

**Company Registration No. 791113**

**TATTERSALLS LIMITED**

**Annual Report and Financial Statements**

**30 June 2021**



***Tattersalls***



# **TATTERSALLS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2021**

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# **TATTERSALLS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2021**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

E C Mahony  
A I H Bedford  
G K Davies  
J R B George  
M J Mitchell (resigned 31 December 2020)  
P J Morrey  
R A Skeggs

#### **SECRETARY**

R A Skeggs

#### **REGISTERED OFFICE**

Terrace House  
Newmarket  
Suffolk CB8 9BT

#### **BANKERS**

Lloyds Bank PLC  
39 Piccadilly  
London W1J 0AA

#### **SOLICITORS**

Bracher Rawlins LLP  
20 St Andrew Street  
London WC4A 3AG

Edmondson Hall Solicitors  
25 Exeter Road  
Newmarket  
Suffolk CB8 8AR

#### **AUDITOR**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
101 Cambridge Science Park  
Cambridge CB4 0FY

## **TATTERSALLS LIMITED**

### **STRATEGIC REPORT**

#### **PRINCIPAL ACTIVITIES**

The core business is that of bloodstock auctioneers and valuers. Based in Newmarket, Suffolk, Tattersalls Limited is the leading bloodstock auctioneer in Europe and both the holding company and the largest operating company in the group. The company's income is derived predominantly from commissions, entry fees and auction fees.

At the start and end of the financial year, the subsidiary and sub-subsidiary companies were Dunlin Investments Limited (holding company of Tattersalls (Ireland) Limited), Tattersalls (Ireland) Limited (bloodstock auctioneers based in Co Meath, Ireland and holding company of Bridlefield Limited), Dunridge Limited (horse racing and trading) and Osarus Holdings Limited (holding company of Osarus SARL).

The company also holds a minority stake in William Inglis & Son Limited ('Inglis'), the largest bloodstock auctioneer in Australia. In the consolidated accounts Inglis is accounted for as an associated company with the stake in Inglis recorded on the group balance sheet using equity accounting and Tattersalls' share of Inglis' net income is reported in the consolidated profit and loss account.

#### **BUSINESS REVIEW**

The 2020/21 sales calendar was subject to significant disruption due to the Covid-19 pandemic. Sales at Ascot and Cheltenham racecourses were unable to take place due to restrictions on the number of attendees at racecourses and Government-imposed controls in Ireland resulted in quarantine requirements for overseas visitors. Fortunately, sales could still be held at Park Paddocks, albeit under strict Covid-related protocols, with the result that those sales deemed critical to clients moved from their usual location to Newmarket. This meant that in addition to staging the normal calendar of sales, Park Paddocks hosted the Ascot yearling sale, the Tattersalls Ireland yearling sale and both the 2020 and 2021 Goresbridge Breeze Up sales. Furthermore, this venue hosted four Cheltenham national hunt sales in addition to managing four online sales. The relocation of these sales to Newmarket meant that turnover at Park Paddocks exceeded £300 million for the fourth consecutive year with over 6,600 horses being sold.

Inevitably, given the global disruption to all walks of life, the predominant October Book 1 sale failed to reach the heights achieved last year and the sale ring turnover of £86.5 million was 20% lower than 2019. However, the demand for quality yearlings was resilient and the Book 1 sale once again produced the highest price for a yearling sold in Europe and North America, as well as the highest priced yearling filly in the world. The 2020 Autumn Horses in Training Sale set a new record for the highest price for a colt when English King was sold for 925,000 guineas, surpassing the previous record of 625,000 guineas set in 2019. The two week long 2020 December Sale as a whole brought a testing sales season to a close and unsurprisingly was unable to match the achievements of recent years with sale ring turnover of £77 million being 20% lower than 2019.

With the Tattersalls Cheltenham December sale being moved to Tattersalls Ireland, five Tattersalls Cheltenham sales were staged in 2020/21. Total turnover of almost £12 million matched the level achieved in 2019 and the sale of Ginto in December 2020 for €470,000 set a new record for the highest price horse ever to be sold at Fairyhouse.

Tattersalls Ascot sales were significantly adversely affected by the Covid-19 pandemic and only the Tattersalls Ascot yearling sale took place in a traditional format. Staged at Park Paddocks for the first time, a larger number of entries could be accommodated and a total of 203 horses sold recording sale ring turnover of £2.5 million, an increase of 81% on last year.

The inability to stage some traditional sales was mitigated to some extent by holding four online sales during the year. Still in its relative infancy the Tattersalls Online platform generated total turnover of £1.7 million in 2020/21 and included the first breeding right to be offered for sale online in Britain and Ireland.

Tattersalls Ireland faced numerous challenges during the year with Irish government restrictions being more draconian than the UK. Despite this the flagship Derby sale achieved its best-ever average of €54,018 and median of €48,000 produced by an 86 per cent clearance rate, which saw 299 lots sold from 347 offered. The two-day sale returned turnover of €16 million.

As a result of the Covid-19 pandemic Inglis endured a tumultuous time last year. 2020/21 saw a return to more normal trading and Inglis recorded a profit after tax of \$9.0 million (2019/20: \$1.5 million) with the result that Tattersalls share of income recorded in the consolidated profit and loss account increased from £379,000 to £2.023 million.

Other operating income increased by £1.3 million in 2020/21 due to upward revaluations in investment property and the company's investment portfolio.

## **TATTERSALLS LIMITED**

### **STRATEGIC REPORT**

#### **BUSINESS REVIEW (continued)**

Recognising the likely difficult year ahead, the Board reacted decisively in July 2020 to implement cost-saving measures across the Group leading to costs declining by £1.7 million and combined with the positive movements noted above these measures resulted in the group pre-tax profit increasing from £5.5 million to £10.4 million.

#### **KEY PERFORMANCE INDICATORS**

In a year that was adversely impacted by the Covid-19 pandemic it is difficult to make sensible comparisons with prior years. Overall, for the traditional calendar of sales staged at Park Paddocks turnover decreased 19%, which is considered a direct result of the challenges faced in operating under Covid-related Government limitations, however, by relocating sales from other Group venues to Newmarket that otherwise may have been lost to Covid restrictions turnover increased by 1% on 2019/20.

The balance sheet of the group is set out on page 14. As at 30 June 2021, the group has net assets of over £110 million. The balance sheet shows the strength of the group asset base and the high level of liquid assets.

#### **GOING CONCERN**

The group meets its day-to-day working capital requirements through an overdraft facility that was renewed in September 2021 for a period of 12 months. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facility. The group is confident that, subject to there being no material change in the group's circumstances, the existing facilities would be expected to be renewed.

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

#### **FINANCIAL RISK MANAGEMENT**

The group balance sheet on page 14 shows a strong asset base. Bank borrowings consist of a working capital facility which supports the company's cyclical operational cash flow and is offered on an unsecured basis on terms linked to the level of UK Base Rate and the bank's "reference" rate for the Euro. No specific financial instrument is utilised to protect the group exposure to interest rate changes on its working capital facilities.

Exposure to fluctuations in exchange rates is not considered material as trading all occurs in local currencies. Wherever possible foreign currency assets are matched by foreign currency liabilities.

The group's principal financial assets are bank balances and cash, trade receivables and investments. The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made when there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The group's exposure is spread over a large number of customers; there are however certain key customers whose trade forms an important part of the group's activity. The exposure to these specific customers is statistically high, but is not considered to represent a significant financial risk to the group.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short-term debt finance. Further details regarding the liquidity risk can be found in the section on "going concern" above and in the Statement of Accounting policies in the financial statements.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The financial risks which are intrinsic to the business model are described above. The wider threats to the global racing and breeding industries are beyond the company's control. These include the possibility of some of the major discretionary investors withdrawing, equine disease preventing the international movement of stock, the ongoing Covid-19 pandemic and the potential impact of a wider economic downturn. On the positive side, the heritage and quality of British racing and the quality of British and Irish bred stock remain targets for investment from participants across the global market. This provides a degree of resilience to the local industry. Because of the uncertainties, however, it is inappropriate to assume that business growth is inexorable. Management seeks to protect the business by maintaining stability as far as possible in the fixed cost base and increasing the proportion of variable costs. This process enables, as far as possible, profit margins and cash flow to be protected in times of reduced income and market decline.

## **TATTERSALLS LIMITED**

### **STRATEGIC REPORT**

#### **FUTURE DEVELOPMENTS**

The bloodstock sales season in 2021/22 has started satisfactorily against a backdrop of the ongoing Covid-19 pandemic. With the relaxation of travel restrictions for fully vaccinated travellers there is more optimism, compared to last year, for a return to normal trading conditions. Challenges remain in all areas of the business economy due to the Covid-19 pandemic and the company is not immune from the risks arising due to a global recession.

In the UK and Irish core businesses the focus will remain on cataloguing the best bloodstock available and creating a vibrant market in which to sell it.

#### **ENVIRONMENT**

The group is mindful of its environmental responsibilities and wherever possible and appropriate, implements policies which either reduce energy consumption or enhance the environment.

#### **DONATIONS**

During the year the group made the following donations:

Political purposes - Conservative Party	£10,000 (2020: £10,000)
Charitable purposes	£10,795 (2020: £52,401)

These donations were principally to local charities serving the communities in which the group operates and charities within the industry.

#### **ENGAGING WITH STAKEHOLDERS**

Section 172 of the Companies Act 2006 imposes a general duty on Directors to act in a way that they consider, in good faith, to most likely promote the success of the company for the benefit of shareholders as a whole. The Directors in setting policies and strategies continue to have regard to the interests of the company's employees, shareholders, investors, suppliers, customers, including the impact of its activities on the community and on the company's reputation. These factors underpin the way in which the Directors discharge their duties and the Board is aware of the need for good relationships with all stakeholders to help the company deliver its strategy in line with its long-term values and operate in a sustainable way. During the year to 30 June 2021 the following considerations were made:

- The Board has monitored the performance of the company through metrics reported in meetings; and
- Engaging employees through workforce communications, training, health and safety and working conditions. It is the aim of the Directors that the company is a responsible employer in its approach to pay and benefits received by the employees; and
- Impact of the company's operations on community interests through sustainability and improvements in recycling and waste management; and
- To act responsibly in the company's engagement with suppliers and customers, including purchasers and vendors. During the year, the Directors have had direct involvement with the Bloodstock Industry Forum focused on improving best practice at auctions.

Approved by the Board of Directors and signed on behalf of the Board

  
R A Skeggs

Secretary

Date: 9 December 2021

## **TATTERSALLS LIMITED**

### **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for the year ended 30 June 2021. The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain assets, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The balance sheet of the company is included on page 15.

#### **DIRECTORS**

The directors who served during the year and who continue to serve, unless otherwise stated, are as follows:

E C Mahony  
A I H Bedford  
G K Davies  
J R B George  
M J Mitchell (resigned 31 December 2020)  
P J Morrey  
R A Skeggs

#### **DIRECTORS' INDEMNITY PROVISIONS**

The company carries directors' and officers' liability insurance whereby the assured are the directors or officers of the company, or employees acting in a managerial or supervisory capacity in the company. The insurance is provided to cover the reimbursement of the assured for loss sustained from any claim for wrongful acts in their capacity as directors and officers of the company and to reimburse the company for loss resulting from claims made against the assured for such wrongful acts.

#### **EVENTS SINCE THE END OF THE FINANCIAL YEAR**

In the wider economy, there is still some uncertainty surrounding the impact on trade following the UK's departure from the EU. Representatives from the group are engaged with the wider bloodstock initiatives that are underway to lobby government to facilitate the smooth operation of border crossings for horses coming to and returning from auction sales.

#### **FUTURE DEVELOPMENTS**

Details of future developments can be found in the Strategic Report on pages 2 to 4 and form part of this report by cross-reference.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Details of financial risk management objectives and policies can be found in the Strategic Report on pages 2 to 4 and form part of this report by cross-reference.

## **TATTERSALLS LIMITED**

### **DIRECTORS' REPORT**

#### **DIVIDENDS**

The dividends paid during the year ended 30 June 2021 were the final dividend for the year ended 30 June 2020 (£3.52 per ordinary share) and the interim dividend of 70 pence per ordinary share.

A written ordinary resolution proposing a final dividend of £4.99 per ordinary share to be paid in January 2022 will be circulated to shareholders in December 2021 for their approval.

#### **POLITICAL DONATIONS**

Details of political donations can be found in the Strategic Report on page 4 and form part of this report by cross-reference.

#### **AUDITOR**


Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Grant Thornton has expressed their willingness to continue in office as auditor.

Approved by the Board of Directors and signed on behalf of the Board



R A Skeggs

Secretary

Date: 9 December 2021



## **TATTERSALLS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATTERSALLS LIMITED**

### **Opinion**

We have audited the financial statements of Tattersalls Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated cash flow statement 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 group's and of the parent company's affairs as at 30 June 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent 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.

### **Emphasis of Matter – Property Valuation**

We draw attention to Note 12 to the financial statements, which describes the basis for valuing operational and investment property. Management engaged an expert to value the group's and parent company's operational property and a proportion of the parent company's investment property portfolio. The expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to management's valuation than would normally be the case. Our opinion is not modified in respect of this matter

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

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

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

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATTERSALLS LIMITED (continued)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATTERSALLS LIMITED (continued)**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

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

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

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

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and the industry in which it operates. We determined that the following laws and regulations were most significant; UK GAAP (FRS102), Companies Act 2006 and the relevant tax compliance regulations in the jurisdictions in which the company operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, including laws and regulations relating to employment matters, health and safety, data security and protection and consumer Credit Licensing.
- We obtained an understanding of how the group is complying with those legal and regulatory frameworks by making inquiries of management. We corroborated our inquiries through our review of board minutes and examination of the company's correspondence with appropriate regulators.
- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated this through our review of board minutes and professional fees incurred during the year;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the client operates; and
  - understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interpret those rules, the applicable statutory provisions.
- It is the engagement partner's assessment that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- We assessed the susceptibility of the group's financial statements to material misstatements, including how fraud might occur. Audit procedures performed by the audit engagement team included:
  - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in making its significant accounting estimates;
  - identifying and testing journal entries, in particular any large or unusual journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements; and
  - assessing the extent of compliance with certain significant laws and regulations that may have an effect on the determination of the accounts and disclosures in the financial statements
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit
- The group's management has not noted any matters of non-compliance with laws and regulations or fraud that were communicated with the audit team
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations.

### **Use of our report**

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

*Grant Thornton UK LLP*

Paul Brown  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge

Date: 10/12/2021

**TATTERSALLS LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT****Year ended 30 June 2021**

	Note	2021 £'000	2020 £'000
<b>TURNOVER</b>	2	29,745	29,402
Other operating income	3	2,995	1,648
		<u>32,740</u>	<u>31,050</u>
Staff costs	4	8,785	8,364
Depreciation and amortisation	11 & 12	2,011	2,020
Other operating charges		13,831	15,909
		<u>24,627</u>	<u>26,293</u>
<b>OPERATING PROFIT</b>	5	8,113	4,757
Income from interests in associated undertakings	6	2,023	379
<b>PROFIT BEFORE INTEREST AND TAXATION</b>		<u>10,136</u>	<u>5,136</u>
Other interest receivable and similar income	7	507	803
Interest payable and similar charges	8	(198)	(282)
Other finance charges	28	(85)	(108)
		<u>224</u>	<u>413</u>
<b>PROFIT BEFORE TAXATION</b>		10,360	5,549
Tax on profit	9	(2,903)	(1,355)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>7,457</u>	<u>4,194</u>
Profit for the financial year attributable to:			
Non-controlling interest	22	2	15
Equity Shareholders of the Company		<u>7,455</u>	<u>4,179</u>
		<u>7,457</u>	<u>4,194</u>

All activities derive from continuing operations. The notes on pages 25 to 43 form part of these financial statements.

**TATTERSALLS LIMITED****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**Year ended 30 June 2021**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Profit after tax for the year attributed to the group	7,457	4,194
Currency translation differences on foreign currency net investments	(559)	228
Surplus arising on revaluation of fixed assets	831	253
Actuarial gain/(loss) on defined benefit pension scheme	2,164	(1,762)
Movement in net deferred tax liability	(1,115)	335
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	<b>8,778</b>	<b>3,248</b>
	<hr/>	<hr/>
Total comprehensive income for the year attributable to:		
Non-controlling interest	7	14
Equity shareholders of the Company	8,771	3,234
	<hr/>	<hr/>
	<b>8,778</b>	<b>3,248</b>
	<hr/>	<hr/>

The notes on pages 25 to 43 form part of these financial statements.

**TATTERSALLS LIMITED****CONSOLIDATED BALANCE SHEET**  
**30 June 2021**

	Note	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Intangible assets	11	3,700	4,071
Tangible assets	12	53,636	53,420
Investments	13	337	305
Associated undertaking	6	39,356	38,354
		<u>97,029</u>	<u>96,150</u>
<b>CURRENT ASSETS</b>			
Debtors	15	44,514	37,505
Investments	16	7,424	6,305
Cash at bank, in hand and on short term deposit	17	21,359	8,619
		<u>73,297</u>	<u>52,429</u>
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(52,645)</u>	<u>(35,431)</u>
<b>NET CURRENT ASSETS</b>		<u>20,652</u>	<u>16,998</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>117,681</u>	<u>113,148</u>
<b>CREDITORS: amounts falling due after more than one year</b>	19	(152)	(246)
<b>PROVISION FOR LIABILITIES</b>	21	<u>(7,129)</u>	<u>(9,136)</u>
		<u>(7,281)</u>	<u>(9,382)</u>
<b>NET ASSETS</b>		<u>110,400</u>	<u>103,766</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	508	508
Investment revaluation reserve	23	2,823	2,823
Other revaluation reserve	23	20,347	19,944
Profit and loss account	23	86,727	80,503
<b>SHAREHOLDERS' FUNDS</b>		<u>110,405</u>	<u>103,778</u>
<b>NON-CONTROLLING INTEREST</b>	22	<u>(5)</u>	<u>(12)</u>
<b>TOTAL CAPITAL EMPLOYED</b>		<u>110,400</u>	<u>103,766</u>

The notes on pages 25 to 43 form part of these financial statements.

The financial statements of Tattersalls Limited, registered number 791113, were approved by the Board of Directors and authorised for issue on 9 December 2021.

Signed on behalf of the Board of Directors

*Edmond Mahony*

E C Mahony  
Director



**TATTERSALLS LIMITED****COMPANY BALANCE SHEET****30 June 2021**

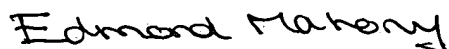
	Note	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Intangible assets	11	2,586	2,776
Tangible assets	12	42,117	41,498
Investments	13	20,144	20,112
		<u>64,847</u>	<u>64,386</u>
<b>CURRENT ASSETS</b>			
Debtors	15	34,214	37,595
Investments	16	7,424	6,305
Cash at bank, in hand and on short term deposit	17	18,973	6,135
		<u>60,611</u>	<u>50,035</u>
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(38,646)</u>	<u>(32,002)</u>
<b>NET CURRENT ASSETS</b>		<u>21,965</u>	<u>18,033</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>86,812</u>	<u>82,419</u>
<b>PROVISION FOR LIABILITIES</b>	21	<u>(6,763)</u>	<u>(8,903)</u>
<b>NET ASSETS</b>		<u>80,049</u>	<u>73,516</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	508	508
Investment revaluation reserve	23	2,823	2,823
Other revaluation reserve	23	17,044	16,861
Profit and loss account	23	59,674	53,324
<b>SHAREHOLDERS' FUNDS</b>		<u>80,049</u>	<u>73,516</u>

The notes on pages 25 to 43 form part of these financial statements.

The profit for the financial year dealt with in the financial statements of the parent company was £7,037,000 (2020: £5,213,000) (see Note 24).

The financial statements of Tattersalls Limited, registered number 791113, were approved by the Board of Directors and authorised for issue on 9 December 2021.

Signed on behalf of the Board of Directors



E C Mahony

Director

## TATTERSALLS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 30 June 2021

	Called-up share capital £'000	Investment revaluation reserve £'000	Other revaluation reserve £'000	Profit and loss account £'000	Shareholders' Equity £'000	Non- controlling interest £'000	Total equity £'000
At 1 July 2019	508	2,823	19,894	80,367	103,592	(26)	103,566
Profit on ordinary activities after taxation	-	-	-	4,179	4,179	15	4,194
Currency translation differences	-	-	48	181	229	(1)	228
Gains arising on revaluation of tangible fixed assets	-	-	253	-	253	-	253
Transfers in year	-	-	(251)	251	-	-	-
Tax related to items of other comprehensive income	-	-	-	335	335	-	335
Actuarial loss on defined benefit scheme	-	-	-	(1,762)	(1,762)	-	(1,762)
<b>Total comprehensive income</b>	-	-	50	3,184	3,234	14	3,248
Dividends (see note 10)	-	-	-	(3,048)	(3,048)	-	(3,048)
<b>At 30 June 2020</b>	<b>508</b>	<b>2,823</b>	<b>19,944</b>	<b>80,503</b>	<b>103,778</b>	<b>(12)</b>	<b>103,766</b>
Profit on ordinary activities after taxation	-	-	-	7,455	7,455	2	7,457
Currency translation differences	-	-	(170)	(394)	(564)	5	(559)
Gains arising on revaluation of tangible fixed assets	-	-	831	-	831	-	831
Transfers in year	-	-	(258)	258	-	-	-
Tax related to items of other comprehensive income	-	-	-	(1,115)	(1,115)	-	(1,115)
Actuarial gain on defined benefit scheme	-	-	-	2,164	2,164	-	2,164
<b>Total comprehensive income</b>	-	-	403	8,368	8,771	7	8,778
Dividends (see note 10)	-	-	-	(2,144)	(2,144)	-	(2,144)
<b>At 30 June 2021</b>	<b>508</b>	<b>2,823</b>	<b>20,347</b>	<b>86,727</b>	<b>110,405</b>	<b>(5)</b>	<b>110,400</b>

The notes on pages 25 to 43 form part of these financial statements.

**TATTERSALLS LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY**  
**At 30 June 2021**

	Called-up share capital £'000	Investment revaluation reserve £'000	Other revaluation reserve £'000	Profit and loss account £'000	Total £'000
<b>At 1 July 2019</b>	508	2,823	16,859	52,335	72,525
Profit on ordinary activities after taxation	-	-	-	5,213	5,213
Gains arising on revaluation of tangible fixed assets	-	-	253	-	253
Transfers in the year	-	-	(251)	251	-
Tax related to items of other comprehensive income	-	-	-	335	335
Actuarial gain on defined benefit scheme	-	-	-	(1,762)	(1,762)
<b>Total comprehensive income</b>	-	-	2	4,037	4,039
Dividends (see note 10)	-	-	-	(3,048)	(3,048)
<b>At 1 July 2020</b>	508	2,823	16,861	53,324	73,516
Profit on ordinary activities after taxation	-	-	-	7,037	7,037
Gains arising on revaluation of tangible fixed assets	-	-	441	-	441
Transfers in year	-	-	(258)	258	-
Tax related to items of other comprehensive income	-	-	-	(965)	(965)
Actuarial gain on defined benefit scheme	-	-	-	2,164	2,164
<b>Total comprehensive income</b>	-	-	183	8,494	8,677
Dividends (see note 10)	-	-	-	(2,144)	(2,144)
<b>At 30 June 2021</b>	508	2,823	17,044	59,674	80,049

The notes on pages 25 to 43 form part of these financial statements.

**TATTERSALLS LIMITED****CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 30 June 2021**

	Note	2021 £'000	2020 £'000
<b>Net cash inflows / (outflows) from operating activities</b>	25	19,421	(8,029)
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		(1,219)	(1,787)
Proceeds from sale of tangible fixed assets		67	51
Dividend received from associate	6	336	508
Purchase of current asset investments		(2,178)	(1,280)
Receipts from sale of current asset investments		2,124	1,638
Interest received and similar income		507	803
<b>Net cash flows from investing activities</b>		<u>(363)</u>	<u>(67)</u>
<b>Cash flows from financing activities</b>			
Dividends paid		(2,144)	(3,048)
Repayment of loan		(17)	(10)
Interest paid		(198)	(282)
<b>Net cash flows from financing activities</b>		<u>(2,359)</u>	<u>(3,340)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		16,699	(11,436)
<b>Cash and cash equivalents at the beginning of year</b>		(2,049)	9,357
<b>Effect of exchange rates on cash and cash equivalents</b>		152	30
<b>Cash and cash equivalents at the end of year</b>		<u>14,802</u>	<u>(2,049)</u>
<b>Reconciliation to cash at bank and in hand</b>			
Cash and cash equivalents		21,359	8,619
Bank overdraft		(6,557)	(10,668)
	25	<u>14,802</u>	<u>(2,049)</u>

The notes on pages 25 to 43 form part of these financial statements.

## **TATTERSALLS LIMITED**

### **ACCOUNTING POLICIES**

**Year ended 30 June 2021**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. Specifically, the statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102). The principal accounting policies adopted are summarised below.

#### **General information and basis of accounting**

Tattersalls Limited (the company) is a company incorporated in the United Kingdom under the Companies Act. The company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The nature of the group's operations and its principal activities are set out in the strategic report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain assets and liabilities, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council including the early adoption of FRS102 Triennial review 2017 amendments.

The functional currency of Tattersalls Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Tattersalls Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to the profit and loss account, presentation of a cash flow statement and remuneration of key management personnel.

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention as modified to incorporate the revaluation of certain land and buildings, fishing rights, wine stock, investment assets and liabilities to a defined benefit pension scheme.

#### **Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June each year. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Acquisitions of trades or business are held on the balance sheet at cost or fair value. Intangible assets are amortised over a period appropriate to the underlying fundamentals of the business.

#### **Going concern**

The financial statements have been prepared using the going concern basis of accounting. The group's business activities, together with the factors likely to affect its future development, performance and position are discussed within the strategic report.

The group meets its day-to-day working capital requirements through an overdraft facility that is due for renewal in September 2022. The group's forecasts and projections, which take account of likely variances in trading performance, show that the group should be able to operate within the level of its current facility. The group has no reason to expect that the ongoing support of Lloyds bank will not continue and therefore reasonably assumes that the existing facilities will be renewed.

The directors have a reasonable expectation that the group has adequate resources to continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Turnover**

Turnover is the amount of gross commission and fees earned in the capacity of bloodstock auctioneering. Turnover is recognised when the risks and rewards of sale are transferred to the customer. Rental income is recognised on an accruals basis over the period of tenancy.

## **TATTERSALLS LIMITED**

### **ACCOUNTING POLICIES**

**Year ended 30 June 2021**

#### **Intangible fixed assets and amortisation**

Goodwill relating to Osarus Holdings Limited is stated at cost, net of any amortisation and any provision for impairment. Amortisation is calculated to write off the cost by equal annual instalments over its useful economic life of 10 years.

The investment in the Brightwells Bloodstock business is held at cost, net of amortisation and provision for impairment. Amortisation is calculated to write off the cost by equal annual instalments over its useful economic life of 20 years.

The intellectual property rights to host the annual Goresbridge breeze up sales are held at cost net of amortisation and provision for impairment. Amortisation is calculated to write off the cost by equal annual instalments over its useful economic life of 15 years.

The negative goodwill recognised following the reclassification of William Inglis & Son Limited ('Inglis') to an associate is amortised over 40 years, which, in the opinion of the Directors, is the useful economic life. The negative goodwill is calculated from the total goodwill generated at each stage of purchasing further shares in Inglis. The amortisation credited each year is included in the share of profit from the associated undertaking in the consolidated income statement.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. No depreciation is provided on freehold land, investment properties or assets in the course of construction.

For all other tangible fixed assets, once they are brought into use, depreciation is calculated to write off their cost by equal annual instalments over their estimated lives which are considered to be:

Operational freehold buildings	- up to 100 years
Leasehold property	- the period of the lease
Loose boxes	- between 20 and 50 years
Plant and equipment	- between 3 and 10 years
Motor vehicles	- between 3 and 10 years

#### **Revaluation of properties**

Operational freehold and leasehold properties are revalued in accordance with FRS 102 with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus. Such deficits are recognised as an operating cost due to the nature of the properties and their use within the group.

The difference between the depreciation based on the operational fixed assets carrying value and that based on the assets original value is transferred from the other revaluation reserve to the profit and loss account.

#### **Reserves**

The investment revaluation reserve comprises fair value gains and losses on fixed asset investments pre FRS 102.

The other revaluation reserve contains fair value gains and losses on the group's operational land and buildings, net of amounts in depreciation transferred to the profit and loss account.

#### **Heritage assets**

The group possesses various works of art that are considered part of the fabric of the group. These were valued for insurance purposes at £921,225 in April 2017 by an independent valuer. They are not recognised in the financial statements because; the works are of cultural importance to Tattersalls and will always remain within the business as part of its history but make no practical contribution to the group's financial performance.

#### **Investment properties**

The value of the group's investment properties is considered annually by the directors based on the market value and supported by periodic valuations by independent professional valuers. Surpluses or impairments on individual properties are recognised in the profit and loss account. Depreciation is not provided in respect of freehold investment properties or in respect of leasehold investment properties.

## **TATTERSALLS LIMITED**

### **ACCOUNTING POLICIES**

**Year ended 30 June 2021**

#### **Foreign currency**

The assets and liabilities of the Irish and French subsidiaries have been translated at the rate ruling at 30 June 2021. Trading results of the subsidiaries are translated into sterling at the average rate for the year. The difference between the average rate and the closing rate is dealt with in reserves. Exchange differences arising on the retranslation at closing rates of the group's net investments in the subsidiary companies are recorded as movements on reserves.

The Australian associate company transactions were translated into sterling at the rate ruling at 30 June 2021. An average rate for the year to 30 June 2021 was used to translate the share of profit and tax.

All other exchange differences are dealt with in the profit and loss account.

#### **Investments**

Fixed asset investments are shown at cost or market value. These values are assessed each year and any impairment in value is charged to the profit and loss account.

In the company balance sheet, for investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored. Interests in the subsidiary companies are valued at cost less provision for any impairment in value.

Fishing rights and wine stocks are recorded as fixed asset investments and are included at market valuation, which is confirmed annually by professional agents. Gains or losses on revaluation are recognised through the profit and loss account.

The current asset investment portfolio is shown in the accounts at market prices ruling and foreign securities at market prices and exchange rates ruling at the balance sheet date, with gains or losses on revaluation being recognised through the profit and loss account. These gains or losses are recognised within operating profit as the group holds these investments as part of its operational activities.

Investments in company equity are assessed in respect of their investment status. Holdings of over 20% equity are considered in light of the extent of significant influence exerted over the strategic development of the company in which the investment is held. If significant influence is deemed to be exerted the investment will be accounted for as an associate company.

#### **Associate**

William Inglis & Son Limited ('Inglis') is accounted for at cost in the company balance sheet and under equity accounting in the consolidated balance sheet. The deemed cost of the associate is determined using the purchase cost of the shares and adding the cumulative annual share of profit less dividends received. The adjustment to reflect deemed cost and the associated foreign exchange difference is recognised in the statement of other comprehensive income.

The carrying value is adjusted for the group's share of the associate's post-acquisition profit, which is also recognised in the profit and loss account, along with the dividend received during the year and the amortisation of negative goodwill.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (relieved) in respect of that difference. Similarly, a deferred tax asset (liability) is

## **TATTERSALLS LIMITED**

### **ACCOUNTING POLICIES**

**Year ended 30 June 2021**

#### **Taxation (continued)**

recognised for the additional tax that will be relieved (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

#### **Leased assets**

The costs of operating leases are charged to the profit and loss account as they accrue.

#### **Bank borrowings**

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

#### **Pensions**

The group operates both defined benefit and defined contribution pension schemes available to its employees after various periods of employment. However, the defined benefit pension scheme was closed to all members on 1 January 2010.

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The net interest on the net defined benefit liability is recognised in the profit and loss account. Actuarial gains and losses are recognised immediately in the statement of comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit liability is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Segmental analysis**

All turnover is attributable to the group's principal activity of bloodstock auctioneering and valuation. A geographical split is provided in note 2.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.



## **TATTERSALLS LIMITED**

### **ACCOUNTING POLICIES**

**Year ended 30 June 2021**

#### **Financial instruments (continued)**

##### *(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset are settled.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### *(ii) Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand, short term deposits with an original date of three months or less and bank overdrafts. Bank overdrafts are shown within current liabilities

##### *(iii) Derivative financial instruments*

The group uses derivative financial instruments to reduce exposure to interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

##### *(iv) Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

#### **Provisions**

Provisions are recognised when the group has a present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provision is made at the balance sheet date for holidays accrued but not taken by the group's employees, at the salary of the relevant employee at that date.

#### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units (CGU) of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

## **TATTERSALLS LIMITED**

### **ACCOUNTING POLICIES**

**Year ended 30 June 2021**

#### **Impairment of assets (continued)**

##### *Financial assets*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

# TATTERSALLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 1. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying the Company's accounting policies

The directors have made critical judgements involving estimates and these are dealt with separately below. Also in the process of applying the company's accounting policies, the directors judge the status of the investment in William Inglis & Son Limited, which at 30 June 2021 stood at 25.79% (2020: 25.79%) of share capital, to be an associate company with effect from 1 March 2019 and accounted for under equity accounting.

#### Key sources of estimation uncertainty

**Provision for doubtful debts:** The provision for doubtful debts is estimated based on the detailed analysis of the trade receivable balance and the directors' knowledge of the bloodstock market. The recoverability of all debts is considered by the directors on a regular basis.

**Fair value of tangible fixed assets and investments:** Determining the fair value of tangible fixed assets at the end of the financial year end requires the application of Section 17, FRS 102 Property, Plant and Equipment and Section 11, FRS 102 Basic Financial Instruments. Freehold land and buildings have been fair valued by reference to market-based evidence.

**Pension scheme costs:** The determination of the pension cost and defined benefit obligation of the group's defined benefit pension scheme depends on the selection of certain assumptions which include discount rate, inflation rate and mortality assumptions. Differences arising from actual experience or future changes in assumptions will be reflected in subsequent periods. Note 28 provides information on the assumptions used in these financial statements.

**Book 1 Bonus accrual:** The provision for Book 1 Bonus payouts from the October Book 1 yearling sale held during the year is estimated using historic information on the number of winners as a proportion of the scheme's entries.

**Useful lives of intangible fixed assets:** Intangible assets are amortised over their useful lives taking into account residual values, where appropriate. The useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors such as future market conditions, the remaining life of the asset and projected disposal values.

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****2. TURNOVER**

Turnover is derived from the group's principal activity, which was carried out within the UK and the Rest of Europe.

	2021 £'000	2020 £'000
UK	24,085	24,446
Rest of Europe	5,660	4,956
	<u>29,745</u>	<u>29,402</u>

Other operating income is detailed in note 3 and other interest receivable and similar income is detailed in note 7.

**3. OTHER OPERATING INCOME**

	2021 £'000	2020 £'000
Trade rents	577	762
Investment property rents	556	564
Fair value adjustments and net gains on investment disposals	1,065	47
Fair value adjustments on property	603	10
Other operating income	194	265
	<u>2,995</u>	<u>1,648</u>

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2021 £'000	2020 £'000
<b>Directors' remuneration</b>		
Emoluments	<u>1,905</u>	<u>1,825</u>
Company contributions to money purchase pension schemes	<u>12</u>	<u>25</u>
Remuneration of the highest paid director	<u>516</u>	<u>473</u>
	<b>Number</b>	<b>Number</b>
Number of directors who are members of money purchase schemes	<u>3</u>	<u>3</u>

At 30 June 2021, the accrued pension payable to the highest paid director was £151,260 (2020: £144,287) per annum. The contributions made by the group to the defined benefit pension scheme in respect of the highest paid director were £nil (2020: £nil).

None of the directors were a member of a defined benefit scheme in the year (2020: none).

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

	2021 Number	2020 Number
<b>Average monthly number of persons employed</b>		
Maintenance	16	16
Executive/administration	66	67
	<u>82</u>	<u>83</u>

Casual staff employed for sales are not included in the above figures.

	2021 £'000	2020 £'000
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	7,576	7,137
Social security costs	897	867
Pension costs under defined contribution scheme	312	360
	<u>8,785</u>	<u>8,364</u>

**5. OPERATING PROFIT**

	2021 £'000	2020 £'000
<b>Operating profit is after charging/(crediting):</b>		
Depreciation	1,703	1,710
Amortisation	308	310
Operating lease rentals for hire of vehicles and equipment	273	349
Foreign exchange charges / (gains)	364	(70)
Profit on sale of tangible fixed assets	(26)	(18)
Gain on fair value movement in fixed asset investment property	(570)	-
Impairment of fixed asset operational property	-	23
Impairment of fixed asset investment property	-	130
Gain on fair value movement in fixed asset investments	(33)	(3)
Gain on fair value movement in current asset investments	(1,065)	(47)
 Fees payable to the company's auditor for audit of company's annual accounts	 78	 75
Fees payable to the company's auditor for other services to the group		
- Audit of company's subsidiaries pursuant to legislation	27	23
 Total audit fees	 <u>105</u>	 <u>98</u>
 Non-audit fees	 20	 75
- tax services		
- other	67	7

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****6. ASSOCIATED UNDERTAKING**

Tattersalls Limited has a 25.79% stake in William Inglis & Son Limited ('Inglis'). Inglis has been accounted for using equity accounting. The group's share of profit less dividend received is included in the consolidated income statement along with the amortisation of negative goodwill.

The registered address for William Inglis & Son Limited is Riverside Stables, 155 Governor Macquarie Drive, Warwick Farm, NSW 2170 Australia. The functional currency of the company is the Australian Dollar.

The carrying value of the group's associated undertaking was as follows:

	2021 £'000	2020 £'000
At 1 July	38,354	38,580
Share of profit before tax	1,950	306
Share of tax	(685)	(97)
Dividend received	(336)	(508)
Amortisation of negative goodwill	73	73
	<u>39,356</u>	<u>38,354</u>
At 30 June		

**7. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	2021 £'000	2020 £'000
Interest received and similar income	91	199
Interest on overdue debts	416	604
	<u>507</u>	<u>803</u>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	2021 £'000	2020 £'000
On bank loans and overdrafts	198	282

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****9. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
United Kingdom corporation tax at 19.0% (2020: 19.0%) based on the profit for the year	1,326	1,256
Prior year adjustment	25	264
Foreign tax	48	(362)
Share of foreign tax relating to associated undertaking	685	97
	<u>2,084</u>	<u>1,255</u>
<b>Deferred taxation</b>		
Origination and reversal of timing differences	489	(202)
Adjustment in respect of prior years	55	55
Effect of tax rate change on opening balance	275	247
	<u>2,903</u>	<u>1,355</u>

Factors affecting tax charge:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	10,360	5,549
	<u>10,360</u>	<u>5,549</u>
Tax on group profit at standard UK Corporation Tax rate of 19.0% (2020: 19.0%)	1,968	1,054
Effects of:		
Permanent differences	(126)	281
Exempt distributions	(14)	-
Chargeable gains/(losses)	416	(377)
Amounts charged/(credited) directly to other comprehensive income or otherwise transferred	409	(335)
Higher tax rates on overseas earnings	425	44
Deferred tax (credited)/charged directly to the other comprehensive income	(1,115)	335
Remeasurement of deferred tax for changes in tax rates	863	285
Deferred tax not recognised	(2)	26
Income not taxable	(4)	-
Tax withheld at source	2	-
Adjustments to tax charge in respect of previous periods	25	(13)
Adjustments to deferred tax charge in respect of previous periods	55	55
	<u>2,903</u>	<u>1,355</u>

The rate of UK corporation tax substantively enacted by the UK Government before the balance sheet date is 19% and has been effective since 1 April 2017. The closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****10. DIVIDENDS**

	<b>Pence per share</b>		<b>2021</b>	<b>2020</b>
	<b>2021</b>	<b>2020</b>	<b>£'000</b>	<b>£'000</b>
On equity shares:				
Ordinary shares				
Interim paid	70	70	355	355
Final prior year dividend paid	352	530	1,788	2,693
	<u>422</u>	<u>600</u>	<u>2,143</u>	<u>3,048</u>

In respect of the year ended 30 June 2021, the directors recommend the payment of a final dividend of £4.99 pence per ordinary share.

**11. INTANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Intellectual Property £'000</b>	<b>Sale rights £'000</b>	<b>Goodwill £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 July 2020	1,345	3,726	312	5,383
Foreign exchange translation differences	(74)	-	-	(74)
At 30 June 2021	<u>1,271</u>	<u>3,726</u>	<u>312</u>	<u>5,309</u>
<b>Amortisation</b>				
At 1 July 2020	178	950	184	1,312
Charge for year	87	190	31	308
Foreign exchange translation differences	(11)	-	-	(11)
At 30 June 2021	<u>254</u>	<u>1,140</u>	<u>215</u>	<u>1,609</u>
<b>Net book value</b>				
At 30 June 2021	<u>1,017</u>	<u>2,586</u>	<u>97</u>	<u>3,700</u>
At 30 June 2020	<u>1,167</u>	<u>2,776</u>	<u>128</u>	<u>4,071</u>



**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****11. INTANGIBLE FIXED ASSETS (continued)**

<b>COMPANY</b>	<b>Sale rights £'000</b>
<b>Cost</b>	
At 1 July 2020 and 30 June 2021	3,726
<b>Amortisation</b>	
At 1 July 2020	950
Charge for year	190
At 30 June 2021	1,140
<b>Net book value</b>	
At 30 June 2021	2,586
At 30 June 2020	2,776

**12. TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Land and buildings</b>		<b>Long leasehold</b>	<b>Loose boxes</b>	<b>Plant, equipment and motor vehicles*</b>	<b>Total</b>
	<b>Freehold Operational £'000</b>	<b>Freehold Investment £'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>						
At 1 July 2020	39,174	13,015	21	4,609	10,320	67,139
Additions	875	-	-	-	344	1,219
Disposals	-	-	-	-	(260)	(260)
Revaluation	888	570	-	-	-	1,458
Impairment	(284)	-	-	-	-	(284)
Foreign exchange translation differences	(854)	-	-	(33)	(181)	(1,068)
At 30 June 2021	39,799	13,585	21	4,576	10,223	68,204
<b>Accumulated depreciation</b>						
At 1 July 2020	5,497	-	21	1,906	6,295	13,719
Charge for year	710	-	-	97	896	1,703
Disposals	-	-	-	-	(217)	(217)
Revaluation	(227)	-	-	-	-	(227)
Foreign exchange translation differences	(284)	-	-	(10)	(114)	(408)
At 30 June 2021	5,696	-	21	1,993	6,860	14,570
<b>Net book value</b>						
At 30 June 2021	34,103	13,585	-	2,583	3,363	53,634
At 30 June 2020	33,677	13,015	-	2,703	4,025	53,420

\* Motor vehicles include machinery used for maintaining the grounds.

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****12. TANGIBLE FIXED ASSETS (continued)****GROUP AND COMPANY**

The original cost of investment properties is £5,154,000 (2020: £5,154,000). The valuation of investment properties was carried out on 30 June 2021 by Jackson-Stopp & Staff and the directors, who formed their own valuation assessment based on observable market information, which includes an assessment provided by Bidwells LLP. Given the impact and applied restrictions associated with the global Covid-19 pandemic neither property managers carried out full inspections or surveys of the properties. As a result, Jackson-Stopp & Staff stated in their valuation report that there was a material market uncertainty at the time of their valuation and Bidwells LLP used guide prices as at 30 June 2021.

The valuation of operational land and buildings in Newmarket was carried out on 30 June 2021 externally by Jackson-Stopp & Staff in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards. These valuations were based on market values for residential and office properties and a depreciated replacement cost basis for other properties.

All other tangible fixed assets are stated under historical cost principles.

As part of the Group, freehold land and buildings in Ireland were professionally valued by Savills Ireland, an external independent valuer, to fair value at 30 June 2021.

	<b>Land and buildings</b>				<b>Plant, equipment and motor vehicles*</b>	
<b>COMPANY</b>	<b>Freehold Operational</b>	<b>Freehold Investment</b>	<b>Long leasehold</b>	<b>Loose boxes</b>	<b>and motor vehicles*</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>						
At 1 July 2020	23,667	13,015	21	4,019	7,035	47,757
Additions	698	-	-	-	116	814
Disposals	-	-	-	-	(213)	(213)
Revaluation	214	570	-	-	-	784
At 30 June 2021	24,579	13,585	21	4,019	6,938	49,142
<b>Accumulated depreciation</b>						
At 1 July 2020	312	-	21	1,731	4,195	6,259
Charge for the year	441	-	-	68	661	1,170
Disposals	-	-	-	-	(177)	(177)
Revaluation	(227)	-	-	-	-	(227)
At 30 June 2021	526	-	21	1,799	4,679	7,025
<b>Net book value</b>						
At 30 June 2021	24,053	13,585	-	2,220	2,259	42,117
At 30 June 2020	23,355	13,015	-	2,288	2,840	41,498

\* Motor vehicles include machinery used for maintaining the grounds.

If Operational land and buildings had not been revalued they would have been included at the following carrying values:

	<b>GROUP</b>	<b>COMPANY</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net book value</b>		
At 30 June 2021	16,771	9,942
At 30 June 2020	16,193	8,925

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****12. TANGIBLE FIXED ASSETS (continued)**

As set out in note 3, investment property rental income earned during the year was £556,000 (2020: £564,000). No contingent rents have been recognised as income in the current or prior year.

At the balance sheet date, the group had contracted with tenants for the following future minimum lease payments:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2021 £'000</b>	<b>2020 £'000</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Within one year	<u>188</u>	<u>238</u>	<u>188</u>	<u>238</u>

The group and company had capital commitments at the year end which are detailed in note 26.

**13. INVESTMENTS HELD AS FIXED ASSETS**

<b>GROUP</b>	<b>Fishing rights £'000</b>	<b>Other investments £'000</b>	<b>Total £'000</b>
<b>Valuation</b>			
At 1 July 2020	202	103	305
Revaluation	<u>21</u>	<u>11</u>	<u>32</u>
At 30 June 2021	<u>223</u>	<u>114</u>	<u>337</u>
<b>Net book value</b>			
At 30 June 2021	<u>223</u>	<u>114</u>	<u>337</u>
At 30 June 2020	<u>202</u>	<u>103</u>	<u>305</u>

<b>COMPANY</b>	<b>Subsidiary companies (see note 14 and 27)</b>			<b>Fishing rights £'000</b>	<b>Other investments £'000</b>	<b>Total £'000</b>
	<b>Loans £'000</b>	<b>Shares £'000</b>	<b>Associated Undertaking £'000</b>			
<b>Cost or valuation</b>						
At 1 July 2020	2,410	5,090	13,888	202	103	21,693
Revaluation	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>11</u>	<u>32</u>
At 30 June 2021	<u>2,410</u>	<u>5,090</u>	<u>13,888</u>	<u>223</u>	<u>114</u>	<u>21,725</u>
<b>Amounts provided</b>						
At 30 June 2020 and 30 June 2021	-	1,581	-	-	-	1,581
<b>Net book value</b>						
At 30 June 2021	<u>2,410</u>	<u>3,509</u>	<u>13,888</u>	<u>223</u>	<u>114</u>	<u>20,144</u>
At 30 June 2020	<u>2,410</u>	<u>3,509</u>	<u>13,888</u>	<u>202</u>	<u>103</u>	<u>20,112</u>

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****13. INVESTMENTS HELD AS FIXED ASSETS (continued)**

The company owns 77.42% of the share capital of Osarus Holdings Limited, a holding company registered in England, which owns 100% of the share capital of Ventes Osarus SARL a bloodstock auction business incorporated in France.

The fishing rights are included at their open market value as at 30 June 2021. The latest independent valuation was made by a member of the Royal Institution of Chartered Surveyors in July 2021. The original cost is £129,988 (2020: £129,988).

Tattersalls Limited owns a 25.79% stake in William Inglis & Son Limited. The investment is accounted for using equity accounting (See note 6).

“Other Investments” also includes an investment in wine stock. The original cost is £100,575 (2020: £100,575).

**14. SUBSIDIARY COMPANIES**

The shares in Tattersalls (Ireland) Limited are held through a wholly owned subsidiary company, Dunlin Investment Company Limited (“Dunlin”), an unlisted holding company. Both companies’ offices are registered at Fairyhouse, Ratoath, Co. Meath, Ireland.

Through Dunlin, the company has control of 100% of the issued ordinary share capital of Tattersalls (Ireland) Limited, an unlisted company incorporated in Ireland which operates as a bloodstock auctioneer.

Tattersalls (Ireland) Limited owns 100% of the ordinary share capital of Bridlefield Limited. Bridlefield Limited holds intellectual property rights to the annual Goresbridge breeze up sale. The company is registered at Fairyhouse, Ratoath, Co. Meath, Ireland.

The wholly owned direct subsidiary is Dunridge Limited (horse racing and trading) whose registered office is Newnham, Cambridge, CB3 9AW.

Tattersalls Limited has a 77.42% stake in Osarus Holdings Limited, a holding company which has a beneficial interest in 100% of the share capital of Ventes Osarus SARL whose registered office is located at 88, Route d’Orbec in Lisieux, France, a company which operates as a bloodstock auctioneer in France. The registered office of Osarus Holdings Limited is Terrace House, Newmarket, Suffolk CB8 9BT.

All the above subsidiary undertakings have been included in the consolidation.

**15. DEBTORS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	42,581	34,791	24,695	24,617
Other debtors	5	2	3	-
VAT and other taxes	558	128	515	-
Corporation tax	-	356	-	-
Prepayments and accrued income	715	1,091	637	517
Amounts due from subsidiary	-	-	7,709	11,324
	<u>43,859</u>	<u>36,368</u>	<u>33,559</u>	<u>36,458</u>
Deferred tax assets (see note 21)	655	1,137	655	1,137
	<u>44,514</u>	<u>37,505</u>	<u>34,214</u>	<u>37,595</u>

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****16. INVESTMENTS HELD AS CURRENT ASSETS**

	<b>2021</b>	<b>2020</b>
<b>GROUP AND COMPANY</b>	<b>£'000</b>	<b>£'000</b>
Market value of listed investments at 30 June	<u>7,424</u>	<u>6,305</u>

**17. CASH AT BANK, IN HAND AND ON SHORT TERM DEPOSIT**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	<u>21,359</u>	<u>8,619</u>	<u>18,973</u>	<u>6,135</u>

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank overdraft	6,557	10,668	6,527	10,524
Trade creditors	38,702	20,589	25,037	17,746
Corporation tax	541	614	496	614
Other taxes and social security	1,834	93	1,567	6
Other creditors	1,257	373	800	373
Accruals and deferred income	3,685	3,021	3,493	2,570
Deferred consideration	69	73	-	-
Amounts due to subsidiary	-	-	726	169
	<u>52,645</u>	<u>35,431</u>	<u>38,646</u>	<u>32,002</u>

The bank overdraft is unsecured.

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loan	83	100	-	-
Deferred consideration	69	146	-	-
	<u>152</u>	<u>246</u>	<u>-</u>	<u>-</u>

The long term loan is repayable over 15 years to 28 July 2028. It is unsecured and offered on interest rate terms of 3.1%

The remaining deferred consideration in notes 18 and 19, is payable in three equal installments over the next two years, as part of the deferred consideration agreement on acquisition of Bridlefield Limited in the year ending 30 June 2019.

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****20. FINANCIAL INSTRUMENTS**

The carrying values of the group and company's financial assets and liabilities are summarised by category below:

	Note	GROUP		COMPANY	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Financial Assets</b>					
Measured at fair value through profit or loss:					
Current asset listed investments	16	7,424	6,305	7,424	6,305
Measured at amortised cost:					
Trade debtors	15	42,581	34,791	24,695	24,617
Other debtors	15	5	2	3	-
Prepayments and accrued income	15	715	1,091	637	517
Amounts due from subsidiary	15	-	-	7,709	11,324
Cash at bank and in hand	17	21,359	8,619	18,973	6,135
Equity instruments measured at cost less impairment:					
Fixed asset unlisted investments	13	337	305	20,144	20,112
		<u>72,420</u>	<u>51,113</u>	<u>79,585</u>	<u>69,010</u>
<b>Financial Liabilities</b>					
Measured at amortised cost:					
Bank overdraft	18	(6,557)	(10,668)	(6,527)	(10,524)
Bank loan	19	(83)	(100)	-	-
Trade creditors	18	(38,702)	(20,589)	(25,037)	(17,746)
Other creditors	18	(1,257)	(373)	(800)	(373)
Accruals and deferred income	18	(3,685)	(3,021)	(3,493)	(2,570)
Deferred consideration	18, 19	(138)	(219)	-	-
Amounts due to subsidiary	18	-	-	(726)	(169)
		<u>(50,422)</u>	<u>(34,970)</u>	<u>(36,583)</u>	<u>(31,382)</u>

**21. PROVISION FOR LIABILITIES**

	GROUP		COMPANY	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Defined benefit pension scheme:				
Net defined benefit obligation at the end of the year	(2,511)	(5,952)	(2,511)	(5,952)
Deferred tax (see below)	(4,618)	(3,184)	(4,252)	(2,951)
	<u>(7,129)</u>	<u>(9,136)</u>	<u>(6,763)</u>	<u>(8,903)</u>

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****21. PROVISION FOR LIABILITIES (continued)**

Deferred tax	GROUP		COMPANY	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed asset timing differences	580	422	214	189
Capital gains	4,038	2,762	4,038	2,762
Provision for liabilities	4,618	3,184	4,252	2,951
Deferred tax asset arising in relation to retirement benefit obligations (note 28)	(655)	(1,138)	(655)	(1,138)
Net deferred tax liability at 30 June	3,963	2,046	3,597	1,813
Not provided for:				
Revalued assets held at a loss	(152)	(111)	(152)	(111)

	GROUP £'000	COMPANY £'000
Deferred tax liability:		
Net liability at 1 July 2020	2,046	1,813
Foreign exchange translation differences	(17)	-
Charge to profit and loss account	819	819
Charge to other comprehensive income	1,115	965
Net liability at 30 June 2021	3,963	3,597

Deferred tax assets and liabilities are offset only where the group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group.

**22. NON-CONTROLLING INTEREST**

GROUP	2021 £'000	2020 £'000
At 1 July	(12)	(26)
Profit on ordinary activities after taxation	2	15
Foreign exchange differences	5	(1)
At 30 June	(5)	(12)

At 30 June 2021, the net liabilities of Osarus Holdings Limited were £22,000 (2020: £54,000). The minority interest of 23% amounted to £5,000 (2020: £12,000).

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****23. CALLED UP SHARE CAPITAL AND RESERVES**

	2021 £'000	2020 £'000
<b>Called up, allotted and fully paid</b>		
508,000 ordinary shares of £1 each	508	508

The rights attaching to the ordinary shares are as follows:

**(i) Dividends**

All ordinary shares carry the same rights to receive dividends.

**(ii) Rights of return of assets**

In any return of assets, the assets of the company remaining after the payment of its liabilities shall be applied first in paying to each holder of ordinary shares such part of the nominal value of his/her ordinary shares as is paid up and thereafter *pari passu* amongst ordinary shareholders.

**(iii) Voting rights**

All ordinary shares carry the same voting rights.

There are no shares in the entity held by the entity or by its subsidiaries, or shares reserved for issue under options or contracts for the sale of shares.

The group and company's other reserves are as follows:

The investment revaluation reserve represents the cumulative revaluation of investments held as fixed assets and investment properties up to 30 June 2014.

The other revaluation reserve represents the cumulative effect of revaluations of operating land and buildings (note 12).

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment property and fixed assets held as investments from the date of transition to FRS 102, net of dividends and other adjustments. Detailed analysis is shown on pages 16 and 17.

**24. PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company. The profit attributable to the company is disclosed in the footnote to the company's balance sheet.



**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****25. CASH FLOW STATEMENT**

Reconciliation of profit for the financial year to cash flow from operating activities:

	Note	2021 £'000	2020 £'000
<b>Profit for the financial year</b>		7,457	4,194
Tax on profit on ordinary activities		2,903	1,355
Other interest receivable and similar income		(507)	(803)
Interest payable and similar charges		198	282
Other finance charges		85	108
Income from interest in associated undertaking	6	(2,023)	(379)
<b>Operating profit</b>		<b>8,113</b>	<b>4,757</b>
Adjustment for:			
Depreciation		1,703	1,710
Goodwill amortisation		308	310
Impairment of tangible fixed assets		-	23
Profit on sale of tangible fixed assets		(26)	(18)
(Profit)/loss on fair value adjustment to fixed asset investment property		(570)	130
Fixed asset investments fair value adjustment		(33)	(3)
Profit on fair value adjustment to current asset investments		(1,065)	(47)
<b>Operating cash flow before movement in working capital</b>		<b>317</b>	<b>6,862</b>
(Increase)/decrease in debtors		(7,847)	5,888
Increase/(decrease) in creditors		21,332	(18,944)
Taxation paid		(1,132)	(659)
Contributions to defined benefit scheme		(1,362)	(1,176)
<b>Cash flow from operating activities</b>		<b>19,421</b>	<b>(8,029)</b>

Reconciliation of net debt:

	At 1 July 2020 £'000	Cash flow £'000	Non-cash changes £'000	At 30 June 2021 £'000
Cash at bank and in hand	8,619	12,740	-	21,359
Bank overdraft	(10,668)	4,111	-	(6,557)
Bank loan	(100)	17	-	(83)
	<b>(2,149)</b>	<b>16,868</b>	<b>-</b>	<b>14,719</b>

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****26. COMMITMENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Capital commitments</b>				
Contracted for but not provided	64	421	64	421
Approved but not contracted for	2,250	-	2,250	-

All contracted for capital commitments relate to amounts contractually committed to for the purchase of property, plant and equipment.

**Operating leases**

Total future minimum lease payments under non-cancellable operating leases relating to plant and machinery are set out below.

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Expiring within one year	120	131	-	11
Expiring between 2 and 5 years	115	147	69	2

**27. GUARANTEES****Guarantee over subsidiary liabilities**

Tattersalls Limited has provided an irrevocable guarantee over all the liabilities (as defined in Section 357 of the Irish Companies Act 2014) of Tattersalls (Ireland) Limited and Dunlin Investment Company Limited in respect of the whole financial year to 30 June 2021. This guarantee is renewed on an annual basis.

Pursuant to the provision of Section 357, Irish Companies Act 2014, the company has guaranteed the liabilities of its subsidiaries, Tattersalls (Ireland) Limited and Dunlin Investment Company Limited and, as a result, both subsidiaries are exempt from the provisions of Section 347 and 348 of the Companies Act 2014.

The liabilities of Tattersalls (Ireland) Limited as at 30 June 2021 were €25,691,000 (2020: €15,686,000).

The liabilities of Dunlin Investment Company Limited as at 30 June 2021 were €7,284,000 (2020: €7,284,000).

**28. PENSION SCHEME**

The group operated a defined benefit pension, the Tattersalls Limited (1972) Pension and Life Assurance Scheme, for most employees which was closed to all members on 1 January 2010. These members were transferred to the defined contribution scheme as of this date. The rates for the defined contribution scheme vary with length of service and range from 6% to 10%, and these are included in the accounts

A full actuarial valuation was carried out on 30 June 2021 for Financial Reporting Standard 102 disclosure purposes by a qualified independent actuary. The main financial assumptions used in the valuation were:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Rate of increase in salaries – Directors	n/a	n/a	n/a
Rate of increase in salaries - Non directors	n/a	n/a	n/a
Rate of increase in pension in payment - pre 2000	6.00	6.00	6.00
Rate of increase in pension in payment - post 2000	3.15	2.80	3.10
Rate of increase in pre 31 December 2004 pensions in deferment	5.00	5.00	5.00
Rate of increase in post 31 December 2004 pensions in deferment	3.25	2.90	3.20
Discount rate	1.90	1.60	2.30
Inflation assumption	3.25	2.90	3.20

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****28. PENSION SCHEME (continued)**

Mortality rates prior to retirement have been calculated using the AC00 tables. Mortality post retirement has been calculated using CM1 (2015) projections based on a year of birth approach with allowance for the medium cohort effect and a 1% minimum floor.

The fair value of assets under the scheme and the expected rates of return on each class of asset are:

	<b>Fund value as at 2021 £'000</b>	<b>Fund value as at 2020 £'000</b>
Equities	16,433	16,432
Government Stock	9,023	9,941
Corporate Bonds	6,332	4,209
Property	1,279	1,175
Cash	740	275
<b>Total market value of assets</b>	<b>33,807</b>	<b>32,032</b>
<b>Present value of scheme liabilities</b>	<b>36,318</b>	<b>37,984</b>
<b>Deficit in the scheme</b>	<b>(2,511)</b>	<b>(5,952)</b>

FRS102 requires that insurance policies previously purchased to match pensioners in payment should be included. However as the income from the insurance policy exactly matches the pension outgoings these have been excluded from disclosure by the actuary in the valuation. If these were to be included the market values of scheme assets and liabilities would be increased by £4.1 million (2020 - £4.5 million).

**TATTERSALLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2021****28. PENSION SCHEME (continued)**

Movement in present value of defined benefit obligations were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
At 1 July	37,984	37,776
Interest cost	605	813
Benefits paid	(398)	(4,913)
Actuarial (loss)/gain	(1,873)	4,308
	<u>36,318</u>	<u>37,984</u>
Liabilities in scheme at 30 June	<u>36,318</u>	<u>37,984</u>

Movement in the fair value of the scheme assets were as follows:

At 1 July	32,032	32,518
Interest income	520	705
Sponsor contributions	1,362	1,176
Benefits paid	(398)	(4,913)
Return on scheme assets excluding interest income	291	2,546
	<u>33,807</u>	<u>32,032</u>
Fair value of scheme assets at 30 June	<u>33,807</u>	<u>32,032</u>

**Expense recognised in profit and loss:**

Net interest on the net defined benefit liability	<u>85</u>	<u>108</u>
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**Remeasurement effects recognised in other comprehensive income (OCI)**

Return on scheme assets excluding interest income	291	2,546
Experience gains/(losses) on defined benefit obligations	115	(798)
Actuarial gains/(losses) arising from change in assumptions	1,758	(3,510)
	<u>2,164</u>	<u>(1,762)</u>
Actuarial gain/(loss) recognised in the OCI	<u>2,164</u>	<u>(1,762)</u>

**Movement in net defined benefit obligation over the year**

Net defined benefit obligation at the beginning of the year	(5,952)	(5,258)
Contributions by employer	1,362	1,176
Expense recognised in profit and loss	(85)	(108)
Remeasurement gain/(loss) recognised in OCI	2,164	(1,762)
	<u>(2,511)</u>	<u>(5,952)</u>
Net defined benefit obligation at the end of the year	<u>(2,511)</u>	<u>(5,952)</u>

The actual return on scheme assets was £811,000 (2019: £3,251,000).

The movement in the deferred taxation asset on the pension deficit is as follows:

At 1 July	1,138	897
Movement arising during the year recognised in the OCI	(435)	335
Movement arising during the year recognised in the profit and loss account	(48)	(94)
	<u>655</u>	<u>1,138</u>
At 30 June	<u>655</u>	<u>1,138</u>

## **TATTERSALLS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2021**

#### **28. PENSION SCHEME (continued)**

The group operates defined contribution retirement benefit schemes for some of its employees. The total cost charged to the profit and loss account of £312,000 (2020: £360,000) represents contributions payable to these schemes by the group at rates specified in the rules of the plans. There were no outstanding contributions to the scheme as at either 30 June 2021 or 30 June 2020.

#### **29. SUBSEQUENT EVENTS**

In November 2021, the company completed the purchase of a 78 loose box equine property in Exning, Newmarket which will serve as an outside standing facility. The purchase was funded by a three-year term loan provided by Lloyds Bank PLC.

The bloodstock sales season in 2021/22 has started satisfactorily against a backdrop of the ongoing Covid-19 pandemic. There are challenges in all areas of the business economy due to the Covid-19 pandemic and the company is not immune from the risks arising due to a global recession.

#### **30. RELATED PARTY TRANSACTIONS**

During the year, directors paid a cumulative £8,000 (2020: £45,000) in respect of bloodstock purchases and associated fees; and received £83,000 (2020: £10,000) in respect of bloodstock sales after associated fees. These transactions were all conducted at arms length. There were no balances outstanding as at 30 June 2021 (2020: none). £194,000 (2020: £418,000) was paid in dividends to directors during the year. There were no members of key management personnel in the year other than the directors.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and not disclosed in this note.

The balance at year end of an interest free, unsecured loan provided to Osarus Ventes SARL, a subsidiary of Osarus Holdings Limited, to assist working capital funding was £667,000 (2020: £1,160,000). The provision made in respect of this loan in the year ended 30 June 2017 was reduced to £667,000 (2020: £1,160,000). There was also an outstanding intercompany balance of £585,000 (2020: £619,000) and associated provision of £267,000 (2020: £354,000).

#### **31. CONTROLLING PARTY**

In the opinion of the Directors, no single party controlled the group or company at 30 June 2021.