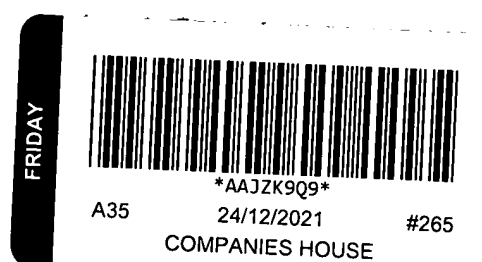


REGISTERED NUMBER: 00526599 (England and Wales)

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
FOR  
WEATHERBYS LTD**



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for the year ended 31 December 2020**

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**WEATHERBYS LTD**  
**COMPANY INFORMATION**  
**for the year ended 31 December 2020**

**DIRECTORS:** N D Craven  
R W H Ferris  
J P O'Reilly  
R N Weatherby  
Sir J R Weatherby

**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

**STRATEGIC REPORT  
for the year ended 31 December 2020**

The directors present their strategic report for the year ended 31 December 2020.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The core activity of the business during the year remained provision of services to British horseracing. In part, this is through the racing administration contract with the sport's governing body, the British Horseracing Authority (BHA), which is responsible for approximately one third of the company's total annual revenue.

The company also continued to perform a wide range of other services, mostly, but not exclusively, connected with horseracing. This included racecard production, thoroughbred pedigree research and publishing, ticketing, book sales, advertising sales, printing and design and animal data supply.

This was supplemented by more focus and activity on investment and technology development in next-generation animal identification and tracking technology, based on its stud book system which incorporates the ePassport for paperless animal identity, ownership, movement, vaccinations and medications. The full launch of the ePassport occurred in 2021. This technology remains ahead of its competitors and is positioned to maximise commercial and operational opportunities.

The company's net profit in 2020, at £92,569, was £528,530 lower than the prior year (£621,099), revenue in 2020 was £10,444,791, significantly lower than the previous year (£14,773,309).

The fall in income was a result of a cessation of racecard printing while racing was conducted without spectators due to the COVID-19 pandemic. This remains a major contributor to lower revenues beyond 2020; however, the re-uptake of racecard orders in the second half of 2021 has been more rapid than forecast.

The decline in revenues far exceeded the fall in profit and this was due to the response to the challenges brought on by the pandemic. Weatherbys Ltd's directors and employees rapidly introduced measures including moving employees to home working, implementing a company-wide pay reduction of 15% for staff above a threshold (ensuring the financial wellbeing of our lower paid employees), termination of temporary contracts and suspending some capital expenditure projects and recruitment.

The average number of monthly employees during the year reduced from 171 to 149. This reduction was across the business and was due, in most cases, to the introduction of new IT systems, migrating manual processes to online solutions and reducing employee costs as a proportion of all business costs.

As well as continuously monitoring its financial position and KPIs, and supporting employees, the company worked closely with customers and regulatory bodies and Government agencies, to coordinate mitigating measures as far as possible.

The business remains strong and profitable and, through the 2020 financial year, has adapted and brought forward strategies which have improved efficiencies in our provision of services and the way the company operates. The company focused on retaining its existing customers while continuing to widen its portfolio of clients, expertise and business activities.

Although 2020 was a challenging year for the business in terms of profit, excluding pension deficit liability which was deferred for a short period due to the pandemic, the company's net assets remained at or close to £6m through the year.

Financial Reporting Standard 102 applies to these financial statements, providing recognition of the group's defined benefit pension scheme and its deficit valuation. The scheme's gross deficit calculation increased from £19.4m in 2019 to £22.9m in 2020 and the recovery plan entered following the triennial actuarial valuation agreed during 2020 continued to be applied.

At the time of approving the financial statements, the company continues to be exposed to the effects of the pandemic but, because of the directors taking protective financial action, they are not anticipating making significant changes to the business in the short and medium-term future.

**STRATEGIC REPORT  
for the year ended 31 December 2020**

The directors continue to manage the twin pressures of capital expenditure and cash flow management while ensuring their investment is focused on revenue gains in 2022 and beyond.

The Board takes this opportunity to thank employees for their diligence and commitment during the year.

**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 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 of 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 overdraft facilities and revolving credit facility with our bankers.

**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.

**KEY PERFORMANCE INDICATORS**

	<b>2020</b>	<b>2019</b>
Annual Revenue movement	-29.22%	-3.25%
Gross Profit movement	-59.90%	-11.12%
Operating Profit movement	-49.23%	+44.74%
Operating Profit Margin	6.88%	9.59%
Headcount	149	171

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

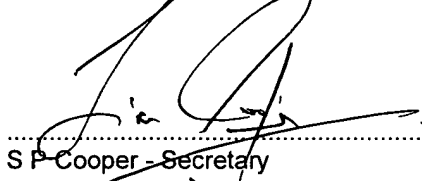
**STRATEGIC REPORT**  
**for the year ended 31 December 2020**

**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.

The most significant revenue lines remain administration services to British horseracing, horse registrations and import and export, design and printing, pedigree research and sales catalogue production.

**ON BEHALF OF THE BOARD:**

  
.....  
S P Cooper - Secretary

Date: 20 December 2021

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2020.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

N D Craven  
R W H Ferris  
J P O'Reilly  
R N Weatherby  
Sir J R Weatherby

Other changes in directors holding office are as follows:

C G Coles - resigned 21 January 2020  
A S McGlynn - resigned 31 July 2020

**DIRECTORS' CHANGES SINCE YEAR END**

After the balance sheet date I Penrose and S J F Slade were appointed as directors on 1 January 2021 and 11 November 2021 respectively.

**DIRECTORS' QUALIFYING INDEMNITY PROVISIONS**

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

**GOING CONCERN**

The company quickly adapted to the challenges presented by the COVID-19 pandemic and has successfully minimised the impact to the business. The company is well positioned to continue to withstand any further shocks as a result of the pandemic moving forwards. A large part of this positive financial positioning was due to salary reductions and deferral of staff bonuses during the year. The Board is extremely grateful to all staff for sacrificing remuneration to maximise safeguards and the longer-term future sustainability of the company. The Board continue to monitor forecasts and cash flows on a regular basis and believe the company has sufficient working capital for its ongoing trading needs, and therefore the going concern basis continues to be adopted in the preparation of these financial statements.

**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.

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2020**

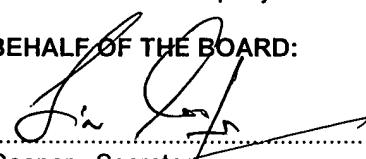
**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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

Date: 20 December 2021



## **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 2020 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 2020 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 five and six, 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

22 December 2021

**STATEMENT OF COMPREHENSIVE  
INCOME**  
for the year ended 31 December 2020

	Notes	2020 £	2019 £
<b>TURNOVER</b>	4	10,444,791	14,773,309
Cost of sales		(9,138,369)	(11,485,754)
<b>GROSS PROFIT</b>		1,306,422	3,287,555
Administrative expenses		(3,515,624)	(5,134,587)
		(2,209,202)	(1,847,032)
Other operating income	5	2,928,868	3,264,558
<b>OPERATING PROFIT</b>	7	719,666	1,417,526
Income from participating interests		-	1,107
Interest receivable and similar income		756	-
		720,422	1,418,633
Interest payable and similar expenses	8	(145,853)	(191,534)
Other finance costs	24	(482,000)	(606,000)
<b>PROFIT BEFORE TAXATION</b>		92,569	621,099
Tax on profit	9	(32,171)	(122,564)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		60,398	498,535
<b>OTHER COMPREHENSIVE INCOME</b>			
Gains / (losses) on pension obligation		(8,953,000)	(8,675,000)
Gains / (losses) on pension plan assets		3,648,000	6,874,000
Deferred tax rate restatement - pension		370,747	-
Income tax relating to components of other comprehensive income		1,008,000	306,170
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		(3,926,253)	(1,494,830)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		(3,865,855)	(996,295)

The notes form part of these financial statements

**BALANCE SHEET**  
**31 December 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Intangible assets	11	9,203,315	10,414,350
Tangible assets	12	804,280	1,253,492
Investments	13	21,371	21,371
		<u>10,028,966</u>	<u>11,689,213</u>
<b>CURRENT ASSETS</b>			
Stocks	14	32,130	27,704
Debtors	15	2,441,937	3,477,263
Cash at bank and in hand		3,329,159	1,253,829
		<u>5,803,226</u>	<u>4,758,796</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(7,695,537)	(7,208,488)
<b>NET CURRENT LIABILITIES</b>		<u>(1,892,311)</u>	<u>(2,449,692)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,136,655	9,239,521
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(2,023,177)	(2,716,514)
<b>PROVISIONS FOR LIABILITIES</b>	21	(606,000)	(644,927)
<b>PENSION LIABILITY</b>	24	(22,865,000)	(19,369,747)
<b>NET LIABILITIES</b>		<u>(17,357,522)</u>	<u>(13,491,667)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	100	100
Retained earnings	23	(17,357,622)	(13,491,767)
<b>SHAREHOLDERS' FUNDS</b>		<u>(17,357,522)</u>	<u>(13,491,667)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2021 and were signed on its behalf by:

Rmwe  
 Director

Roger Weatherby

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2019</b>	100	(12,495,472)	(12,495,372)
<b>Changes in equity</b>			
Total comprehensive income	-	(996,295)	(996,295)
<b>Balance at 31 December 2019</b>	100	(13,491,767)	(13,491,667)
<b>Changes in equity</b>			
Total comprehensive income	-	(3,865,855)	(3,865,855)
<b>Balance at 31 December 2020</b>	100	(17,357,622)	(17,357,522)

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2020**

**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.

**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 23.

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.

**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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2020

3. ACCOUNTING POLICIES - continued

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
-------------------	------------

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.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**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 - 10 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 valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined by maintaining stock on a first-in, first-out basis.

Stocks held on consignment at third parties is held on the company's balance sheet until substantially all of the risks and rewards of ownership have been transferred to the buyer.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2020**

**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 through profit or loss.

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**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 statement's.

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 before taxation are attributable to the one principal activity of the company.

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

	2020 £	2019 £
Goods	1,403,360	5,126,177
Services	9,041,431	9,647,132
	<u>10,444,791</u>	<u>14,773,309</u>

An analysis of turnover by geographical market is given below:

	2020 £	2019 £
United Kingdom	9,554,932	14,057,716
Europe	340,348	441,187
Rest of World	549,511	274,406
	<u>10,444,791</u>	<u>14,773,309</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**5. OTHER OPERATING INCOME**

	2020 £	2019 £
Central management and support recharges	2,609,056	3,264,558
Government grants	319,812	-
	<u>2,928,868</u>	<u>3,264,558</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 operating income also includes 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**

	2020 £	2019 £
Wages and salaries	5,361,979	6,725,498
Social security costs	547,156	658,500
Pension costs	337,791	429,902
	<u>6,246,926</u>	<u>7,813,900</u>

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

Administration of racing	45	43
General operational administration	27	34
Commercial services	45	50
IT	32	44
	<u>149</u>	<u>171</u>

In the prior year 2019 financial statements £250,271 of staff car allowances were classified as motor and vehicle costs, opposed to employee benefit costs. This has been reclassified as wages to improve the clarity in the presentation of the costs incurred by the company.

This reclassification does not have any impact on the prior year reported profit.

	2020 £	2019 £
Directors' remuneration	<u>937,098</u>	<u>1,123,715</u>

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

Money purchase schemes	<u>3</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2020 £	2019 £
Emoluments etc	<u>340,136</u>	<u>351,617</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**7. OPERATING PROFIT**

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	521,840	799,221
Loss on disposal of fixed assets	4,333	136,657
Computer software amortisation	920,367	958,401
Auditors' remuneration	21,500	26,500
Foreign exchange differences	3,514	16,976
Rentals and operating lease charges - Plant and machinery	201,783	238,874
Rentals and operating lease charges - Land and buildings	148,479	328,001
	<u>148,479</u>	<u>328,001</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Bank loan interest	130,860	174,330
Group loan interest	9,025	9,000
Other interest	5,968	8,204
	<u>145,853</u>	<u>191,534</u>

**9. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	(29,902)	139,121
Deferred tax:		
Deferred tax - other timing differences	(38,927)	(16,557)
Deferred tax - pension scheme	101,000	-
Total deferred tax	62,073	(16,557)
Tax on profit	<u>32,171</u>	<u>122,564</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**9. TAXATION - continued****Reconciliation of total tax charge 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:

	2020 £	2019 £
Profit before tax	<u>92,569</u>	<u>621,099</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	17,588	118,009
Effects of:		
Expenses not deductible for tax purposes	11,497	15,503
Income not taxable for tax purposes	-	(19,210)
Other permanent differences	-	4,370
Other adjustments	(24,223)	(34,075)
Deferred tax rate change and rounding differences	(21)	37,967
Group loss surrender	<u>27,330</u>	<u>-</u>
Total tax charge	<u><u>32,171</u></u>	<u><u>122,564</u></u>

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

	Gross £	2020 Tax £	Net £
Gains / (losses) on pension obligation	(8,953,000)	1,701,000	(7,252,000)
Gains / (losses) on pension plan assets	3,648,000	(693,000)	2,955,000
Deferred tax rate restatement - pension	<u>370,747</u>	<u>-</u>	<u>370,747</u>
	<u><u>(4,934,253)</u></u>	<u><u>1,008,000</u></u>	<u><u>(3,926,253)</u></u>

	Gross £	2019 Tax £	Net £
Gains / (losses) on pension obligation	(8,675,000)	1,648,250	(7,026,750)
Gains / (losses) on pension plan assets	<u>6,874,000</u>	<u>(1,342,080)</u>	<u>5,531,920</u>
	<u><u>(1,801,000)</u></u>	<u><u>306,170</u></u>	<u><u>(1,494,830)</u></u>

**10. PRIOR YEAR EXPENDITURE REALLOCATION**

In the prior year 2019 financial statements an annual adjustment in respect to the defined benefit pension scheme was allocated entirely against direct costs.

£326k of this adjustment has been reclassified and allocated against administrative expenses to better align the adjustment against the associated expenditure.

This reallocation does not alter or have any impact on the 2019 reported profit.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**11. INTANGIBLE FIXED ASSETS**

	Assets under construction £	Computer software £	Totals £
<b>COST</b>			
At 1 January 2020	290,668	14,188,882	14,479,550
Impairments	(290,668)	-	(290,668)
At 31 December 2020	-	14,188,882	14,188,882
<b>AMORTISATION</b>			
At 1 January 2020	-	4,065,200	4,065,200
Amortisation for year	-	920,367	920,367
At 31 December 2020	-	4,985,567	4,985,567
<b>NET BOOK VALUE</b>			
At 31 December 2020	-	9,203,315	9,203,315
At 31 December 2019	290,668	10,123,682	10,414,350

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 £9,203,315 (2019: £10,414,350) and is being amortised over a remaining period of 10 years.

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

**12. TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2020	1,991,586	480,066	2,821,854
Additions	-	-	48,789
Disposals	-	-	-
At 31 December 2020	1,991,586	480,066	2,870,643
<b>DEPRECIATION</b>			
At 1 January 2020	1,844,727	429,641	2,117,842
Charge for year	109,535	22,462	212,335
Eliminated on disposal	-	-	-
At 31 December 2020	1,954,262	452,103	2,330,177
<b>NET BOOK VALUE</b>			
At 31 December 2020	37,324	27,963	540,466
At 31 December 2019	146,859	50,425	704,012

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2020

**12. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2020	102,067	2,121,975	7,517,548
Additions	-	29,840	78,629
Disposals	(15,930)	-	(15,930)
At 31 December 2020	86,137	2,151,815	7,580,247
<b>DEPRECIATION</b>			
At 1 January 2020	79,686	1,792,160	6,264,056
Charge for year	14,980	162,528	521,840
Eliminated on disposal	(9,929)	-	(9,929)
At 31 December 2020	84,737	1,954,688	6,775,967
<b>NET BOOK VALUE</b>			
At 31 December 2020	1,400	197,127	804,280
At 31 December 2019	22,381	329,815	1,253,492

In the prior year 2019 financial statements tangible fixed assets were reported via 3 assets classes, being fixtures and fittings, plant and machinery and computer equipment.

In 2020 tangible fixed assets have been reflected across 5 assets classes (as above) to enhance the accuracy and visibility of the assets recorded in the financial statements.

**13. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Interest in joint venture £	Unlisted investments £	Totals £
<b>COST</b>				
At 1 January 2020 and 31 December 2020	85	11,286	10,000	21,371
<b>NET BOOK VALUE</b>				
At 31 December 2020	85	11,286	10,000	21,371
At 31 December 2019	85	11,286	10,000	21,371

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



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**13. FIXED ASSET INVESTMENTS - continued****Joint venture****The Point-to-Point Racing company Limited**

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

Nature of business: Production &amp; publication of information

Class of shares:	%
Ordinary	holding 50.00

**14. STOCKS**

	2020	2019
	£	£
Raw materials and consumables	<u>32,130</u>	<u>27,704</u>

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

	2020	2019
	£	£
Trade debtors	962,272	1,386,298
Amounts owed by related parties	294,081	201,276
Amounts owed by group undertakings	890,099	1,138,886
Other debtors	31,616	170,411
Prepayments and accrued income	263,869	580,392
	<u>2,441,937</u>	<u>3,477,263</u>

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

	2020	2019
	£	£
Bank loans and overdrafts (see note 18)	625,000	625,000
Finance leases (see note 19)	98,785	208,830
Trade creditors	571,757	868,487
Amounts owed to related parties	238,671	33,133
Amounts owed to group undertakings	3,636,182	3,463,377
Tax	108,772	96,022
Social security and other taxes	789,969	483,954
Other creditors	177,350	257,435
Accruals and deferred income	1,449,051	1,172,250
	<u>7,695,537</u>	<u>7,208,488</u>

In the prior year 2019 financial statements £3,158,220 of amounts owed to group undertakings was classified as falling due after more than one year. These balances are repayable on demand and have been reallocated to balances due within one year to improve the consistency and comparability of the financial statements.

This reallocation does not alter or have any impact on the overall balance sheet position.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2020**

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

	2020 £	2019 £
Bank loans (see note 18)	1,875,000	2,500,000
Finance leases (see note 19)	148,177	216,514
	<u>2,023,177</u>	<u>2,716,514</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year or on demand:		
Bank loans	<u>625,000</u>	<u>625,000</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>625,000</u>	<u>625,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,250,000</u>	<u>1,875,000</u>

**19. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Finance leases 2020 £	2019 £
Net obligations repayable:		
Within one year	98,785	208,830
Between one and five years	148,177	216,514
	<u>246,962</u>	<u>425,344</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 the lease the company will not automatically take ownership of the assets.

	Non-cancellable operating leases 2020 £	2019 £
Within one year	2,218	52,212
Between one and five years	-	978
	<u>2,218</u>	<u>53,190</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2020

**20. SECURED DEBTS**

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>2,500,000</u>	<u>3,125,000</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. PROVISIONS FOR LIABILITIES**

	2020 £	2019 £
Deferred tax	<u>606,000</u>	<u>644,927</u>
		Deferred tax £
Balance at 1 January 2020		644,927
Credit to Statement of Comprehensive Income during year		<u>(38,927)</u>
Balance at 31 December 2020		<u>606,000</u>

The deferred tax liability is comprised of entirely of accelerated capital allowances claimed by the company.

**22. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
100	Ordinary shares	1	<u>100</u>	<u>100</u>

**23. RESERVES**

	Retained earnings £
At 1 January 2020	(13,491,767)
Profit for the year	60,398
Actuarial gains / (losses) on pension scheme	(4,297,000)
Deferred tax rate restatement - pension	<u>370,747</u>
At 31 December 2020	<u>(17,357,622)</u>

**Retained Earnings**

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**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 2018, with these results having been updated to 31 December 2020 under the provisions of Financial Reporting Standard 102 by a qualified independent actuary using approximate actuarial techniques and available information.

Following the valuation of the Weatherbys Pension and Assurance Scheme as at 31 December 2018, the company agreed a new funding recovery plan with the Pension Trustees, to recover the Scheme's deficit. From 1 January 2020, a fixed contribution of £1.0m was agreed for a period of 12 months, from 1 January 2021, a fixed contribution of £1.5m was agreed for a period of 12 months and from 01 January 2022, a fixed contribution of £2.0m was agreed for a period of 12 months. Such payments are made in monthly instalments. From 1 January 2023, a payment of £1.67m per annum was agreed, payable in monthly instalments for a period of 12 years and 8 months, ending 31 August 2035. Payments will increase on a cumulative basis from 1 January 2023, at a rate of 3.0% each year.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Present value of funded obligations	(91,382,000)	(88,271,000)
Fair value of plan assets	63,154,000	64,816,000
	<u>(28,228,000)</u>	<u>(23,455,000)</u>
Present value of unfunded obligations	-	-
Deficit	(28,228,000)	(23,455,000)
Deferred tax asset	5,363,000	4,085,253
Net liability	<u>(22,865,000)</u>	<u>(19,369,747)</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	-	-
Net interest from net defined benefit asset/liability	482,000	606,000
Past service cost	38,000	-
Net settlement	(52,000)	-
	<u>468,000</u>	<u>606,000</u>
Actual return on plan assets	<u>1,292,000</u>	<u>1,583,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2020

**24. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	88,271,000	78,974,000
Past service cost	38,000	-
Interest cost	1,774,000	2,189,000
Actuarial losses/(gains)	8,953,000	8,675,000
Benefits paid	(3,092,000)	(1,567,000)
Settlements	(4,562,000)	-
	<u>91,382,000</u>	<u>88,271,000</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	64,816,000	56,767,000
Contributions by employer	1,000,000	1,159,000
Return on plan assets	3,648,000	6,874,000
Interest income on scheme assets	1,292,000	1,583,000
Benefits paid	(3,092,000)	(1,567,000)
Settlements	(4,510,000)	-
	<u>63,154,000</u>	<u>64,816,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Actuarial gains/(losses)	(5,305,000)	(1,801,000)
	<u>(5,305,000)</u>	<u>(1,801,000)</u>

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

	Defined benefit pension plans	
	2020	2019
UK Equities	6%	8%
Overseas Equities	12%	11%
Corporate Bonds	13%	11%
Government Bonds	4%	4%
Leveraged LDI Funds	15%	11%
Diversified Growth Funds	47%	52%
Cash	3%	3%
	<u>100%</u>	<u>100%</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**24. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	2020	2019
Discount rate	1.35%	2.10%
RPI inflation	2.85%	2.95%
CPI inflation	2.35%	1.95%
LPI pension increases (capped at 5% pa)	2.80%	2.90%
LPI pension increases (capped at 2.5% pa)	2.05%	2.10%

**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 £337,791 (2019: £429,902). At the balance sheet date there were no outstanding pension contributions due to be paid to the scheme (2019: £nil).

**25. 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.

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

**Weatherbys Bank**

The company recharged centralised costs to Weatherbys Bank Limited totalling £923,878 (2019: £1,284,226) and paid building rents to Weatherbys Bank Limited totalling £129,996 (2019: £309,996) throughout the financial year.

The company also holds bank accounts with Weatherbys Bank Limited. At the balance sheet date a total of £725,899 out of the company's total bank and cash was held with Weatherbys Bank Limited (2019: £126,895).

During the year the company received a £150,000 investment grant from Weatherbys Bank Limited. This income has been deferred on the balance sheet and will be 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 £326,425 (2019: £303,441) throughout the financial year.

**Weatherbys Hamilton LLP**

The company recharged centralised costs to Weatherbys Hamilton LLP totalling £128,904 (2019: £119,471) throughout the financial year.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2020**

**25. RELATED PARTY DISCLOSURES - continued**

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

The company recharged centralised costs to The-Point-to-Point Racing Company Limited totalling £63,806 (2019: £49,821) throughout the financial year.

The company also made sales to related parties in the form of IT and printing related services totalling £117,758 (2019: £613,353).

At the balance sheet date, as per notes 15 and 16, a total of £294,081 was owed to the company from related parties (2019: £201,276) and £238,671 was owed by the company to related parties (2019: £33,133).

**26. 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.