

COMPANY REGISTRATION NUMBER 1757832

BREEDING & RACING ENTERPRISE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR
31 DECEMBER 2009

TUESDAY



LD3 30/11/2010 245
COMPANIES HOUSE

SLAVEN JEFFCOTE LLP
Chartered Certified Accountants
1 Lumley Street
Mayfair
London
W1K 6TT

BREEDING & RACING ENTERPRISE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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BREEDING & RACING ENTERPRISE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	J Bruneau De La Salle M Hayter L Kneip Lumley Management Limited Y B C Pauthe
Company secretary	JD Secretariat Limited
Registered office	1 Lumley Street Mayfair London W1K 6TT
Accountants	Slaven Jeffcote LLP Chartered Certified Accountants 1 Lumley Street Mayfair London W1K 6TT

BREEDING & RACING ENTERPRISE LIMITED
REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF
BREEDING & RACING ENTERPRISE LIMITED

YEAR ENDED 31 DECEMBER 2009

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Breeding & Racing Enterprise Limited for the year ended 31 December 2009 as set out on pages 4 to 9 from the company's accounting records and from information and explanations you have given us

As a practising member firm of The Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at [http //rulebook accaglobal com](http://rulebook.accaglobal.com)

This report is made solely to the Board of Directors of Breeding & Racing Enterprise Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Breeding & Racing Enterprise Limited and state those matters that we have agreed to state to them, as a body, in this report in accordance with the requirements of The Association of Chartered Certified Accountants as detailed at [www accaglobal com/factsheet163](http://www.accaglobal.com/factsheet163). To the fullest extent possible permitted by law, we do not accept or assume responsibility to anyone other than Breeding & Racing Enterprise Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Breeding & Racing Enterprise Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Breeding & Racing Enterprise Limited. You consider that Breeding & Racing Enterprise Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Breeding & Racing Enterprise Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

1 Lumley Street
Mayfair
London
W1K 6TT

29/11/10

Slaven Jeffcote Ltd
SLAVEN JEFFCOTE LLP
Chartered Certified Accountants

BREEDING & RACING ENTERPRISE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
TURNOVER		109,011	957,587
Cost of sales		<u>71,313</u>	<u>768,964</u>
GROSS PROFIT		37,698	188,623
Administrative expenses		<u>48,620</u>	<u>31,878</u>
OPERATING (LOSS)/PROFIT	2	(10,922)	156,745
Interest receivable and similar income		2,210	880
Interest payable and similar charges		<u>(9,506)</u>	<u>(21,524)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(18,218)	136,101
Tax on (loss)/profit on ordinary activities	3	(3,770)	9,986
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(14,448)</u>	<u>126,115</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 6 to 9 form part of these financial statements

BREEDING & RACING ENTERPRISE LIMITED

BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	4	—	265
CURRENT ASSETS			
Stocks		—	5,452
Debtors	5	—	314,653
Cash at bank		30,622	137,342
		<u>30,622</u>	<u>457,447</u>
CREDITORS: Amounts falling due within one year	6	<u>182,757</u>	<u>595,399</u>
NET CURRENT LIABILITIES		<u>(152,135)</u>	<u>(137,952)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(152,135)</u>	<u>(137,687)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	1,000	1,000
Profit and loss account	8	(153,135)	(138,687)
DEFICIT	9	<u>(152,135)</u>	<u>(137,687)</u>

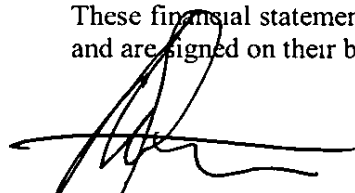
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 29/11/10, and are signed on their behalf by



LUMLEY MANAGEMENT LIMITED

Company Registration Number 1757832

The notes on pages 6 to 9 form part of these financial statements

BREEDING & RACING ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

The financial statements have been prepared on the going concern basis, dependent on the continuing support of the major creditors, who has agreed not to withdraw funds that would cause the company cash flow difficulties

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

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

Plant & Machinery	- 25% reducing balance
Motor Vehicles	- 25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

BREEDING & RACING ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2009 £	2008 £
Directors' remuneration	-	-
Depreciation of owned fixed assets	265	2,631
Net loss on foreign currency translation	<u>13,672</u>	<u>9,541</u>

3. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
UK Corporation tax based on the results for the year at 21% (2008 - 21%)	-	9,986
Over/under provision in prior year	<u>(3,770)</u>	-
Total current tax	<u>(3,770)</u>	<u>9,986</u>

BREEDING & RACING ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

3. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2008 - 21%)

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	<u>(18,218)</u>	<u>136,101</u>
(Loss)/profit on ordinary activities by rate of tax	(3,826)	28,581
Expenses not deductible for tax purposes	-	1,145
Capital allowances for period in excess of depreciation	-	(8,717)
Utilisation of tax losses	-	(11,023)
Depreciation in excess of capital allowances	56	-
Total current tax (note 3(a))	<u>(3,770)</u>	<u>9,986</u>

4. TANGIBLE FIXED ASSETS

	Plant & Machinery £
COST	
At 1 January 2009 and 31 December 2009	<u>2,644</u>
DEPRECIATION	
At 1 January 2009	2,379
Charge for the year	<u>265</u>
At 31 December 2009	<u>2,644</u>
NET BOOK VALUE	
At 31 December 2009	-
At 31 December 2008	<u>265</u>

5. DEBTORS

	2009 £	2008 £
Trade debtors	-	294,874
Amounts owed by group undertakings	-	19,336
VAT recoverable	-	443
	<u>-</u>	<u>314,653</u>

BREEDING & RACING ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

6. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	–	198,631
Corporation tax	6,217	9,986
Other creditors	176,540	386,782
	<u>182,757</u>	<u>595,399</u>

7. SHARE CAPITAL

Authorised share capital:

	2009 £	2008 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2009 No	£	2008 No	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

8. PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
Balance brought forward	(138,687)	(264,802)
(Loss)/profit for the financial year	(14,448)	126,115
Balance carried forward	<u>(153,135)</u>	<u>(138,687)</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
(Loss)/Profit for the financial year	(14,448)	126,115
Opening shareholders' deficit	(137,687)	(263,802)
Closing shareholders' deficit	<u>(152,135)</u>	<u>(137,687)</u>

BREEDING & RACING ENTERPRISE LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 DECEMBER 2009

The following page does not form part of the statutory financial statements

BREEDING & RACING ENTERPRISE LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	2009	2008
	£	£
TURNOVER	109,011	957,587
COST OF SALES		
Opening stock	5,452	5,452
Trainer, Jockey & Club fees	2,228	32,799
Commission	–	2,543
Stable costs	–	190,405
Purchase of horses	63,633	543,217
	<u>71,313</u>	<u>774,416</u>
Closing stock	–	(5,452)
	<u>71,313</u>	<u>768,964</u>
GROSS PROFIT	<u>37,698</u>	<u>188,623</u>
OVERHEADS		
Travel and management expenses	13,921	603
Sundry expenses	45	823
Legal and professional fees	–	2,783
Accountancy fees	20,077	8,641
Depreciation	265	–
Depreciation of plant and machinery	–	88
Depreciation of motor vehicles	–	2,543
Bad debts written off	–	5,452
Bank charges	640	1,404
Foreign currency gains/losses	13,672	9,541
	<u>48,620</u>	<u>31,878</u>
OPERATING (LOSS)/PROFIT	<u>(10,922)</u>	<u>156,745</u>
Interest receivable and similar income	<u>2,210</u>	<u>880</u>
	<u>(8,712)</u>	<u>157,625</u>
Interest payable	<u>(9,506)</u>	<u>(21,524)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(18,218)</u>	<u>136,101</u>
INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank interest receivable	2,210	772
Other similar income	–	108
	<u>2,210</u>	<u>880</u>
INTEREST PAYABLE		
Bank interest	9,506	–
Interest on other loans	–	21,524
	<u>9,506</u>	<u>21,524</u>