

**REGISTERED NUMBER: 00526599 (England and Wales)**

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022  
FOR  
WEATHERBYS LTD**

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**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

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for the year ended 31 December 2022**

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**WEATHERBYS LTD**  
**COMPANY INFORMATION**  
**for the year ended 31 December 2022**

**DIRECTORS:**

N D Craven  
R W H Ferris  
J P O'Reilly  
R N Weatherby  
J R Weatherby  
I R Penrose  
S J F Slade  
D M Radvan

**SECRETARY:**

S P Cooper

**REGISTERED OFFICE:**

52-60 Sanders Road  
Wellingborough  
Northamptonshire  
NN8 4BX

**REGISTERED NUMBER:**

00526599 (England and Wales)

**AUDITORS:**

Dafferns LLP  
Chartered Accountants  
Statutory Auditor  
One Eastwood  
Harry Weston Road  
Binley Business Park  
Coventry  
CV3 2UB

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**STRATEGIC REPORT  
for the year ended 31 December 2022**

The directors present their strategic report for the year ended 31 December 2022.

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**STRATEGIC REPORT  
for the year ended 31 December 2022**

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

Having successfully managed Weatherbys Limited, and its subsidiary companies - Weatherbys GSB Limited, The Point To Point Racing Company Limited (50% holding) and Racing Digital Limited (50% holding) - through the 2020 and 2021 pandemic, 2022 proved only a little less challenging as we faced rising costs and tighter margins.

Despite this, the company's profit of £1.606m in 2022 was a marked improvement on the previous year's loss of £2.510m and a small profit in 2020 of £92.5k.

This was achieved through a combination of the return of some traditional revenue streams, lost during the pandemic; technology investments, bringing some efficiencies particularly in IT - with more to realise as these technologies fully bed in; and realising new revenue streams, some of which have taken three or four years to bring to market.

Total revenue returned to pre-Covid levels at £14.404m. This compares to £11.934m in 2021 and £10.444m in 2020 (versus £14.773m in pre-Covid 2019).

Critical cash reserves remained between a healthy £4m and £5m through the year.

The loan deficit, taken out to finance the New Racing Administration System for British racing, was further reduced through 2022, as scheduled, from £1.750m to £1.250m. The final payment is due in December 2023.

The return of traditional income streams was most pronounced with the reintroduction of racecard printing orders towards the end of 2021 and beginning of 2022 after more than 18 months of significantly reduced demand while racing was conducted without or reduced spectators.

New revenue streams, both geographical and across the company's range of services and products, centred around technology development in equine and animal industries.

While the bulk of the company's revenue still comes from British based companies, revenue from both Europe and the rest of the world increased, as a proportion of total revenue, from the previous year. The directors have driven this trajectory to reduce the business's reliance on one geographical market and this is forecast to accelerate in 2023 and beyond.

Weatherbys is currently building several new systems for overseas racing authorities, mainly in the Middle East and Scandinavia, and some of these will incorporate the Weatherbys ePassport.

This investment compliments Weatherbys' 50% stake in Racing Digital, a joint venture with the sport's governing body, the British Horseracing Authority (BHA), established to build the most advanced racing administration system in the world for a projected roll out in H2 2024.

Weatherbys continues to provide extensive services to British horseracing, through its administration contract with the BHA, which runs to 2031, racecard production, equine pedigree research and publishing, book sales, advertising sales, printing and design, and animal data supply.

The company's Strategic Vision, which was launched in Spring 2021 and runs through to 2025, is now bearing fruit after its enforced interruption through Covid.

The restructure of Weatherbys Limited through 2021 and 2022, from 13 product departments to 5 functional pillars, has refocused the business on customer service and rewarding staff performance. Momentum has been maintained into 2023.

Weatherbys Limited remains fully engaged in the Weatherbys group initiative to achieve B Corp Certification to endorse the company's focus on improving social and environmental performance. The headquarters building has already achieved net carbon zero.

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**STRATEGIC REPORT  
for the year ended 31 December 2022**

The year has also seen a substantial reduction in the company's defined benefit pension deficit from £17.403m to £9.400m, and a net liability reduction of £6.002m from £13.052m to £7.050m.

Sir Johnny Weatherby KCVO, stepped down as Chairman after nearly 30 years in the role and handed over to Martin Radvan, who joined the Board from Mars in Q2 of 2022.

**PRINCIPAL RISKS AND UNCERTAINTIES**

A new 10-year contract with the BHA for administration services was agreed and signed during 2021, together with a new joint venture agreement, between Weatherbys Ltd and the BHA, to build the next generation of racing administration platform to replace the Weatherbys Ltd funded and built NRAS system. This contract has brought certainty to one of the core activities of the business.

With so much of the company's revenue dependent upon UK horse racing and breeding industries, the financial vibrancy of that sector is important to the success of the business. The sport continues to face economic pressures in the form of reduced income from bookmakers, along with ongoing requirement to present its powerful animal welfare case to both politicians and the public.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company's principal financial instruments comprise, cash, bank borrowings and various items such as trade debtors and trade creditors that arise from its operations. The main purpose of these financial instruments is to provide working capital for the business's operations.

The existence of these financial instruments exposes the company to a number of financial risks. The main risks arising are liquidity risk, interest rate risk, currency risk and credit risk. The directors, in conjunction with the corporate governance committee, review and agree policies for managing each these risks and they are summarised below.

**Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by closely monitoring working capital, as well as utilising short term debt financing as and when considered necessary.

**Interest rate risk**

The company finances its operations in part through bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by both fixed and variable rate facilities.

**Currency risk**

The company is not materially exposed to transaction foreign exchange risk, with the majority of business being conducted with customers and suppliers based in the United Kingdom. If considered necessary, transaction exposures, including those associated with forecast transactions would be hedged when known, principally using forward currency contracts. Whilst the aim would be to achieve an economic hedge the company would not adopt an accounting policy of hedge accounting for the financial statements.

**Credit risk**

The company seeks to manage its credit risk by dealing with established customers and otherwise verifying credit-worthiness of new customers, establishing clear contractual relationships with those customers, as well as identifying and addressing any credit issues arising in a timely manner.

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**STRATEGIC REPORT  
for the year ended 31 December 2022**

**KEY PERFORMANCE INDICATORS**

	<b>2022</b>	<b>2021</b>
Annual Revenue movement	+21%	+14%
Gross Profit movement	+15%	+100%
Operating Profit movement (before exceptional items)	+15%	+203%
Operating Profit Margin (before exceptional items)	17%	18%
Headcount	143	136

The key performance indicators monitored by the company are disclosed above and the addressed in more detail in the business review.

**FUTURE DEVELOPMENTS**

The company continues providing varied services to the horse racing and breeding industries. This will include further digital and online product developments, aimed at providing 24/7 services more cost-effectively and vital animal data to clients around the world. Opportunities for business diversification, both within the equine sector and beyond, continues to be further explored in order to increase both revenue and profitability.

**ON BEHALF OF THE BOARD:**



.....  
S P Cooper - Secretary

Date: 22 September 2023  
.....

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2022**

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2022.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

N D Craven  
R W H Ferris  
J P O'Reilly  
R N Weatherby  
J R Weatherby  
I R Penrose  
S J F Slade

Other changes in directors holding office are as follows:

D M Radvan - appointed 1 July 2022

**DIRECTORS' QUALIFYING INDEMNITY PROVISIONS**

During the year qualifying third party indemnity insurance was held on behalf of the directors.

**GOING CONCERN**

The directors have prepared forecasts which consider the working capital needs of the business for the twelve months subsequent to the signing of the financial statements and have concluded that the company will be able to meet its liabilities as they fall due and continue in operational existence for the foreseeable future. Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**DISCLOSURE IN THE STRATEGIC REPORT**

The company has chosen in accordance with section 414C(11) to set out in the company's strategic report information required by this Schedule to be contained in the director's report in respect of financial risk management and future developments.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.



**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2022**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



.....  
S P Cooper - Secretary

22 September 2023

Date: .....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WEATHERBYS LTD**

### **Opinion**

We have audited the financial statements of Weatherbys Ltd (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WEATHERBYS LTD**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages six and seven, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

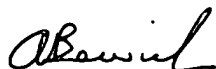
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
WEATHERBYS LTD**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andy Bewick FCCA (Senior Statutory Auditor)  
for and on behalf of Dafferns LLP  
Chartered Accountants  
Statutory Auditor  
One Eastwood  
Harry Weston Road  
Binley Business Park  
Coventry  
CV3 2UB

Date: 22 September 2023 .....

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**STATEMENT OF COMPREHENSIVE  
INCOME  
for the year ended 31 December 2022**

	Notes	2022		2021	
		£	£	£	£
<b>TURNOVER</b>	4		14,403,749		11,934,233
Cost of sales			11,407,415		9,316,643
			<hr/>		<hr/>
<b>GROSS PROFIT</b>			2,996,334		2,617,590
Administrative expenses			3,267,000		3,386,304
			<hr/>		<hr/>
			(270,666)		(768,714)
Other operating income	5		2,783,928		2,949,735
			<hr/>		<hr/>
<b>OPERATING PROFIT</b>	7		2,513,262		2,181,021
Exceptional items	8		-		4,743,132
			<hr/>		<hr/>
			2,513,262		(2,562,111)
Interest receivable and similar income			54,133		4,993
			<hr/>		<hr/>
			2,567,395		(2,557,118)
Interest payable and similar expenses	9	99,779		106,117	
Other finance costs	24	311,000		371,000	
			<hr/>		<hr/>
			410,779		477,117
			<hr/>		<hr/>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>			2,156,616		(3,034,235)
Tax on profit/(loss)	10		550,750		(523,750)
			<hr/>		<hr/>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>			1,605,866		(2,510,485)
<b>OTHER COMPREHENSIVE INCOME</b>					
Gains / (losses) on pension obligation			29,243,000		5,452,000
Gains / (losses) on pension plan assets			(22,931,000)		4,244,000
Income tax relating to components of other comprehensive income			(1,578,000)		(730,000)
			<hr/>		<hr/>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>			4,734,000		8,966,000
			<hr/>		<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			6,339,866		6,455,515
			<hr/>		<hr/>

The notes form part of these financial statements

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**BALANCE SHEET  
31 December 2022**

	Notes	2022	2021
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	11	3,400,000	3,800,000
Tangible assets	12	923,139	707,556
Investments	13	2,121,570	732,841
		<u>6,444,709</u>	<u>5,240,397</u>
<b>CURRENT ASSETS</b>			
Stocks	14	71,254	21,161
Debtors	15	3,991,828	3,277,604
Cash at bank and in hand		1,599,258	3,576,305
		<u>5,662,340</u>	<u>6,875,070</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	9,619,190	8,683,162
<b>NET CURRENT LIABILITIES</b>		<u>(3,956,850)</u>	<u>(1,808,092)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,487,859	3,432,305
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	-	(1,282,062)
<b>PENSION LIABILITY</b>	24	(7,050,000)	(13,052,250)
<b>NET LIABILITIES</b>		<u>(4,562,141)</u>	<u>(10,902,007)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	100	100
Retained earnings	23	(4,562,241)	(10,902,107)
<b>SHAREHOLDERS' FUNDS</b>		<u>(4,562,141)</u>	<u>(10,902,007)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 September 2023 and were signed on its behalf by:



.....  
S J F Slade - Director

The notes form part of these financial statements

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2021</b>	100	(17,357,622)	(17,357,522)
<b>Changes in equity</b>			
Total comprehensive income	-	6,455,515	6,455,515
<b>Balance at 31 December 2021</b>	100	(10,902,107)	(10,902,007)
<b>Changes in equity</b>			
Total comprehensive income	-	6,339,866	6,339,866
<b>Balance at 31 December 2022</b>	100	(4,562,241)	(4,562,141)

The notes form part of these financial statements

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2022**

**1. STATUTORY INFORMATION**

Weatherbys Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements and functional currency of the company is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

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

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

**Preparation of consolidated financial statements**

The financial statements contain information about Weatherbys Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Weatherbys Thoroughbred Holdings Limited, 52-60 Sanders Road, Wellingborough, Northamptonshire, NN8 4BX.

**Accounting 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.

Sources of estimation uncertainty include the calculation of the defined benefit pension obligation and the actuarial assumptions for growth and discount rates used for this purpose. Key assumptions in relation to the pension scheme have been disclosed in note 24.

Software development costs are capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility of the project is confirmed. Management makes use of an estimated charge-out rate when determining what amounts should be capitalised.

The company establishes a reliable estimate of the useful life of software development.

This estimate is based on a variety of factors such as the expected use of software, the expected usual life of the contract to which the software relates and any legal, regulatory or contractual provisions that can limit useful life.



**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**3. ACCOUNTING POLICIES - continued**

**Turnover**

The principal activities of the company and its revenue sources are derived from the provision of services to the British horse racing and breeding industries, providing administration services to the sport's governing body, the British Horseracing Authority (BHA), breeding registration services, pedigree research sales and catalogue printing for all thoroughbred auction houses. The company's other commercial services and revenues include book sales, advertising sales, and non-racing related printing and design.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sales of goods is recognised at the point the company has transferred the significant risks and rewards of ownership to the buyer, typically on dispatch of the goods.

Revenue from the provision of services is recognised in the period in which the services are delivered.

**Employment support income**

Grant income received from the UK's Coronavirus Job Retention Scheme has been recognised in the period in which the related staff expense was incurred. This income has been recognised in other operating income.

**Intangible assets**

Intangible assets are recognised at cost and subsequently measured under the historical cost model, being cost less accumulated amortisation and any accumulated impairment losses.

Computer software costs are capitalised as intangible fixed assets and amortised from the point the software was available for use and running as intended by management. Expenditure incurred on the maintenance of the software is charged to the income statement as incurred.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation is provided on the following basis:

Computer software	- 20 years
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If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

Assets under construction relate to the ongoing development of software and are not amortised until they are ready for use.

Any gains and losses on the disposal of intangible fixed assets are recognised in the income statement in the year that the disposal takes place.

**Tangible fixed assets**

Tangible fixed assets are recognised at cost and subsequently measured under the historical cost model, being cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes any direct expenditure incurred to bring the asset to its current location and condition necessary for the asset to work as intended by management.

Repairs and maintenance costs are charged to the income statement in the period in which they are incurred.

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**3. ACCOUNTING POLICIES - continued**

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal instalments over their estimated useful lives as follows:

Leasehold improvements	- 5 - 20 years
Plant and machinery	- 3 - 10 years
Fixtures and fittings	- 3 - 10 years
Motor vehicles	- 3 - 5 years
Computer equipment	- 3 - 10 years

Any gains and losses on the disposal of tangible fixed assets are recognised in the income statement in the year that the disposal takes place.

**Leases**

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

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

The aggregate benefit of any applicable lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

**Investments in subsidiaries**

Investments in subsidiary undertakings and joint ventures are valued at cost less impairment. Equity investments (other than in shares of subsidiary undertakings or joint ventures) are carried at fair value through profit and loss provided fair values can be measured reliably. Where fair value cannot be measured reliably, equity investments are carried at cost less impairment.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs in bringing the product to its current location and condition and is maintained on a first in, first out basis.

As stocks are sold, the carrying amount of those stocks is recognised as an expense in the year in which the related revenue is recognised.

At each reporting date, stocks are assessed for impairment and due allowances are made for obsolete and slow-moving items to reduce the carrying amount of these goods to their estimated selling price less costs to complete and sell. The amount of any write-down is recognised as an expense in the year that the write-down occurs. The reversal of any previous write-down is recognised as a reduction in the amount of stock expensed in the year that the reversal occurs.

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**3. ACCOUNTING POLICIES - continued**

**Financial instruments**

Basic financial instruments in debtors and creditors with no stated interest rate, and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

Other financial assets and liabilities, such as loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The company accounts for all financial assets and liabilities as basic financial instruments in accordance with FRS 102 and has no financial instruments carried at fair value.

Financial assets held at amortised costs includes all debtors and cash, excluding prepayments and tax.

Financial liabilities held at amortised cost includes all creditors, excluding tax and social security creditors.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**3. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

Pension costs relate to contributions to the Weatherbys Pension and Assurance Scheme, a pension scheme which has two elements providing benefits based on final pensionable pay for some members and benefits based on contributions paid for other members.

All the participating employers in the scheme are under common control. In accordance with FRS 102 para 28.38, this constitutes a Group Plan. Weatherbys Ltd is the sponsoring employer and has the legal responsibility for the plan and therefore the company has recognised the plan in its individual financial statements.

In respect of the defined benefit scheme, the cost of providing benefits is determined using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting asset or liability, net of deferred tax, is presented separately after other net assets on the face of the balance sheet.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations. The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in the income statement as incurred.

Net interest on the net defined benefit liability is recognised in the income statement and comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the plan assets and the actual return on the plan assets is recognised in other comprehensive income.

Actuarial gains and losses are recognised in other comprehensive income.

For the defined contribution scheme the amount charged to the income statement are the contributions payable in the year. Any difference between contributions payable in the year and contributions actually paid is reflected as a liability on the balance sheet.

**4. TURNOVER**

The turnover and profit (2021 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2022 £	2021 £
Goods	4,714,972	2,608,854
Services	9,688,777	9,325,379
	<u>14,403,749</u>	<u>11,934,233</u>

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**4. TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	2022 £	2021 £
United Kingdom	13,181,043	11,264,635
Europe	515,910	426,685
Rest of World	706,796	242,913
	<u>14,403,749</u>	<u>11,934,233</u>

**5. OTHER OPERATING INCOME**

	2022 £	2021 £
Central management and support recharges	2,633,928	2,938,681
Other income	150,000	-
Government grants	-	11,054
	<u>2,783,928</u>	<u>2,949,735</u>

The company incurs various centralised support and management costs on behalf of other group and related companies. A proportion of this expenditure is recharged to the respective parties and the income accounted for in other operating income.

Other income reflects an investment grant from Weatherbys Bank Limited that was recognised during the year, in line with the expenditure that this was agreed to fund.

In the prior year, other operating income also included furlough grants from the UK Government, having utilised the Coronavirus Job Retention Scheme, being made available in response to the Covid-19 pandemic.

**6. EMPLOYEES AND DIRECTORS**

	2022 £	2021 £
Wages and salaries	6,202,569	5,969,755
Social security costs	629,611	566,476
Pension costs	358,893	334,942
	<u>7,191,073</u>	<u>6,871,173</u>

The average monthly number of employees during the year was as follows:

Administration of racing	39	42
General operational administration	24	22
Commercial services	46	43
IT	34	29
	<u>143</u>	<u>136</u>

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

	2022 £	2021 £
Directors' remuneration	<u>1,086,443</u>	<u>1,128,696</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2022 £	2021 £
Emoluments etc	<u>463,752</u>	<u>484,238</u>

Key management are considered to be the directors of the company and their compensation paid or payable is shown above.

**7. OPERATING PROFIT**

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation - owned assets	333,427	332,218
Loss on disposal of fixed assets	-	95,916
Computer software amortisation	400,000	660,183
Auditors' remuneration	24,000	22,650
Foreign exchange differences	11,640	18,324
Rentals and operating lease charges - Plant and machinery	217,554	206,151
Rentals and operating lease charges - Land and buildings	<u>11,656</u>	<u>11,652</u>

**8. EXCEPTIONAL ITEMS**

	2022 £	2021 £
Exceptional items	<u>-</u>	<u>(4,743,132)</u>

During the prior year the directors undertook an impairment review of the NRAS (New Racing Administration System) project, which is carried as an intangible fixed asset (note 11). This review followed an agreement in the development of the next generation of racing administration system through a 50/50 joint venture with the BHA (Racing Digital Limited) and the new 10-year racing administration contract. It was agreed by the directors that the NRAS was to be impaired at 1 July 2021 to reflect the software's fair value of £4,000,000, resulting in an impairment charge of £4,743,132 in 2021.

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022 £	2021 £
Bank loan interest	89,377	93,166
Group loan interest	8,408	9,173
Other interest	1,994	3,778
	<u>99,779</u>	<u>106,117</u>

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**10. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2022 £	2021 £
Deferred tax:		
Deferred tax - other timing differences	128,000	(806,000)
Deferred tax - pension scheme	422,750	282,250
Total deferred tax	550,750	(523,750)
Tax on profit/(loss)	550,750	(523,750)

UK corporation tax has been charged at 19%.

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit/(loss) before tax	2,156,616	(3,034,235)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	409,757	(576,505)
Effects of:		
Expenses not deductible for tax purposes	4,669	5,732
Other permanent differences	(14,081)	(16,587)
Other adjustments	(12,773)	8,341
Deferred tax rate and rounding differences	132,540	19,322
Group loss surrender	30,638	35,947
Total tax charge/(credit)	550,750	(523,750)

**Tax effects relating to effects of other comprehensive income**

	Gross £	2022 Tax £	Net £
Gains / (losses) on pension obligation	29,243,000	(7,310,750)	21,932,250
Gains / (losses) on pension plan assets	(22,931,000)	5,732,750	(17,198,250)
	6,312,000	(1,578,000)	4,734,000

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2022

**10. TAXATION - continued**

	Gross £	2021 Tax £	Net £
Gains / (losses) on pension obligation	5,452,000	(1,363,000)	4,089,000
Gains / (losses) on pension plan assets	4,244,000	(1,061,000)	3,183,000
Deferred tax rate restatement - pension	-	1,694,000	1,694,000
	<u>9,696,000</u>	<u>(730,000)</u>	<u>8,966,000</u>

The company has tax losses carried forward of £446,219 (2021: £868,542) that are available for offset against future taxable profits. These losses have been provided for, and form part of the deferred tax asset included in debtors (note 15).

**11. INTANGIBLE FIXED ASSETS**

	Computer software £
<b>COST</b>	
At 1 January 2022	
and 31 December 2022	<u>9,445,750</u>
<b>AMORTISATION</b>	
At 1 January 2022	5,645,750
Amortisation for year	<u>400,000</u>
At 31 December 2022	<u>6,045,750</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>3,400,000</u>
At 31 December 2021	<u>3,800,000</u>

Intangible assets is comprised of the NRAS (New Racing Administration System) project that has been developed to manage the horse racing administration function for the British Horse Racing Authority (BHA). The net book value of the capitalised software at the balance sheet date was £3,400,000 (2021: £3,800,000) and is being amortised over a remaining period of 8 years. The NRAS asset was impaired during the prior year and further details can be found in note 8.

The annual amortisation cost of intangible fixed assets is included entirely in cost of sales.



**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**12. TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2022	1,991,586	481,160	2,873,893
Additions	-	-	106,870
Disposals	-	-	(4,819)
At 31 December 2022	1,991,586	481,160	2,975,944
<b>DEPRECIATION</b>			
At 1 January 2022	1,963,724	470,642	2,468,817
Charge for year	1,933	6,491	151,487
Eliminated on disposal	-	-	(4,819)
At 31 December 2022	1,965,657	477,133	2,615,485
<b>NET BOOK VALUE</b>			
At 31 December 2022	25,929	4,027	360,459
At 31 December 2021	27,862	10,518	405,076
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2022	62,787	2,168,930	7,578,356
Additions	11,980	430,160	549,010
Disposals	-	-	(4,819)
At 31 December 2022	74,767	2,599,090	8,122,547
<b>DEPRECIATION</b>			
At 1 January 2022	62,787	1,904,830	6,870,800
Charge for year	998	172,518	333,427
Eliminated on disposal	-	-	(4,819)
At 31 December 2022	63,785	2,077,348	7,199,408
<b>NET BOOK VALUE</b>			
At 31 December 2022	10,982	521,742	923,139
At 31 December 2021	-	264,100	707,556

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**13. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Interest in joint venture £	Unlisted investments £	Totals £
<b>COST</b>				
At 1 January 2022	85	722,756	10,000	732,841
Additions	-	1,388,729	-	1,388,729
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	85	2,111,485	10,000	2,121,570
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At 31 December 2022	85	2,111,485	10,000	2,121,570
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	85	722,756	10,000	732,841
	<hr/>	<hr/>	<hr/>	<hr/>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary**

**Weatherbys GSB Limited**

Registered office: 52-60 Sanders Road, Wellingborough, Northamptonshire, NN8 4BX

Nature of business: Thoroughbred horse registration

	%
Class of shares:	holding
Ordinary	100.00

**Joint ventures**

**The Point-to-Point Racing Company Limited**

Registered office: 52-60 Sanders Road, Wellingborough, Northamptonshire, NN8 4BX

Nature of business: Production & publication of information

	%
Class of shares:	holding
Ordinary	50.00

**Racing Digital Limited**

Registered office: Colworth House, Colworth Science Park, Sharnbrook, Bedford, MK44 1LQ

Nature of business: Software development

	%
Class of shares:	holding
Ordinary	50.00

Joint venture additions during the year of £1,388,729 (2021: £711,470) relates to the formation of Racing Digital Limited, a 50/50 joint venture between the company and the British Horse Racing Authority Limited (BHA), set up to develop and build the next generation of racing administration platform. The above additions includes long term loans that have been advanced to Racing Digital Limited to fund its developments. The expected commitment at 31 December 2022 is £3.5m.

**14. STOCKS**

	2022 £	2021 £
Raw materials and consumables	<u>71,254</u>	<u>21,161</u>

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade debtors	2,233,186	1,334,012
Amounts owed by related parties	222,716	365,617
Amounts owed by group undertakings	893,056	889,810
Other debtors	148,727	18,515
Tax	58,402	125,674
Deferred tax asset	72,000	200,000
Prepayments and accrued income	363,741	343,976
	<u>3,991,828</u>	<u>3,277,604</u>

Deferred tax asset

	2022	2021
	£	£
Accelerated capital allowances	(189,000)	(99,000)
Tax losses carried forward	112,000	226,000
Other timing differences	149,000	73,000
	<u>72,000</u>	<u>200,000</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Bank loans and overdrafts (see note 18)	1,250,000	625,000
Finance leases (see note 19)	17,526	100,182
Trade creditors	1,014,798	577,219
Amounts owed to related parties	346,891	149,640
Amounts owed to group undertakings	3,551,051	4,122,627
Social security and other taxes	460,989	484,214
Other creditors	1,351,581	887,834
Accruals and deferred income	1,626,354	1,736,446
	<u>9,619,190</u>	<u>8,683,162</u>

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022	2021
	£	£
Bank loans (see note 18)	-	1,250,000
Finance leases (see note 19)	-	32,062
	<u>-</u>	<u>1,282,062</u>

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**18. LOANS**

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank loans	<u>1,250,000</u>	<u>625,000</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>1,250,000</u>

**19. LEASING AGREEMENTS**

Minimum lease payments under finance leases fall due as follows:

	Finance leases	
	2022 £	2021 £
Net obligations repayable:		
Within one year	17,526	100,182
Between one and five years	<u>-</u>	<u>32,062</u>
	<u>17,526</u>	<u>132,244</u>

The company has previously entered into a number of finance leasing arrangements, only one of which remains outstanding at the balance sheet date. The ongoing leasing arrangement is due to expire in August 2023 and the leased equipment has been capitalised as part of tangible fixed assets. At the end of the lease the company will not automatically take ownership of the assets.

**20. SECURED DEBTS**

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	<u>1,250,000</u>	<u>1,875,000</u>

The outstanding bank loan is held with Svenska Handelsbanken AB and is a term loan facility of £3,750,000, with quarterly repayments of £156,250 and is fully repayable by 30 November 2023. The loan bears interest at 4.12% above LIBOR and security is provided against the facility via a company debenture.

**21. DEFERRED TAX**

	£
Balance at 1 January 2022	(200,000)
Accelerated capital allowances	89,000
Other timing differences	(75,000)
Tax losses	<u>114,000</u>
Balance at 31 December 2022	<u>(72,000)</u>

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**22. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2022 £	2021 £
Number:	Class:			
100	Ordinary shares	1	<u>100</u>	<u>100</u>

**23. RESERVES**

	Retained earnings £
At 1 January 2022	(10,902,107)
Profit for the year	1,605,866
Actuarial gains / (losses) on pension scheme	<u>4,734,000</u>
At 31 December 2022	<u>(4,562,241)</u>

**Retained Earnings**

The retained earnings account represents cumulative profits and losses to date, net of dividends and other adjustments.

**24. EMPLOYEE BENEFIT OBLIGATIONS**

The company is the sponsoring employer in the Weatherbys Pension and Assurance Scheme that shares risks between entities under common control. This pension scheme has both a defined benefit element, providing benefits based on final pensionable pay and a defined contribution element. The defined benefit component of the scheme is closed to new members.

The scheme is subject to triennial actuarial valuations. The last full valuation was carried out and reported as at 31 December 2021, with these results having been updated to 31 December 2022 under the provisions of Financial Reporting Standard 102 by a qualified independent actuary using approximate actuarial techniques and available information.

Following the full valuation of the Weatherbys Pension and Assurance Scheme as at 31 December 2021, the company agreed a new funding recovery plan with the Pension Trustees, to eliminate the Scheme's deficit by 31 July 2031. The company is due to make contributions of £1.5m per annum, increasing by 3.5% from 2024, and the contributions to be paid are reviewed every 3 years as part of each formal valuation.

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**24. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Present value of funded obligations	(55,241,000)	(84,402,000)
Fair value of plan assets	45,841,000	66,999,000
	<u>(9,400,000)</u>	<u>(17,403,000)</u>
Present value of unfunded obligations	-	-
Deficit	(9,400,000)	(17,403,000)
Deferred tax asset	2,350,000	4,350,750
Net liability	<u><u>(7,050,000)</u></u>	<u><u>(13,052,250)</u></u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Current service cost	-	-
Net interest from net defined benefit asset/liability	311,000	371,000
Past service cost	-	-
	<u>311,000</u>	<u>371,000</u>
Actual return on plan assets	<u><u>1,278,000</u></u>	<u><u>845,000</u></u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Opening defined benefit obligation	84,402,000	91,382,000
Interest cost	1,589,000	1,216,000
Actuarial losses/(gains)	(29,243,000)	(5,452,000)
Benefits paid	(1,507,000)	(2,744,000)
	<u><u>55,241,000</u></u>	<u><u>84,402,000</u></u>

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**24. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Opening fair value of scheme assets	66,999,000	63,154,000
Contributions by employer	2,002,000	1,500,000
Return on plan assets	(22,931,000)	4,244,000
Interest income on scheme assets	1,278,000	845,000
Benefits paid	(1,507,000)	(2,744,000)
	<u>45,841,000</u>	<u>66,999,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Actuarial gains/(losses)	6,312,000	9,696,000
	<u>6,312,000</u>	<u>9,696,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2022	2021
UK Equities	6%	7%
Overseas Equities	11%	13%
Corporate Bonds	-	12%
Government Bonds	5%	4%
Leveraged LDI Funds	29%	12%
Diversified Growth Funds	45%	51%
Cash	4%	1%
	<u>100%</u>	<u>100%</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022	2021
Discount rate	5.00%	1.90%
RPI inflation	3.15%	3.20%
CPI inflation	2.65%	2.80%
LPI pension increases (capped at 5% pa)	3.05%	3.10%
LPI pension increases (capped at 2.5% pa)	2.15%	2.20%

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**24. - continued**

**Defined contribution scheme**

Weatherbys Pension and Assurance Scheme also provides a defined contribution scheme which is open to new employees. Total contributions to the scheme during the year were £358,893 (2021: £334,942). At the balance sheet date there were no outstanding pension contributions due to be paid to the scheme (2021: £nil).

**25. CAPITAL COMMITMENTS**

	2022 £	2021 £
Contracted but not provided for in the financial statements	972,800	-

The Company has committed to capital expenditure of £972,800 on the development of new racing systems which will be licenced to third parties.

**26. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.



**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**26. RELATED PARTY DISCLOSURES - continued**

The company also has related party transactions and balances with other connected parties by virtue of common control and significant influence.

These related party transactions have been concluded under normal market conditions on an arm's length basis.

Transactions occurred and balances were outstanding with the following related parties:

Weatherbys Bank Limited  
Arkle Finance Limited  
Weatherbys Hamilton LLP  
The-Point-to-Point Racing Company Limited  
Racing Digital Limited

**Weatherbys Bank**

The company recharged centralised costs to Weatherbys Bank Limited totalling £778,406 (2021: £1,113,970) and paid management charges to Weatherbys Bank Limited totalling £350,246 (2021: £nil) throughout the financial year.

The company also holds bank accounts with Weatherbys Bank Limited. At the balance sheet date a total of £920,693 out of the company's total bank and cash was held with Weatherbys Bank Limited (2021: £1,414,188).

In 2020 the company received a £150,000 investment grant from Weatherbys Bank Limited. During the year, this income was released in line with the expenditure that this was agreed to fund.

**Arkle Finance Limited**

The company recharged centralised costs to Arkle Finance Limited totalling £258,233 (2021: £374,971) throughout the financial year.

**Weatherbys Hamilton LLP**

The company recharged centralised costs to Weatherbys Hamilton LLP totalling £136,279 (2021: £144,260) throughout the financial year.

**The Point-to-Point Racing Company Limited**

The company recharged centralised costs to The-Point-to-Point Racing Company Limited totalling £55,827 (2021: £53,882) throughout the financial year.

**Racing Digital Limited**

During the year the company advanced loans to Racing Digital Limited. The amount outstanding at the balance sheet date totalled £2,111,485 (2021: £711,469). These long term loans form part of the investment in the company as reflected in note 13. The loaned monies is interest bearing at a rate of 2% above the Bank of England base rate and accrued interest is included in the outstanding balance.

The company also made sales to related parties in the form of IT and printing related services totalling £124,611 (2021: £104,856).

At the balance sheet date, as per notes 15 and 16, a total of £222,716 was owed to the company from related parties (2021: £365,617) and £346,891 was owed by the company to related parties (2021: £149,640).

**WEATHERBYS LTD (REGISTERED NUMBER: 00526599)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2022**

**27. ULTIMATE CONTROLLING PARTY**

The immediate and ultimate parent company is Weatherbys Thoroughbred Holdings Limited, a company registered in England and Wales.

The largest and smallest group for which group financial statements have been drawn up is that headed by Weatherbys Thoroughbred Holdings Limited. Copies of the group financial statements can be obtained at Companies House.

The company's ultimate controlling parties are the three Weatherbys Family Settlements by virtue of their shareholdings in Weatherbys Thoroughbred Holdings Limited.