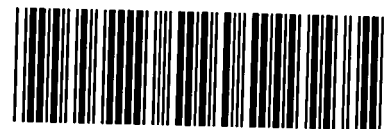


Company Registration No. 00998813 (England and Wales)

**CORBETT BOOKMAKERS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2018**

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# CORBETT BOOKMAKERS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M R Corbett N Corbett M R Corbett
<b>Company number</b>	00998813
<b>Registered office</b>	74-78 Welsh Road Garden City Deeside Clwyd England CH5 2HU
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 5th Floor One City Place Queens Road Chester CH1 3BQ
<b>Bankers</b>	Barclays Bank plc Raymond Court Princes Drive Colwyn Bay North Wales LL29 8HT

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# CORBETT BOOKMAKERS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2018

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The directors present the strategic report for the year ended 31 March 2018.

#### **Fair review of the business**

The accounting results for the year and the financial position of the Company are detailed in the attached statements.

The directors are satisfied with the years results and report total turnover at £159,599,187 compared with £159,246,907 in 2017. Gross margin has decreased slightly from 7.1% to 6.8% with gross profits generated of £10,837,761 compared with £11,270,349 in 2017. Costs continue to be well-managed. The loss of £272,372 posted by the Company in 2017 was after charging directors and senior management remuneration and bonuses. The directors have decided against the payment of any bonuses for the current year 2018, and as a result profits generated after tax have been retained within the business reflecting in the Balance Sheet position as at 31 March 2018.

#### **Principal risks and uncertainties**

The Company's principal financial instruments comprise cash and short term deposits. The Company has other financial assets and liabilities such as trade receivables and trade payables, arising directly from its operations. The principal financial risks to which the Company is exposed are those of trade and other receivables. These are managed in accordance with Board-approved policies. These policies are set out below:

#### **Trade and other receivables**

The Company minimises its exposure to credit risk by setting a zero credit policy and where appropriate, the Company endeavours to minimise risks by the use of credit rating checks. When the debt is deemed irrecoverable, the account is written off against the underlying receivable.

#### **Development and performance**

Corbett Bookmakers trading as Corbett Sports continue to invest in technology to engage with its customers and via social media channels such as on Facebook and @CorbettSports on Twitter, and seeks to identify and strengthen new opportunities for the growth of the business through new land based sites and further investment in marketing with established media companies. The continued investment in the business will see the expansion of services to allow further competitiveness across all channels.

#### **Key performance indicators**

The primary business KPI is Gross Betting Margin, defined as relevant Gross Win divided by the related Betting stakes. The various income streams have their own betting margin which the directors use to manage the income of the business and hence cash flow.

The directors also use a secondary related KPI of average stake per slip to monitor the volume of business being transacted on a daily basis.

On behalf of the board



M R Corbett

Director

Date: 17/7/2018

# **CORBETT BOOKMAKERS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present their annual report and financial statements for the year ended 31 March 2018.

#### **Principal activities**

The Principal activities of the Company during the year is that of 'Off Course' Turf Accountants trading from owned and leased properties across North Wales and the North of England. The company is one of the largest independent UK licensed bookmakers delivering a fully managed sports betting service.

The company's betting activities are located in the UK and are subject to UK Betting Duty, UK Gaming Machine Duty, and UK Value Added Tax and UK Corporation Tax. The company remits its liability to the UK Treasury.

Corbett Bookmakers Limited trades under the banner of Corbett Sports and online as CorbettSports.com. It is the largest independent betting and gaming company in Wales, and is a fourth generation family operated company that serves customers from all areas of Great Britain.

The continued growth of its online business has seen the company's profile rise outside of historical localities as the company nears its eighth decade of trading -using the strapline 'The Sports Fans Sportsbook Since 1937'.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M R Corbett  
N Corbett  
M R Corbett

#### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £10,000. The directors do not recommend payment of a further dividend.

#### **Market value of land and buildings**

The company's properties were professionally and independently valued on 31 March 2014. The results of the valuation are incorporated in the financial statements. The Directors are not aware of any necessary impairment in the year.

#### **Post reporting date events**

Corbett Bookmakers Limited was formally demerged from The Corbett Group Limited after 31 March 2018 financial year end. The ultimate beneficial ownership of Corbett Bookmakers Limited pre and post demerger remains unchanged.

In May 2018 the UK Government announced a reduction in the maximum stakes on Fixed Odds Betting Terminals. It is believed that this will become official sometime in 2020. The Directors are monitoring the situation closely, assessing any potential impact that may result for the business if this change goes ahead and if required will take all appropriate measures to protect the business.

#### **Future developments**

Corbett Bookmakers Limited trading as Corbettsports continue to invest in the latest technology including social media and seeks to expand its customer offering wherever suitable opportunities arise.

The Company's core business remains very competitive but the Directors believe that the Company is well placed to deal with the challenges facing the industry including the key areas of media rights and Government legislation

# CORBETT BOOKMAKERS LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



M R Corbett

Director

Date: 17/7/2018

# **CORBETT BOOKMAKERS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2018**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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## **Opinion**

We have audited the financial statements of Corbett Bookmakers Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORBETT BOOKMAKERS LIMITED (CONTINUED)

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

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

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

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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

### 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.

*RSM UK Audit LLP*

Michael Fairhurst FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
5th Floor  
One City Place  
Queens Road  
Chester  
CH1 3BQ  
23.7.18



# CORBETT BOOKMAKERS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	159,599,187	159,246,907
Cost of sales		(148,761,426)	(147,976,558)
<b>Gross profit</b>		10,837,761	11,270,349
Administrative expenses		(10,821,084)	(11,558,726)
Other operating income		17,833	15,250
<b>Operating profit/(loss)</b>	<b>4</b>	34,510	(273,127)
Interest receivable and similar income	<b>7</b>	67	-
<b>Profit/(loss) before taxation</b>		34,577	(273,127)
Tax on profit/(loss)	<b>8</b>	41,011	755
<b>Profit/(loss) for the financial year</b>		75,588	(272,372)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

**CORBETT BOOKMAKERS LIMITED****BALANCE SHEET****AS AT 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Intangible assets	10	184,422		173,924	
Tangible assets	11	1,932,231		2,174,232	
Investments	12	49,500		49,500	
		2,166,153		2,397,656	
<b>Current assets</b>					
Debtors	14	2,545,328		2,667,884	
Cash at bank and in hand		1,660,297		1,517,765	
		4,205,625		4,185,649	
<b>Creditors: amounts falling due within one year</b>	15	(1,570,778)		(1,840,872)	
<b>Net current assets</b>		2,634,847		2,344,777	
<b>Total assets less current liabilities</b>		4,801,000		4,742,433	
<b>Provisions for liabilities</b>	16	(268)		(7,289)	
<b>Net assets</b>		4,800,732		4,735,144	
<b>Capital and reserves</b>					
Called up share capital	19	2		2	
Revaluation reserve	20	(54,735)		(54,735)	
Profit and loss reserves	20	4,855,465		4,789,877	
<b>Total equity</b>		4,800,732		4,735,144	

The financial statements were approved by the board of directors and authorised for issue on 17/7/2018 and are signed on its behalf by:



M R Corbett  
Director

# CORBETT BOOKMAKERS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2016</b>		2	(54,735)	5,142,249	5,087,516
<b>Year ended 31 March 2017:</b>					
Loss and total comprehensive income for the year		-	-	(272,372)	(272,372)
Dividends	9	-	-	(80,000)	(80,000)
<b>Balance at 31 March 2017</b>		2	(54,735)	4,789,877	4,735,144
<b>Year ended 31 March 2018:</b>					
Profit and total comprehensive income for the year		-	-	75,588	75,588
Dividends	9	-	-	(10,000)	(10,000)
<b>Balance at 31 March 2018</b>		2	(54,735)	4,855,465	4,800,732

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

##### Company information

Corbett Bookmakers Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 74-78 Welsh Road, Garden City, Deeside, Clwyd, England, CH5 2HU. The principal place of business is the bookmakers shops across North Wales and the North of England.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

##### Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flow' - Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/ losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changed recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of The Corbett Group Limited. The consolidated financial statements of The Corbett Group Limited are available from its registered office as noted above in company information.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Corbett Bookmakers Limited is a wholly owned subsidiary of The Corbett Group Limited and the results of Corbett Bookmakers Limited are included in the consolidated financial statements of The Corbett Group Limited which are available from 74-78 Welsh Road, Garden City, Deeside, CH5 2HU.

##### Going concern

The company meets its working capital requirements through a combination of bank facility and through support from group companies. On the basis of the support of Group companies and the Group bankers, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of support from the company's bankers or group companies.

##### Turnover

Turnover represents the gross amounts receivable from the bookmaking business and gaming machine operations within the UK during the year.

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies (Continued)

##### **Intangible fixed assets - goodwill**

Goodwill, being amounts paid in connection with the acquisition of a business, is being written off evenly over its expected useful economic life.

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an intangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 10% straight line

##### **Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software - 10% to 25% straight line

##### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	- 2% straight line
Leasehold property	- 10% straight line
Fixtures, fittings and equipment	- 16.67% straight line & 25% reducing balance
Motor vehicles	- 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### **Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

---

#### 1 Accounting policies (Continued)

##### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies (Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

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 company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

# **CORBETT BOOKMAKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2018**

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#### **1 Accounting policies (Continued)**

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

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 company'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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non discount basis.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

*The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.*

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Retirement benefits**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

##### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 2 Judgements and key sources of estimation uncertainty

The directors believe that estimates and assumptions do not have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Turf Accountants	159,599,187	159,246,907

	2018 £	2017 £
<b>Other revenue</b>		
Interest income	67	-

	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	159,599,187	159,246,907

#### 4 Operating profit/(loss)

	2018 £	2017 £
Operating profit/(loss) for the year is stated after charging/(crediting):		

Fees payable to the company's auditors for the audit of the company's financial statements	12,600	10,200
Depreciation of owned tangible fixed assets	226,430	251,207
Loss on disposal of tangible fixed assets	755	-
Amortisation of intangible assets	55,892	49,920
Operating lease charges	567,057	616,356

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Number of service staff	161	163
Number of administrative staff	34	35
	195	198

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,764,062	3,253,902
Social security costs	263,242	276,762
Pension costs	13,133	13,257
	<u>3,040,437</u>	<u>3,543,921</u>

### 6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>214,908</u>	<u>393,682</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	<u>150,800</u>	<u>342,364</u>

### 7 Interest receivable and similar income

	2018 £	2017 £
<b>Interest income</b>		
Interest on bank deposits	<u>67</u>	<u>-</u>

### 8 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	26,285	-
Movement on timing differences and amounts carried back	<u>(60,275)</u>	<u>-</u>
Total current tax	<u>(33,990)</u>	<u>-</u>

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 8 Taxation (Continued)

##### Deferred tax

Origination and reversal of timing differences	(7,021)	(755)
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Total tax credit	(41,011)	(755)
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The total tax credit for the year included in the profit and loss account can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit/(loss) before taxation	34,577	(273,127)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	6,570	(54,625)
Tax effect of expenses that are not deductible in determining taxable profit	379	1,895
Unutilised tax losses carried forward	-	31,192
Change in unrecognised deferred tax assets	3,188	-
Movement on timing differences and amounts carried back	(60,275)	-
Group relief	-	16,362
Deferred tax chargeable at lower rates	1,201	(3,079)
Fixed asset differences	7,926	31,681
Deferred tax not recognised	-	(24,181)
Taxation credit for the year	(41,011)	(755)

#### 9 Dividends

	2018 Per share £	2017 Per share £	2018 Total £	2017 Total £
<b>Ordinary shares</b>				
Final paid	5,000.00	40,000.00	10,000	80,000
<b>Total dividends</b>				
Final paid			10,000	80,000

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 10 Intangible fixed assets

	Goodwill £	Software £	Total £
<b>Cost</b>			
At 1 April 2017	29,998	307,167	337,165
Additions	-	66,390	66,390
At 31 March 2018	29,998	373,557	403,555
<b>Amortisation and impairment</b>			
At 1 April 2017	29,998	133,243	163,241
Amortisation charged for the year	-	55,892	55,892
At 31 March 2018	29,998	189,135	219,133
<b>Carrying amount</b>			
At 31 March 2018	-	184,422	184,422
At 31 March 2017	-	173,924	173,924

#### 11 Tangible fixed assets

	Freehold property £	Leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 April 2017	1,549,000	87,897	5,675,479	232,969	7,545,345
Additions	-	-	4,678	5,495	10,173
Disposals	-	-	-	(44,861)	(44,861)
At 31 March 2018	1,549,000	87,897	5,680,157	193,603	7,510,657
<b>Depreciation and impairment</b>					
At 1 April 2017	100,835	71,007	5,022,130	177,141	5,371,113
Depreciation charged in the year	30,984	8,789	172,174	14,483	226,430
Eliminated in respect of disposals	-	-	-	(19,117)	(19,117)
At 31 March 2018	131,819	79,796	5,194,304	172,507	5,578,426
<b>Carrying amount</b>					
At 31 March 2018	1,417,181	8,101	485,853	21,096	1,932,231
At 31 March 2017	1,448,165	16,890	653,349	55,828	2,174,232

Freehold properties were valued on an open market value basis on 31 March 2014 by Guy Woodcock and Co, Chartered Surveyors. The company has elected, in accordance with section 35. 10(d) FRS 102, to use this valuation at the transition date of any of the freehold and land and buildings previously carried at a valuation, as their deemed cost.

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 11 Tangible fixed assets (Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018 £	2017 £
Cost	1,779,327	1,779,327
Accumulated depreciation	(272,982)	(237,395)
Carrying value	<u>1,506,345</u>	<u>1,541,932</u>

#### 12 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	13	<u>49,500</u>	<u>49,500</u>

#### 13 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct Indirect
Newcastle Under Lyme (Stadium) Limited	1	Property rental	Ordinary	100.00

#### Registered Office addresses:

1 74-78 Welsh Road, Garden City, Deeside, Clwyd, CH5 2HU

#### 14 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	28,318	228,486
Corporation tax recoverable	41,548	-
Amounts owed by group undertakings	2,235,599	2,152,605
Other debtors	123,158	165,007
Prepayments and accrued income	116,705	121,786
	<u>2,545,328</u>	<u>2,667,884</u>

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	898,717	818,578
Amounts due to group undertakings	5,480	4,980
Corporation tax	26,285	18,727
Other taxation and social security	264,722	550,158
Other creditors	23,949	65,036
Accruals and deferred income	351,625	383,393
	<u>1,570,778</u>	<u>1,840,872</u>

A debenture was created to secure all monies due or to become due from the company to Barclays Bank plc. The debenture is an all monies debenture with fixed and floating charges over the assets and properties of the business.

#### 16 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	17	<u>268</u>	<u>7,289</u>

#### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
<b>Balances:</b>		
Accelerated capital allowances	2,656	9,441
Short term timing differences	(2,388)	(2,152)
	<u>268</u>	<u>7,289</u>
<b>Movements in the year:</b>		2018 £
Liability at 1 April 2017		7,289
Credit to profit or loss		(7,021)
Liability at 31 March 2018		<u>268</u>

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 18 Retirement benefit schemes

	2018	2017
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	13,133	13,257

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	2018	2017
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2 Ordinary shares of £1 each	2	2

#### Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at the general meetings of the Company.

### 20 Reserves

#### Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

#### Equity reserve

Cumulative profit and loss net of distribution to owners.

### 21 Financial commitments, guarantees and contingent liabilities

The bank loans and overdrafts of the group are secured by way of an unlimited multilateral guarantee.

The bank has an all monies debenture with fixed and floating charges over the assets and properties of the business.

# CORBETT BOOKMAKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 22 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	445,227	451,015
Between one and five years	599,994	969,337
In over five years	166,169	159,593
	<u>1,211,390</u>	<u>1,579,945</u>

#### 23 Events after the reporting date

Corbett Bookmakers Limited was formally demerged from The Corbett Group Limited after 31 March 2018 financial year end. The ultimate beneficial ownership of Corbett Bookmakers Limited pre and post demerger remains unchanged.

In May 2018 the UK Government announced a reduction in the maximum stakes on Fixed Odds Betting Terminals. It is believed that this will become official sometime in 2020. The Directors are monitoring the situation closely, assessing any potential impact that may result for the business if this change goes ahead and if required will take all appropriate measures to protect the business.

#### 24 Related party transactions

The ultimate controlling entity is The Corbett Family Trust. An amount of £61,504, was owed by the Trust at the year end (2017: £61,504). The amount is included within other debtors.

Certain directors of Corbett Bookmakers Limited are also Trustees of the Corbett Retirement Benefit Scheme. The Pension Scheme owed an amount of £4,996 (2017: £4,996) to Corbett Bookmakers Limited, which is included within other debtors.

#### 25 Controlling party

The parent company and ultimate controlling party is The Corbett Group Limited, a company incorporated in England and Wales.

Copies of the consolidated financial statements, incorporating those of Corbett Bookmakers Limited are available from the holding company's registered office at 76 Welsh Road, Queensferry, Deeside, Flintshire, CH5 2HU.

The majority shareholder in The Corbett Group Limited is The Corbett Family Trust.