

# Financial Statements

## Elite Racing Club Limited

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**For the year ended 28 February 2013**

**Registered number: 3296044**

**SATURDAY**



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**Elite Racing Club Limited**

## Company Information

<b>Registered number</b>	3296044
<b>Registered office</b>	Rodney House 5 Roundstone Street Trowbridge Wiltshire BA14 8DH
<b>Director</b>	Mr A J Hill
<b>Company secretary</b>	Miss M Noden
<b>Bankers</b>	Lloyds TSB Bank Plc 2nd Floor Sevenside House St Mellons Business Park Cardiff CF3 0EY
<b>Solicitors</b>	Bishop Longbotham and Bagnall Rodney House 5 Roundstone Street Trowbridge Wiltshire BA14 8DH
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Dorset Street Southampton Hampshire SO15 2DP

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**Elite Racing Club Limited**

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## Director's Report

For the year ended 28 February 2013

The director presents his report and the financial statements for the year ended 28 February 2013

### Principal activities

The company is principally engaged in the running of a racing club for its members

The company has made a profit this year which was wholly attributable to the sale of one of the horses. However, there are many positive elements of the business, including other high quality horses. Elite Racing Club Limited has a strong balance sheet, and the number of members is pleasing. This support has helped us to continue with our breeding programme, which looks set to continue providing some high quality horses for the foreseeable future.

The level of repeat custom is pleasing and clients continue to be impressed with the services that we offer, giving us a good foundation. Following a recent parent company Directors' Meeting, we have made many exciting amendments and have new products in planning, so are looking forward to introducing these in the near future.

One of the main challenges that the company has faced is the continued downturn of the UK's economy, which has affected the business. We have continued to make updates to our core business practises to adapt, including introducing new elements to our businesses, streamlining more of our internal working processes, whilst also maintaining fair prices. This has ensured that we continue to have a strong and loyal client base.

Working in such a competitive marketplace, we must ensure that we offer value for money products, alongside a quality service and after-service.

We are constantly working hard to attract new customers, through innovative advertising campaigns and continued growth of our core businesses.

The directors have made an assessment in preparing these financial statements as to whether the company is a going concern and have concluded that there are no material uncertainties that may cast doubt on the company's ability to continue as a going concern.

### Director

The director who served during the year was

Mr A J Hill

### Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,

## **Director's Report**

**For the year ended 28 February 2013**

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

### **Disclosure of information to auditor**

The director at the time when this Director's report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

### **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 19/11/13

and signed on its behalf



**Miss M Noden**  
Secretary



## Independent Auditor's Report to the Members of Elite Racing Club Limited

We have audited the financial statements of Elite Racing Club Limited for the year ended 28 February 2013, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

### **Respective responsibilities of director and auditor**

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 February 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



## Independent Auditor's Report to the Members of Elite Racing Club Limited

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Director's report

*Grant Thornton UK LLP*

Stephen Mills (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Southampton  
Date

*29/11/13*

## Profit and Loss Account

For the year ended 28 February 2013

	Note	2013 £	2012 £
<b>Turnover</b>	1	<b>1,990,784</b>	2,262,873
Cost of sales		<b>(793,936)</b>	(872,601)
<b>Gross profit</b>		<b>1,196,848</b>	1,390,272
Administrative expenses		<b>(950,462)</b>	(1,587,096)
<b>Operating profit/(loss)</b>	2	<b>246,386</b>	(196,824)
Interest payable and similar charges		<b>(11,681)</b>	(12,648)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>234,705</b>	(209,472)
Tax on profit/(loss) on ordinary activities	3	-	-
<b>Profit/(loss) for the financial year</b>	9	<b>234,705</b>	(209,472)

The notes on pages 7 to 10 form part of these financial statements



## Balance Sheet

As at 28 February 2013

	Note	28 February 2013 £	29 February 2012 £
<b>Fixed assets</b>			
Tangible assets	4	500,833	559,561
<b>Current assets</b>			
Stocks	5	784,217	809,038
Debtors	6	1,081,094	633,184
Cash at bank		17,198	70,874
		<u>1,882,509</u>	<u>1,513,096</u>
<b>Creditors</b> amounts falling due within one year	7	<u>(855,761)</u>	<u>(779,781)</u>
<b>Net current assets</b>		<u>1,026,748</u>	<u>733,315</u>
<b>Net assets</b>		<u><u>1,527,581</u></u>	<u><u>1,292,876</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss account	9	<u>1,527,481</u>	<u>1,292,776</u>
<b>Shareholders' funds</b>		<u><u>1,527,581</u></u>	<u><u>1,292,876</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19/11/13

Mr A J Hill  
Director

The notes on pages 7 to 10 form part of these financial statements

# Notes to the Financial Statements

For the year ended 28 February 2013

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Racehorses	-	25% Straight line
Motor vehicles	-	20% Straight line
Fixtures & fittings	-	25% Straight line

### 1.4 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

### 1.5 Financial instruments

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 entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

# Notes to the Financial Statements

For the year ended 28 February 2013

## 2. Operating profit/(loss)

The operating profit/(loss) is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the company	<u>140,224</u>	<u>297,486</u>

During the year, no director received any emoluments (2012 - £NIL)

## 3. Taxation

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 24 17% (2012 - 26 17%) The differences are explained below

	2013 £	2012 £
Profit/loss on ordinary activities before tax	<u>234,705</u>	<u>(209,472)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24 17% (2012 - 26 17%)	56,728	(54,819)
<b>Effects of</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	500	168
Capital allowances for year in excess of depreciation	(69,744)	48,201
(Reduction)/uplift breeding stock to market value	(10,683)	11,188
Non-taxable income	(5,257)	-
Unrelieved tax losses carried forward	108	-
Group relief	28,348	(4,738)
<b>Current tax charge for the year (see note above)</b>	<u>-</u>	<u>-</u>

# Notes to the Financial Statements

For the year ended 28 February 2013

## 4. Tangible fixed assets

	Racehorses £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>				
At 1 March 2012	820,958	31,018	85,699	937,675
Additions	256,700	-	-	256,700
Disposals	(461,169)	-	-	(461,169)
At 28 February 2013	<u>616,489</u>	<u>31,018</u>	<u>85,699</u>	<u>733,206</u>
<b>Depreciation</b>				
At 1 March 2012	266,037	26,782	85,295	378,114
Charge for the year	137,555	2,542	127	140,224
On disposals	(285,965)	-	-	(285,965)
At 28 February 2013	<u>117,627</u>	<u>29,324</u>	<u>85,422</u>	<u>232,373</u>
<b>Net book value</b>				
At 28 February 2013	<u>498,862</u>	<u>1,694</u>	<u>277</u>	<u>500,833</u>
At 29 February 2012	<u>554,921</u>	<u>4,236</u>	<u>404</u>	<u>559,561</u>

## 5. Stocks

	28 February 2013 £	29 February 2012 £
Breeding stock	764,988	786,876
Finished goods and goods for resale	19,229	22,162
	<u>784,217</u>	<u>809,038</u>

## 6. Debtors

	28 February 2013 £	29 February 2012 £
Amounts owed by group undertakings	747,211	546,168
Prepayments and accrued income	28,779	34,941
Other debtors	305,104	52,075
	<u>1,081,094</u>	<u>633,184</u>

# Notes to the Financial Statements

For the year ended 28 February 2013

## 7. Creditors:

### Amounts falling due within one year

	28 February 2013	29 February 2012
	£	£
Trade creditors	77,512	85,380
Amounts owed to group undertakings	61,902	6,314
Accruals and deferred income	584,853	652,861
Other creditors	131,494	35,226
	<u>855,761</u>	<u>779,781</u>

## 8. Share capital

	28 February 2013	29 February 2012
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

## 9. Reserves

	Profit and loss account
	£
At 1 March 2012	1,292,776
Profit for the financial year	234,705
	<u>1,527,481</u>
At 28 February 2013	

## 10. Related party transactions

As a wholly owned subsidiary of Wentrow Media Limited the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by that company whose financial statements are publicly available at Companies House

## 11. Ultimate parent undertaking and controlling party

The company's ultimate parent company is Wentrow Media Limited which is registered in England and Wales

The company's ultimate controlling party is Mr A J Hill by virtue of his shareholding in Wentrow Media Limited