	378,719
Tax on profit on ordinary activities	(3,941)	(4,402)
Profit for the financial year	328,028	374,317

In the opinion of the directors, the state of affairs of the company is satisfactory.

Directors and interests

The directors who held office at 31 December 2017 are listed on page 2. Since 31 December 2017 Joe Keeling has retired and Nicholas Hartery was appointed.

The directors and secretary at 31 December 2017 had no interests in the share capital of the company or its fellow subsidiaries.

The directors received no fees or expenses in the year (2016: Nil). Please see Horse Racing Ireland for further details.

Statement on relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the auditors are unaware.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285 Companies Act 2014, regarding adequate accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are maintained at the company's office at Ballymany, The Curragh, Co. Kildare.

Legal Status

In accordance with Section 55 of the Companies Act 2014, the Company automatically became a Private Company Limited by Shares (LTD) on 1 December 2016.

Events since the financial year end

There has been no significant events affecting the company since the financial year end.

Principal risks and uncertainties

There are certain risks and uncertainties which may have an effect on the company's performance. This includes:

- where the racecourse is unable to hold a race meeting due to the weather conditions it will endeavour to reschedule the race meeting to a later date.

The company has considered the risks and is in a position to respond quickly to changes in economic conditions to ensure its business objectives are achieved.

Auditors

In accordance with Section 383 (2) of the Companies Act 2014 and section 13 (2) of the Horse and Greyhound Racing Act 2001 the Comptroller and Auditor General will continue as auditor of the company.

Directors' responsibilities statement

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and generally accepted accounting practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards.

Directors' responsibilities statement (continued)

The directors are responsible for ensuring that the company keeps adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

Code of Practice for the Governance of State Bodies (2016)

The Code of Practice for the Governance of State Bodies (2016) requires additional disclosures in relation to certain categories of expenditure. These requirements have been addressed in the Governance Statements and Statement on internal control within the Group Financial Statements of Horse Racing Ireland.

The company was compliant with the Code of Practice for the Governance of State Bodies in 2017.

Signed on behalf of the Board

Brian Kavanagh
Director

John Osborne
Director

10TH SEPTEMBER 2018
Date

Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Navan Races Limited

Opinion on financial statements

I have audited the financial statements of Navan Races Limited for the year ending 31 December 2017 as required under the provisions of section 13 of the Horse and Greyhound Racing Act 2001. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of financial position and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of Navan Races Limited at 31 December 2017 and of its income and expenditure for 2017
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the company and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions related to going concern

As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going concern basis of accounting by the directors and
- 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.

I have nothing to report in that regard.

Opinion on matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, I report that in my opinion

- the information given in the directors' report is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

In my opinion, the accounting records of Navan Races Limited were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

Report on information other than the financial statements, and on other matters

The directors have presented a directors' report together with the financial statements. My responsibilities to report in relation to information presented with (but not part of) the financial statements (such as the directors' report), and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General

18 September 2018

Appendix to the report

Responsibilities of the Directors

The directors' report sets out the directors' responsibilities. The directors are responsible for

- the preparation of financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 13 of Horse and Greyhound Racing Act 2001 to audit the financial statements of Navan Races Limited and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Navan Races Limited's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the company to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

NAVAN RACES LIMITED
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017 €	2016 €
Income from racing activities	2	1,810,531	1,636,360
Turnover		1,810,531	1,636,360
Operating expenses	5	(1,455,736)	(1,346,569)
Administrative expenses	5	(164,624)	(164,010)
Other operating income	6	162,367	280,230
Operating Profit		352,538	406,011
Profit on ordinary activities before interest		352,538	406,011
Interest receivable	7	3	22
Interest payable	8	(20,572)	(27,314)
Profit on ordinary activities before taxation	9	331,969	378,719
Tax on profit on ordinary activities	12	(3,941)	(4,402)
Profit for the financial year		328,028	374,317
Retained deficit at 1 January		(3,856,667)	(4,230,984)
Retained deficit at 31 December		(3,528,639)	(3,856,667)

Notes 1 to 27 form part of these financial statements.

The company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the Statement of Income and Expenditure and Retained Revenue Reserves. The result on ordinary activities arises solely from continuing activities.

The financial statements were approved by the Board of Directors on 10/9/18 and signed on its behalf by:

Brian Kavanagh
Director

John Osborne
Director

10TH SEPTEMBER 2018
Date

NAVAN RACES LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Notes	2017 €	2016 €
Fixed assets			
Tangible assets	13	7,714,856	7,980,037
Current assets			
Debtors	14	566,859	474,706
Cash at bank and in hand		480,885	219,244
		1,047,744	693,950
Creditors: (Amounts falling due within one year)	15	(7,333,674)	(7,420,613)
Net current liabilities		(6,285,930)	(6,726,663)
Total assets less current liabilities		1,428,926	1,253,374
Creditors: (Amounts falling due after more than one year)	16	(43)	(43)
Deferred capital grants	19	(2,969,210)	(3,121,686)
Net liabilities		(1,540,327)	(1,868,355)
Capital and reserves			
Called up share capital presented as equity	20	15,237	15,237
Share premium account	21	1,973,075	1,973,075
Retained profits - (deficit)		(3,528,639)	(3,856,667)
Shareholders' funds - (deficit)		(1,540,327)	(1,868,355)

Notes 1 to 27 form part of these financial statements.

The financial statements were approved by the Board of Directors on 10/09/18 and signed on its behalf by:

Brian Kavanagh
Director

John Osborne
Director

10TH SEPTEMBER 2018
Date

1. Accounting policies

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the company's financial statements.

General Information and Basis of Accounting

Statement of compliance
The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value in accordance with the Companies Act 2014 and generally accepted accounting practice including Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The unit of currency in which the financial statements are presented is Euro.

Navan Races Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Navan Races Limited is consolidated in the financial statements of its ultimate parent, Horse Racing Ireland, which may be obtained at Horse Racing Ireland, Ballymany, The Curragh, Co. Kildare. Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Income

Turnover which is recognised on an accruals basis represents income received during the financial year from the provision of racing as well as other ancillary activities.

Interest income is recognised when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of the interest income can be measured reliably. This is calculated using the effective interest rate method.

Deferred capital grants

Grants are recognised using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the Statement of Income and Expenditure and Retained Revenue Reserves over the expected useful life of the related assets, by equal annual installments. Grants towards revenue expenditure are released to the Statement of Income and Expenditure and Retained Revenue Reserves as the related expenditure is incurred.

Deferred income

Deferred membership and hospitality suites
Monies received for life and other membership are being amortised as follows:

1. Accounting policies (continued)

Memberships	Over period of concession
Hospitality suites	Over period of concession
Admissions	Over period of concession

Other deferred income amounts are amortised over the period of concession.

Retirement benefit

Defined contribution scheme
Payments to the defined contribution scheme are charged to the Statement of Income and Expenditure and Retained Revenue Reserves in the financial year to which they relate.

Tangible fixed assets

All tangible fixed assets are initially recorded at historic cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset systematically over its estimated useful life, on the straight line basis, at the following annual rates:

Freehold land	Nil
Racecourse buildings	2% - 5% straight line
Plant and equipment	3.33% - 33.33% straight line
Computers	33.33% straight line
Fixtures and fittings	10% - 20% straight line
Motor vehicles	20% - 33.33% straight line
Track enhancement	2% - 10% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Depreciation is not provided on the golf course land as, in the opinion of the directors, there is unlikely to be any diminution in the value of this asset over its expected useful life due to the maintenance programme in place.

The carrying values of tangible fixed assets are reviewed for impairment in accounting periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1. Accounting policies (continued)

Taxation and deferred tax

The yearly charge for taxation is based on the profit for the financial period and is calculated with reference to the tax rates applying at the Statement of Financial Position date.

Deferred tax is calculated on the differences between the company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Full provision for deferred tax assets and liabilities is made at tax rates that are expected to apply on reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

A net deferred asset is regarded as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Exceptional Items

In order to highlight significant items within the company results for the year, the company include significant items as exceptional items within the Statement of Income and Expenditure and Retained Revenue Reserves. Such items may include: impairment of assets, litigation settlements and profit or loss on disposal of investments. Judgement is used by management in assessing the particular items, which by virtue of their scale and nature, should be disclosed in the Statement of Income and Expenditure and Retained Revenue Reserves and notes as exceptional items.

Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight line basis over the lease period.

Financial Instruments

Cash and cash equivalents
Cash consists of cash on hand and demand deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

Other financial assets
Other financial assets including trade and other debtors are initially measured at transaction price and subsequently where necessary, less of any provision for impairment.

1. Accounting policies (continued)

Other financial liabilities
Other financial liabilities comprise of trade and other payables are measured at transaction price. Amounts owed to parent are shown at original cost.

Ordinary Share Capital

The ordinary share capital of the company is presented as equity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Going concern
The directors have prepared budgets and cash flows for the next financial year which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

Useful lives of tangible fixed assets
The annual depreciation charge depends primarily on the estimated lives of each type of asset. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation was €7,714,504 (2016: €7,979,685).

2. Income

	2017 €	2016 €
Income from racing activities	1,810,531	1,636,360

3. Going concern

The directors consider it appropriate to prepare the financial statements on a going concern basis notwithstanding the fact that the Statement of Financial Position on page 8 discloses a shareholders' deficit of €1,540,327 (2016: €1,868,355).

The directors have formed this opinion on the basis that Horse Racing Ireland has undertaken to financially support the company for the next twelve months. The financial statements do not include any adjustments that would result from a withdrawal of Horse Racing Ireland's undertaking.

4. Staff numbers and costs

The average number of persons employed by the company during the financial year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Full time staff	8	8
Part time and casual staff	9	10
	17	18

The aggregate payroll costs of these persons were as follows:

	2017	2016
	€	€
Wages and salaries	485,651	443,242
Social welfare costs	37,656	39,539
Other retirement benefit costs	34,396	32,583
	557,703	515,364

Included within the figure for wages & salaries are amounts relating to overtime €15,300 (2016: €17,515) and allowances €581 (2016: €30).

Other retirement benefit costs include employer's contribution to scheme costs and the cost of death in service benefit.

No breakdown of total employee remuneration over €60,000 in increments of €10,000, was included in Navan Races Limited as required under circular 13/2014 by the Department of Public Expenditure and Reform (DPER). Navan Races Limited is consolidated in the financial statements of its parent, Horse Racing Ireland, where the employee benefit breakdown disclosure note under DPER circular 13/2014 is included.

5. Operating and Administration expenses

	2017	2016
	€	€
Operating expenses		
Labour	557,703	515,364
Marketing	49,091	37,499
Maintenance and course upkeep	132,499	121,784
Depreciation	325,117	362,605
Other operating expenses	391,326	309,317
	1,455,736	1,346,569
Administration expenses		
Rates and insurance	82,298	76,325
Other administration expenses	82,326	87,685
	164,624	164,010

6. Other operating income

	2017	2016
	€	€
Capital development grant amortisation	92,704	92,704
Capital grant amortisation	66,663	184,026
Revenue grants received from Horse Racing Ireland	3,000	3,500
	162,367	280,230

7. Interest receivable

	2017	2016
	€	€
Bank interest receivable	3	22

8. Interest payable

	2017	2016
	€	€
On borrowings from parent	20,572	27,314

9. Statutory and other information

	2017	2016
	€	€
Operating Profit is stated after charging:		
Depreciation	325,117	362,605
Auditors' remuneration	5,000	5,500
Operating Lease Rentals	5,099	938
and after crediting:		
Capital grant amortisation	159,367	276,730

10. Directors Remuneration

There was no directors' remuneration or directors' expenses in the financial year or the preceding financial year.

11. Retirement benefit information

	2017	2016
	€	€
Defined contribution retirement benefit scheme		
Contribution to defined contribution retirement benefit scheme	23,419	21,204

The company operates a defined contribution scheme for certain employees. The assets of the scheme are vested in independent trustees for the sole benefit of these employees. There are no amounts due to or from the scheme as at the financial year end. The company offers a PRSA to all other employees.

12. Taxation

(A) Analysis of charge in the financial year	2017 €	2016 €
Current tax:		
Corporation tax	3,941	4,402
Tax on profit on ordinary activities	3,941	4,402

(B) Reconciliation between tax expense included in profit and loss on ordinary activities before tax multiplied by the applicable tax rate:

The tax assessed for the financial year is different to the standard rate of corporation tax in Ireland (12.5 per cent). The differences are explained below:

	2017 €	2016 €
Profit/(Loss) on ordinary activities before taxation	331,969	378,719
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in Ireland of 12.5% (2016 - 12.5%)	41,496	47,340
Effect of:		
Non deductible expenses	2,325	2,266
Non allowable income	(19,921)	(34,828)
Depreciation in excess of capital allowances	33,576	38,005
Income taxable at higher rate	1,970	2,201
Losses utilised on current period basis - Case I	(55,505)	(50,582)
Corporation tax	3,941	4,402

A deferred tax asset of €97,718 (2016: €144,534) has not been recognised in the financial statements as there is insufficient evidence that the asset will be recovered in the foreseeable future.

13. Tangible fixed assets

	Land & Buildings €	Plant, Machinery, & Motor Vehicles €	Office Equipment, Fixtures & Fittings €	Total €
Cost				
At 1 January 2017	10,857,159	1,428,455	1,395,851	13,681,465
Additions	50,190	-	9,746	59,936
At 31 December 2017	10,907,349	1,428,455	1,405,597	13,741,401
Depreciation				
At 1 January 2017	3,546,466	890,421	1,264,541	5,701,428
Charge for financial year	205,683	58,236	61,198	325,117
At 31 December 2017	3,752,149	948,657	1,325,739	6,026,545
Net book value				
At 31 December 2017	7,155,200	479,798	79,858	7,714,856
At 31 December 2016	7,310,693	538,034	131,310	7,980,037

13. Tangible fixed assets (continued)

In respect of prior financial year:	Land & Buildings €	Plant, Machinery, & Motor Vehicles €	Office Equipment, Fixtures & Fittings €	Total €
Cost				
At 1 January 2016	10,755,291	1,396,190	1,392,405	13,543,886
Additions	101,868	32,265	3,446	137,579
At 31 December 2016	10,857,159	1,428,455	1,395,851	13,681,465
Depreciation				
At 1 January 2016	3,335,383	829,334	1,174,106	5,338,823
Charge for financial year	211,083	61,087	90,435	362,605
At 31 December 2016	3,546,466	890,421	1,264,541	5,701,428
Net book value				
At 31 December 2016	7,310,693	538,034	131,310	7,980,037
At 31 December 2015	7,419,908	566,856	218,299	8,205,063

14. Debtors: (Amounts falling due within one year)	2017	2016
	€	€
Trade debtors	438,843	275,622
Accrued income and prepayments	56,617	138,680
VAT recoverable	13,965	6,262
Amounts owed from parent and group companies	56,972	53,348
Corporation tax recoverable	462	794
	566,859	474,706

15. Creditors: (Amounts falling due within one year)	2017	2016
	€	€
Trade creditors	64,783	26,875
Amounts owed to parent and group companies	6,879,520	7,039,272
Taxation and social welfare	14,423	2,195
Accruals	101,276	109,452
Deferred income (Note 18)	273,672	242,819
	7,333,674	7,420,613

All amounts included above are unsecured.

Taxation and social welfare is split out as follows:

Other taxes	14,423	2,195
	14,423	2,195

16. Creditors: (Amounts falling due after more than one year)	2017	2016
	€	€
Called up share capital presented as liability - preference shares	43	43

All amounts included above are unsecured.

Preference share capital presented as liability

Authorised

1,000 Redeemable preference shares of €0.063487 each	63	63

Allotted, called up and fully paid

674 Redeemable preference shares of €0.063487 each	43	43

During the current financial year and previous financial year, the company allotted no redeemable preference shares.

17. Details of Borrowings	Within 1 year	Between 1 & 2 years	Between 2 & 5 years	After 5 years	Total
	€	€	€	€	€
Repayable by installments					
Amounts owed to parent	200,000	200,000	600,000	5,361,135	6,361,135
	200,000	200,000	600,000	5,361,135	6,361,135
In respect of prior financial year:	200,000	200,000	600,000	5,561,135	6,561,135

Interest is charged at a 3 month Euribor rate plus margin. The loan agreement states that the loan is repayable on demand and therefore the full amount due is classified as amounts falling due within one year. These amounts are unsecured.

18. Deferred income	2017	2016
	€	€
Amounts falling due within one year:		
Annual badges and subscriptions	17,570	15,855
Media deferred income	249,084	218,788
Miscellaneous deferred income	7,018	8,176
	273,672	242,819

19. Deferred capital grant	2017	2016
	€	€
At 1 January	3,121,686	3,337,452
Received during the financial year	6,891	60,964
Released to Statement of Income and Expenditure and Retained Revenue Reserves	(159,367)	(276,730)
At 31 December	2,969,210	3,121,686

Deferred capital grants are disclosed separately from other liabilities as it is believed that this treatment is more appropriate to the circumstances of a State body.

20. Called up share capital presented as equity	2017	2016
	€	€
Authorised		
12,000 Ordinary shares of €1.269738 each	15,237	15,237
Allotted, called up and fully paid		
12,000 Ordinary shares of €1.269738 each	15,237	15,237

Ordinary Shares
The ordinary shares have no right to fixed income.

21. Share premium

	2017	2016
	€	€
On redeemable preference shares	1,973,075	1,973,075

22. Capital commitments

Future capital committed but not provided for in these financial statements were as follows:

	2017	2016
	€	€
Contracted	73,648	-

23. Contingent liability

Under an agreement between the company and Horse Racing Ireland, capital grants amounting in total at 31 December 2017 to €4,024,000 (2016: €5,659,000) have been received. If racing ceases to take place at Navan Racecourse, the company may be liable to make repayments to Horse Racing Ireland.

24. Restriction on future distributions

An amount due to Horse Racing Ireland of €545,987 was written off in previous financial years subject to the condition that in the event of any future distribution of profits from the company the amount so written off would have to be repaid in full prior to any such distribution.

25. Operating Leases

Operating Leases - Lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	€	€
Due:		
Within one year:	5,051	938
Within two to five years:	11,786	-
After five years:	-	-
	16,837	938

26. Holding company and related party transactions

The company is a subsidiary of HRI Racecourses Limited and its ultimate parent is Horse Racing Ireland. Both companies are incorporated in the Republic of Ireland. Copies of the financial statements of Horse Racing Ireland are available from Horse Racing Ireland, Ballymany, The Curragh, Co. Kildare.

In accordance with the exemption afforded by paragraph 33.1A from the provisions of FRS 102, 'related party transactions', there is no disclosure in these financial statements of transactions with wholly owned subsidiaries. Horse Racing Ireland, The Leopardstown Club Limited, Fairyhouse Club Limited, The Tipperary Race Company Plc, Tote Ireland Limited, Irish Thoroughbred Marketing Limited, HRI Racecourses Limited and Cork Racecourse Limited are all considered related parties because they are part of a group in which Navan Races Limited is not a wholly owned subsidiary undertaking.

In accordance with the exemption afforded by FRS 102 paragraph 1.12, there is no disclosure in these financial statements of key management personnel compensation.

Transactions in the financial year between the company and its related parties included payroll and cost recharges of €612,607 (2016: €589,089), bookmakers income of €55,170 (2016: €63,217), sponsorship collected of €73,000 (2016: €84,100) and interest charged of €20,572 (2016: €27,314).

During the financial year, Navan Races Limited repaid intercompany amounts of €200,000 (2016: €200,000) and received nil (2016: nil) in short term loans. The company received grants totalling €9,891 (2016: €64,474) from related parties.

At the end of the financial year, the amounts due from/(to) related parties are as follows:

Related party name	2017 €	2016 €
The Leopardstown Club Limited	(439,895)	(408,112)
Fairyhouse	216	216
Horse Racing Ireland	(6,385,131)	(6,580,482)
Tote Ireland Limited	2,262	2,454

27. Approval of financial statements

The Board of Directors approved these financial statements for issue on ..... 10TH SEPTEMBER 2018

THE TIPPERARY RACE COMPANY PLC

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Registered Number 4091

THE TIPPERARY RACE COMPANY PLC
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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THE TIPPERARY RACE COMPANY PLC
DIRECTORS AND OTHER INFORMATION

Directors	Mr. J. Keeling (Chairperson: Resigned 10 June 2018) Mr. N. Hartery (Chairperson: Appointed 23 July 2018) Mr. R. Horan Mr. B. Kavanagh Mr. J. Osborne (Appointed 8 September 2017)
Secretary	Mr. R. Horan Ms. S. Eade (Appointed deputy Company Secretary 8 September 2017)
Registered Office	Horse Racing Ireland Ballymany The Curragh Co. Kildare
Auditors	Comptroller & Auditor General 3A Mayor Street Upper Dublin 1
Solicitors	William Fry Grand Canal Square Dublin 2
Bankers	Bank of Ireland 2 College Green Dublin 2

THE TIPPERARY RACE COMPANY PLC
DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2017.

Principal activities and business review

The principal activities of the company continue to be the holding of race meetings and related activities. The company is a subsidiary of HRI Racecourses Limited and its ultimate parent is Horse Racing Ireland.

Results for the financial year	2017 €	2016 €
Profit on ordinary activities before taxation	315,955	163,305
Tax on profit on ordinary activities	(47,402)	(29,979)
Profit for the financial year	268,553	133,326

In the opinion of the directors, the state of affairs of the company is satisfactory.

Directors and interests

The directors who held office at 31 December 2017 are listed on page 2. Since 31 December 2017 Joe Keeling has retired and Nicholas Hartery was appointed.

The directors and secretary at 31 December 2017 had no interests in the share capital of the company or its fellow subsidiaries.

The directors received no fees or expenses in the year (2016: Nil). Please see Horse Racing Ireland for further details.

Statement on relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the auditors are unaware.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285, Companies Act 2014, regarding proper accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are maintained at the company's office at Ballymany, The Curragh, Co. Kildare.

Events since the financial year end

There has been no significant events affecting the company since the financial year end.

Principal risks and uncertainties

There are certain risks and uncertainties which may have an effect on the company's performance. This includes:

- where the racecourse is unable to hold a race meeting due to the weather conditions it will endeavour to reschedule the race meeting to a later date.

The company has considered the risks and is in a position to respond quickly to changes in economic conditions to ensure its business objectives are achieved.

Auditors

In accordance with Section 383 (2) of the Companies Act 2014 and section 13 (2) of the Horse and Greyhound Racing Act 2001 the Comptroller and Auditor General will continue as auditor of the company.

Directors' compliance statement

The directors, in accordance with Section 225(2)(a) of the Companies Act 2014 (the "Act"), acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations". "Relevant obligations", in the context of the Company, are the Company's obligations under: a) the Act, where a breach of the obligations would be a category 1 or category 2 offence; b) the Act, where a breach of the obligation would be a serious Market Abuse or Prospectus offence; and c) tax law. Pursuant to Section 225(2)(b) of the Act while the Directors are satisfied that there are appropriate arrangements and structures in place that, in their opinion, secure material compliance with the Company's relevant obligations, pursuant to Section 225(2)(b) of the Act, the directors confirm that the Company has drawn up a compliance policy statement as required by Section 225(3)(a) of the Act.

Directors' responsibilities statement

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and generally accepted accounting practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards.

The directors are responsible for ensuring that the company keeps adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

Code of Practice for the Governance of State Bodies (2016)

The Code of Practice for the Governance of State Bodies (2016) requires additional disclosures in relation to certain categories of expenditure. These requirements have been addressed in the Governance Statements and Statement on internal control within the Group Financial Statements of Horse Racing Ireland.

The company was compliant with the Code of Practice for the Governance of State Bodies in 2017.

Signed on behalf of the Board

Brian Kavanagh
Director

John Osborne
Director

10TH SEPTEMBER 2018
Date

Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Tipperary Race Company PLC

Opinion on financial statements

I have audited the financial statements of Tipperary Race Company PLC for the year ending 31 December 2017 as required under the provisions of section 13 of the Horse and Greyhound Racing Act 2001. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of financial position and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of Tipperary Race Company PLC at 31 December 2017 and of its income and expenditure for 2017
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the company and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions related to going concern

As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going concern basis of accounting by the directors and
- 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.

I have nothing to report in that regard.

Opinion on matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, I report that in my opinion

- the information given in the directors' report is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

In my opinion, the accounting records of Tipperary Race Company PLC were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

Report on information other than the financial statements, and on other matters

The directors have presented a directors' report together with the financial statements. My responsibilities to report in relation to information presented with (but not part of) the financial statements (such as the directors' report), and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Patricia Sheehan

Patricia Sheehan
For and on behalf of the Comptroller and Auditor General

18 September 2018

Appendix to the report

Responsibilities of the Directors

The directors' report sets out the directors' responsibilities. The directors are responsible for

- the preparation of financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 13 of Horse and Greyhound Racing Act 2001 to audit the financial statements of Tipperary Race Company PLC and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Tipperary Race Company PLC's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the company to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

THE TIPPERARY RACE COMPANY PLC
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		€	€
Income from racing activities	2	1,102,538	1,079,199
Turnover		1,102,538	1,079,199
Operating expenses	4	(697,840)	(847,644)
Administrative expenses	4	(132,282)	(111,640)
Other operating income	5	44,220	44,519
Operating Profit		316,636	164,434
Interest receivable	6	1	27
Interest payable	7	(682)	(1,156)
Profit on ordinary activities before taxation	8	315,955	163,305
Tax on profit on ordinary activities	11	(47,402)	(29,979)
Profit for the financial year		268,553	133,326
Retained profits at 1 January		351,358	218,032
Retained profits at 31 December		619,911	351,358

Notes 1 to 26 form part of these financial statements.

The company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the Statement of Income and Expenditure and Retained Revenue Reserves. The result on ordinary activities arises solely from continuing activities.

The financial statements were approved by the Board of Directors on 10/09/18 and signed on its behalf by:

Brian Kavanagh
Director

John Osborne
Director

10th SEPTEMBER 2018
Date

THE TIPPERARY RACE COMPANY PLC
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Notes	2017	2016
		€	€
Fixed assets			
Tangible assets	12	1,527,439	1,582,355
Current assets			
Debtors	13	220,564	225,245
Cash at bank and in hand		312,149	60,937
		532,713	286,182
Creditors: (Amounts falling due within one year)	14	(196,299)	(232,887)
Net current assets		336,414	53,295
Total assets less current liabilities		1,863,853	1,635,650
Provision for liabilities	17	(1,642)	(1,322)
Deferred capital grant	18	(642,580)	(683,250)
Net assets		1,219,631	951,078
Capital and reserves			
Called up share capital presented as equity	19	554,686	554,686
Other reserves		45,034	45,034
Retained profits		619,911	351,358
Shareholders' funds		1,219,631	951,078

Notes 1 to 26 form part of these financial statements.

The financial statements were approved by the Board of Directors on 10/09/18 and signed on its behalf by:

Brian Kavanagh
Director

John Osborne
Director

10TH SEPTEMBER 2018
Date

1. Accounting policies

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the company's financial statements.

General Information and Basis of Accounting

Statement of compliance
The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value in accordance with the Companies Act 2014 and generally accepted accounting practice including Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The unit of currency in which the financial statements are presented is Euro.

The Tipperary Race Company PLC meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Tipperary Race Company PLC is consolidated in the financial statements of its ultimate parent, Horse Racing Ireland, which may be obtained at Horse Racing Ireland, Ballymany, The Curragh, Co. Kildare. Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Income

Turnover which is recognised on an accruals basis represents income received during the financial year from the provision of racing and related facilities.

Interest income is recognised when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of the interest income can be measured reliably. This is calculated using the effective interest rate method.

Deferred capital grants

Grants are recognised using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the Statement of Income and Expenditure and Retained Revenue Reserves over the expected useful life of the related assets, by equal annual instalments. Grants towards revenue expenditure are released to the Statement of Income and Expenditure and Retained Revenue Reserves as the related expenditure is incurred.

1. Accounting policies (continued)

Deferred income

Deferred membership and hospitality suites
Monies received for membership and hospitality suites are being amortised as follows:

Memberships	Over period of concession
Hospitality suites	Over period of concession
Admissions	Over period of concession

Other deferred income amounts are amortised over the period of concession.

Tangible fixed assets

All tangible fixed assets are initially recorded at historic cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Retirement benefit

Defined contribution scheme
Payments to the defined contribution scheme are charged to the Statement of Income and Expenditure and Retained Revenue Reserves in the financial year to which they relate.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset systematically over its estimated useful life, on the straight line basis, at the following annual rates:

Freehold land	Nil
Racecourse buildings	2% - 10% straight line
Stand, kiosk and snack bar	2% straight line
Fixtures & fittings	5% - 33.33% straight line
Plant & equipment	5% - 33.33% straight line
Computers	20% - 33.33% straight line
Motor vehicles/tractors	10% - 33.33% straight line
Track enhancement	5% - 12.5% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

1. Accounting policies (continued)

The carrying values of tangible fixed assets are reviewed for impairment in accounting periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Ordinary Share Capital

The ordinary share capital of the company is presented as equity.

Taxation and deferred tax

The yearly charge for taxation is based on the profit for the financial year and is calculated with reference to the tax rates applying at the Statement of Financial Position date.

Deferred tax is calculated on the differences between the company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Full provision for deferred tax assets and liabilities is made at tax rates that are expected to apply on reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

A net deferred asset is regarded as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Financial Instruments

Cash and cash equivalents
Cash consists of cash on hand and demand deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

Other financial assets
Other financial assets including trade and other debtors are initially measured at transaction price and subsequently where necessary, less of any provision for impairment.

Other financial liabilities
Other financial liabilities comprise of trade and other payables are measured at transaction price. Amounts owed to parent are shown at original cost.

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Going concern

The directors have prepared budgets and cash flows for the next financial year which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

Useful lives of tangible fixed assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation was €1,527,439 (2016: €1,582,355).

2. Income

	2017 €	2016 €
Income from racing activities	1,102,538	1,079,199

3. Staff numbers and costs

The average number of persons employed by the company during the financial year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Full time staff	2	3
Part time and casual staff	7	10
	9	13

The aggregate payroll costs of these persons were as follows:

	2017	2016
	€	€
Wages and salaries	221,806	265,094
Social welfare costs	22,060	28,674
Other retirement benefit costs	13,480	15,639
	257,346	309,407

Included within the figure for wages & salaries are amounts relating to overtime €1,825 (2016: €2,796) and allowances €260 (2016: €14).

Amounts included in payroll costs above capitalised during the year were €3,758 (2016: nil).
Other retirement benefit costs include employer's contribution to scheme costs and the cost of death in service benefit.

No breakdown of total employee remuneration over €60,000 in increments of €10,000, was included in The Tipperary Race Company PLC as required under circular 13/2014 by the Department of Public Expenditure and Reform (DPER). The Tipperary Race Company PLC is consolidated in the financial statements of its parent, Horse Racing Ireland, where the employee benefit breakdown disclosure note under DPER circular 13/2014 is included.

4. Operating and Administration expenses

	2017	2016
	€	€
Operating expenses		
Labour	257,346	309,407
Maintenance and course upkeep	183,035	157,966
Depreciation	122,631	115,833
Other operating expenses	134,828	264,438
	697,840	847,644
Administration expenses		
Rates and insurance	42,578	44,724
Other administration expenses	89,704	66,916
	132,282	111,640

5. Other operating income

	2017	2016
	€	€
Capital grant amortisation	34,220	29,519
Revenue grants received from Horse Racing Ireland	10,000	15,000
	44,220	44,519

6. Interest receivable

	2017	2016
	€	€
Bank interest receivable	1	27

7. Interest payable

	2017	2016
	€	€
On other loans	682	1,156

8. Statutory and other information

	2017	2016
	€	€
Operating Profit is stated after charging:		
Depreciation	122,631	115,833
Auditors' remuneration	3,000	2,500
Loss on disposal of asset	876	-
and after crediting:		
Capital grant amortisation	34,220	29,519

9. Directors Remuneration

There was no directors' remuneration or directors' expenses in the financial year or the preceding financial year.

10. Retirement benefit information	2017	2016
	€	€
Defined contribution retirement benefit scheme		
Contribution to defined contribution retirement benefit scheme	9,866	11,732

The company operates a defined contribution scheme for certain employees. The assets of the scheme are vested in independent trustees for the sole benefit of these employees. There are no amounts due to or from the scheme as at the financial year end. The company offers a PRSA to all other employees.

11. Taxation

(A) Analysis of charge in the financial year	2017	2016
	€	€
Current tax:		
Corporation tax	47,082	30,211
Deferred tax:		
Origination and reversal of timing differences (Note 17)	320	(232)
Tax on profit on ordinary activities	47,402	29,979

(B) Reconciliation between tax expense included in profit and loss and profit on ordinary activities before tax multiplied by applicable tax rate:

The tax assessed for the financial year is different to the standard rate of corporation tax in Ireland (12.5 per cent). The differences are explained below:

	2017	2016
	€	€
Profit on ordinary activities before taxation	315,955	163,305
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in Ireland of 12.5% (2016 - 12.5%)	39,494	20,413
Effect of:		
Non deductible expenses	2,233	4,513
Non allowable income	(4,278)	(3,690)
Depreciation in excess of capital allowances	9,633	8,972
Income taxable at higher rate	-	3
Corporation tax	47,082	30,211

12. Tangible fixed assets

	Land & Buildings	Plant, Machinery, & Motor Vehicles	Office Equipment, Fixtures & Fittings	Total
	€	€	€	€
Cost				
At 1 January 2017	2,100,325	310,808	374,205	2,785,338
Additions	50,522	19,670	-	70,192
Disposals	-	(4,572)	-	(4,572)
At 31 December 2017	2,150,847	325,906	374,205	2,850,958
Depreciation				
At 1 January 2017	689,427	236,549	277,007	1,202,983
Charge for financial year	81,028	23,981	17,622	122,631
Disposals	-	(2,095)	-	(2,095)
At 31 December 2017	770,455	258,435	294,629	1,323,519
Net book value				
At 31 December 2017	1,380,392	67,471	79,576	1,527,439
At 31 December 2016	1,410,898	74,259	97,198	1,582,355

12. Tangible fixed assets (continued)

In respect of prior financial year:	Land & Buildings €	Plant, Machinery, & Motor Vehicles €	Office Equipment, Fixtures & Fittings €	Total €
Cost				
At 1 January 2016	1,935,849	304,656	362,636	2,603,141
Additions	164,476	6,152	11,569	182,197
At 31 December 2016	2,100,325	310,808	374,205	2,785,338
Depreciation				
At 1 January 2016	617,775	210,472	258,903	1,087,150
Charge for financial year	71,652	26,077	18,104	115,833
At 31 December 2016	689,427	236,549	277,007	1,202,983
Net book value				
At 31 December 2016	1,410,898	74,259	97,198	1,582,355
At 31 December 2015	1,318,074	94,184	103,733	1,515,991

13. Debtors: (Amounts falling due within one year)

	2017	2016
	€	€
Trade debtors	120,092	29,649
Amounts owed from parent and group companies	57,392	53,878
Accrued income and prepayments	27,409	108,868
VAT recoverable	15,671	31,391
Corporation tax recoverable	-	1,459
	220,564	225,245

14. Creditors: (Amounts falling due within one year)

	2017	2016
	€	€
Trade creditors	6,348	42,044
Amounts owed to parent and group companies	90,676	136,276
Taxation and social welfare	17,565	3,754
Accruals	61,762	49,291
Deferred income (Note 16)	19,948	1,522
	196,299	232,887

All amounts included above are unsecured.

Taxation and social welfare is split out as follows:

Corporation tax	15,317	-
Professional services withholding tax	2,248	3,754
	17,565	3,754

15. Details of borrowings

	Within 1 year	Between 1 & 2 years	Between 2 & 5 years	After 5 years	Total
	€	€	€	€	€
Repayable by installments					
Amounts owed to parent	50,000	-	-	-	50,000
	50,000	-	-	-	50,000
In respect of prior financial year:	50,000	50,000	-	-	100,000

Interest is charged at a 3 month Euribor rate plus margin. The loan agreement states that the loan is repayable on demand and therefore the full amount due is classified as amounts falling due within one year. These amounts are unsecured.

16. Deferred income

	2017	2016
	€	€
Amounts falling due within one year:		
Miscellaneous deferred income	2,805	1,522
Media deferred income	17,143	-
	19,948	1,522

17. Provision for liabilities

	2017	2016
	€	€
Deferred taxation		
At 1 January	1,322	1,554
Charged/(Released) to Statement of Income and Expenditure and Retained Revenue Reserves	320	(232)
At 31 December	1,642	1,322
Components of deferred taxation		
Accelerated capital allowances	1,642	1,322

The deferred tax liability arises where fixed assets are depreciated over a longer period than that over which capital allowances are recognised.

18. Deferred capital grants

	2017	2016
	€	€
At 1 January	683,250	630,035
Received during the financial year	46,519	82,734
Project deferral	(52,969)	-
Released to Statement of Income and Expenditure and Retained Revenue Reserves	(34,220)	(29,519)
At 31 December	642,580	683,250

Deferred capital grants are disclosed separately from other liabilities as it is believed that this treatment is more appropriate to the circumstances of a State body.
During the financial year, some capital projects scheduled for 2017 were deferred to future financial years.

19. Called up share capital presented as equity

	2017	2016
	€	€
Authorised		
500,000 Ordinary shares of €1.269738 each	634,869	634,869
Allotted, called up and fully paid		
436,851 Ordinary shares of €1.269738 each	554,686	554,686

Ordinary Shares
The ordinary shares have no right to fixed income.

20. Capital commitments

There is no future capital committed but not provided for in these financial statements (2016: nil).

21. Restriction on future distributions

An amount due to Horse Racing Ireland of €635,883 was written off in previous years subject to the condition that in the event of any future distribution of profits from the company the amount so written off would have to be repaid in full prior to any such distribution.

22. Operating Leases - Leasee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	€	€
Due:		
Within one year:	5,375	5,375
Within two to five years:	8,063	13,438
After five years:	-	-
	13,438	18,813

23. Reserves

Retained profits includes all cumulative gains and losses recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

24. Contingent liability

Under an agreement between the company and Horse Racing Ireland, capital grants amounting in total at 31 December 2017 to €299,000 (2016: €299,000) have been received. If racing ceases to take place at Tipperary Racecourse, the company may be liable to make repayments to Horse Racing Ireland.

25. Holding company and related party transactions

The company is a subsidiary of HRI Racecourses Limited and its ultimate parent is Horse Racing Ireland. Both companies are incorporated in the Republic of Ireland. Copies of the financial statements of Horse Racing Ireland are available from Horse Racing Ireland, Ballymany, The Curragh, Co. Kildare.

In accordance with the exemption afforded by paragraph 33.1A from the provisions of FRS 102, 'related party transactions', there is no disclosure in these financial statements of transactions with wholly owned subsidiaries. Horse Racing Ireland, Navan Races Limited, Fairyhouse Club Limited, The Leopardstown Club Limited, Tote Ireland Limited, Irish Thoroughbred Marketing Limited, HRI Racecourses Limited and Cork Racecourse Limited are all considered related parties because they are part of a group in which The Tipperary Race Company PLC is not a wholly owned subsidiary undertaking.

In accordance with the exemption afforded by FRS102 paragraph 1.12, there is no disclosure in these financial statements of key management personnel compensation.

Transactions in the financial year between the company and its related parties included payroll and cost recharges of €298,880 (2016: €326,760), bookmakers income of €21,771 (2016: €24,753), sponsorship collected of €77,400 (2016: €101,400) and interest charged of €682 (2016: €1,156). The company received grants totalling €3,550 (2016: €97,735) from related parties.

During the financial year, the company received short term loans of nil (2016: €30,000) from related parties, and repaid intercompany amounts of €50,000 (2016: €80,000).

At the end of the financial year, the amounts due from/(to) other related parties are as follows:

Related party name	2017 €	2016 €
The Leopardstown Club Limited	(7,813)	(2,702)
HRI Racecourses Limited	95	95
Tote Ireland Limited	778	814
Horse Racing Ireland	(26,344)	(80,605)

26. Approval of financial statements

The Board of Directors approved these financial statements for issue on ..... 10TH SEPTEMBER 2018