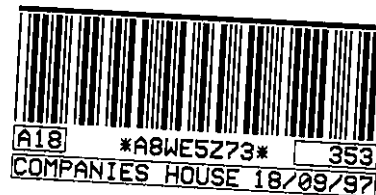


# **Dunstall Park Stables Limited**

## **Directors' report and financial statements**

**31 December 1996**

Registered number 2751773



# Dunstall Park Stables Limited

## Financial statements

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# Dunstall Park Stables Limited

## Directors' report

The directors submit their report and the audited financial statements for the year ended 31 December 1996.

### Principal activity

The principal activity of the company is the training of racehorses and student trainers.

### Review of the business operations and results

The company made a loss before taxation for the year to 31 December 1996 of £22,077 (*15 months to 31 December 1995: £16,849 loss*). No dividend is recommended (*1995: £nil*). The loss has been transferred to reserves.

### Directors

The directors who served during the year and their holdings in the shares of the company were as follows:

	Ordinary shares	
	1996	1995
RJ Muddle	1	1
WA Parker	-	-

The interests of the directors in the shares of the parent company are shown in the directors' report of that company.

### Auditors

In accordance with section 384 of the Companies Act 1984, a resolution for the re-appointment of KPMG as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board

  
RJ Muddle  
Director

### Registered office:

Dunstall Park  
Gorsebrook Road  
Wolverhampton  
WV6 0PE

1 September 1997

# Dunstall Park Stables Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



St Nicholas House  
Park Row  
NOTTINGHAM  
NG1 6FQ

## Report of the auditors to the members of Dunstall Park Stables Limited

We have audited the financial statements on pages 4 to 9.

### **Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to be 'KPMG'.

*Chartered Accountants  
Registered Auditors*

1 September 1997

# Dunstall Park Stables Limited

## Profit and loss account for the year ended 31 December 1996

	Notes	Year to 31 Dec 96 £	15 months to 31 Dec 95 £
<b>Turnover</b>	1	105,126	94,602
Cost of sales		(42,729)	(55,912)
<b>Gross profit</b>		62,397	38,690
Administrative expenses		(87,449)	(74,227)
Other operating income		2,975	18,694
<b>Operating loss</b>		(22,077)	(16,843)
Interest payable and similar charges		-	(6)
<b>Loss on ordinary activities before taxation</b>	2	(22,077)	(16,849)
Tax on loss on ordinary activities	4	-	-
<b>Loss on ordinary activities after taxation</b>	10	(22,077)	(16,849)

In both the current year and preceding period, the company made no material acquisitions and had no discontinued operations.


There were no recognised gains or losses in either the current year or preceding period other than those disclosed in the profit and loss account and there was no material difference between the loss reported in the profit and loss account and loss on an unmodified historical cost basis.

# Dunstall Park Stables Limited

## Balance sheet at 31 December 1996

	Notes	£	1996 £	£	1995 £
<b>Fixed assets</b>					
Tangible assets	5		13,517		5,756
<b>Current assets</b>					
Stock	6	4,100		-	
Debtors	7	27,434		31,141	
Cash at bank and in hand		4,920		2,045	
			<u>36,454</u>	<u>33,186</u>	
<b>Creditors: amounts falling due within one year</b>	8	(90,295)		(57,189)	
<b>Net current liabilities</b>			<u>(53,841)</u>		<u>(24,003)</u>
<b>Total assets less current liabilities</b>			<u>(40,324)</u>		<u>(18,247)</u>
<b>Capital and reserves</b>					
Called up share capital	9		2		2
Profit and loss account	10		(40,326)		(18,249)
<b>Equity shareholders' funds</b>	11		<u>(40,324)</u>		<u>(18,247)</u>

These financial statements were approved by the board of directors on 1 September 1997 and were signed on its behalf by:

  
**RJ Muddle**  
Director

# Dunstall Park Stables Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the company's financial statements.

#### *Basis of accounting*

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

#### *Going concern*

The financial statements have been prepared on a going concern basis, which assumes the ongoing support of the parent undertaking.

#### *Cash flow statement*

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

#### *Goodwill*

Goodwill relating to a business purchased by the company is written off immediately to reserves.

#### *Tangible fixed assets*

Depreciation is provided by the company to write off the cost of the tangible fixed assets over their estimated useful economic lives as follows:

Plant and equipment, fixtures and fittings                      - 15% on the reducing balance basis

#### *Turnover*

Turnover represents the amounts received by the company for goods and services provided during the year from its racing and related activities, excluding value added tax.

#### *Deferred taxation*

Deferred tax is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

### 2 Loss on ordinary activities before taxation

	Year to 31 Dec 96	15 months to 31 Dec 95
	£	£
<i>Loss on ordinary activities before taxation is stated after charging the following:</i>		
Depreciation on tangible fixed assets	2,125	1,007
Auditors' remuneration - audit fees	500	-
	<hr/>	<hr/>



# Dunstall Park Stables Limited

## Notes (continued)

### 3 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the year, analysed by category, was as follows:

	Year to 31 Dec 96 Number	15 months to 31 Dec 95 Number
Office and management	2	2
Stable staff	6	2
Students	-	5
	<u>8</u>	<u>9</u>
	£	£
<i>The aggregate payroll costs of these persons were as follows:</i>		
Wages and salaries	63,731	73,302
Social security costs	4,542	4,863
	<u>68,273</u>	<u>78,165</u>

No directors received any emoluments during the current year/period.

### 4 Taxation

There is no charge to taxation in the year ended 31 December 1996 (15 months ended 31 December 1995: £nil).

### 5 Tangible fixed assets

	Plant and equipment, fixtures and fittings £
<i>Cost:</i>	
At 1 January 1996	7,426
Additions	9,886
	<u>17,312</u>
At 31 December 1996	
<i>Depreciation:</i>	
At 1 January 1996	1,670
Charge in the year	2,125
	<u>3,795</u>
At 31 December 1996	
<i>Net book value:</i>	
At 31 December 1996	<u>13,517</u>
	<u>5,756</u>
At 31 December 1995	

# Dunstall Park Stables Limited

## Notes (continued)

<b>6</b>	<b>Stocks</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Raw materials and consumables	4,100	-
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Debtors</b>	<b>£</b>	<b>£</b>
	Trade debtors	24,115	31,079
	Other debtors	-	60
	Prepayments and accrued income	3,317	-
	Called up share capital not paid	2	2
		<u>          </u>	<u>          </u>
		27,434	31,141
		<u>          </u>	<u>          </u>
<b>8</b>	<b>Creditors: amounts falling due within one year</b>	<b>£</b>	<b>£</b>
	Trade creditors	20,810	9,074
	Amounts owed to group undertakings	53,341	40,159
	Other creditors	8,700	7,664
	Accruals and deferred income	7,444	292
		<u>          </u>	<u>          </u>
		90,295	57,189
		<u>          </u>	<u>          </u>
<b>9</b>	<b>Share capital</b>	<b>£</b>	<b>£</b>
	<i>Authorised:</i>		
	50,000 ordinary shares of £1 each	50,000	50,000
		<u>          </u>	<u>          </u>
	<i>Allotted, called up and not paid:</i>		
	2 ordinary shares of £1 each	2	2
		<u>          </u>	<u>          </u>
<b>10</b>	<b>Profit and loss</b>	<b>£</b>	<b>£</b>
	At 1 January	(18,249)	(1,400)
	Loss for the year/period	(22,077)	(16,849)
		<u>          </u>	<u>          </u>
	At 31 December	(40,326)	(18,249)
		<u>          </u>	<u>          </u>

# Dunstall Park Stables Limited

## Notes (continued)

### 11 Reconciliation of movements on shareholders' funds

	1996 £	1995 £
Loss for the financial year/period	(22,077)	(16,849)
Net reduction in shareholders' funds	(22,077)	(16,849)
Opening shareholders' funds	(18,247)	(1,398)
Closing shareholders' funds	(40,324)	(18,247)

### 12 Deferred tax

As at the year end there was a deferred tax asset and therefore no provision for deferred tax is required.

### 13 Capital commitments

There were no capital commitments at 31 December 1996 (1995: £nil).

### 14 Contingent liabilities

The company has guaranteed the bank borrowings of its parent company and fellow subsidiary undertakings.

### 15 Related party transactions

As the company is a wholly owned subsidiary of R.A.M. Racing Leisure Limited the company has taken advantage of the exemption contained within FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of R.A.M. Racing Leisure Limited, within which this company is included can be obtained from the address given in note 16.

### 16 Ultimate holding company

The ultimate holding company is R.A.M. Racing Leisure Limited which is incorporated in Great Britain and registered in England and Wales. A copy of the financial statements can be obtained from the company's registered office, Dunstall Park, Gorsebrook Road, Wolverhampton WV6 0PE.