

**ELITE RACING CLUB LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2018**

TUESDAY



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27/11/2018  
COMPANIES HOUSE

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**ELITE RACING CLUB LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	Mr A J Hill
<b>Company secretary</b>	Miss M Noden
<b>Registered number</b>	03296044
<b>Registered office</b>	A' Becketts 29 High Street Littleton Panell Devizes Wiltshire SN10 4EN
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 5 Benham Road Southampton Science Park Chilworth Southampton SO16 7QJ
<b>Bankers</b>	Lloyds TSB Bank Plc 2nd Floor Severnside House St. Mellons Business Park Cardiff CF3 0EY
<b>Solicitors</b>	Bishop Longbotham and Bagnall Rodney House 5 Roundstone Street Trowbridge Wiltshire BA14 8DH

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**ELITE RACING CLUB LIMITED**

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## ELITE RACING CLUB LIMITED

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### DIRECTOR'S REPORT FOR THE YEAR ENDED 28 FEBRUARY 2018

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The director presents his report and the financial statements for the year ended 28 February 2018.

#### **Principal activities**

The company is principally engaged in the running of a horse racing club.

The level of repeat custom is pleasing and clients continue to be impressed with the services offered (trading for over 25 years).

The company has continued to make updates to core business practices, including introducing new elements to the business, streamlining more internal working processes, whilst also maintaining fair prices. This has ensured that the company continues to have a strong and loyal client base.

Working in such a competitive marketplace, the company must ensure that it offers value for money products, alongside a quality service.

The company is constantly working hard to attract new customers, through innovative advertising campaigns and continued growth of the core business.

The company has reported a profit this year, mostly due to the sale of a valuable horse from the breeding programme. The breeding programme looks set to continue providing some very high quality horses for the foreseeable future.

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

#### **Results and dividends**

The profit for the year, after taxation and exceptional items, amounted to £4,328,906 (2017: loss £424,395).

#### **Director**

The director who served during the year was:

Mr A J Hill

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## ELITE RACING CLUB LIMITED

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### DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2018

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#### 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 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 and 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Disclosure of information to auditor

The director confirm that:

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

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**ELITE RACING CLUB LIMITED**

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**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 28 FEBRUARY 2018**

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**Small companies note**

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 and signed on its behalf.



**Miss M Noden**  
Secretary

Date: 21/11/18



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELITE RACING CLUB LIMITED

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### Opinion

We have audited the financial statements of Elite Racing Club Limited 'the company' for the year ended 28 February 2018, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, 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 company's affairs as at 28 February 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 United Kingdom, including the Financial Reporting Council'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.

### Who we are reporting to

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.

### 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELITE RACING CLUB LIMITED  
(CONTINUED)**

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**Other information**

The director is 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the .

**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, 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' exemptions in preparing the and from the requirement to prepare a strategic report.





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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELITE RACING CLUB LIMITED  
(CONTINUED)**

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**Responsibilities of directors for the financial statements**

As explained more fully in the Director's Responsibilities Statement on page 2, the director is 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 director determines 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 director is 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 director 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.



Amanda James  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Southampton  
Date: 26 November 2018

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**ELITE RACING CLUB LIMITED**

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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 28 FEBRUARY 2018**

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	Note	2018 £	2017 £
Turnover		1,348,272	1,285,442
Cost of sales		(633,428)	(577,165)
<b>Gross profit</b>		<b>714,844</b>	<b>708,277</b>
Administrative expenses		(1,112,198)	(1,123,541)
Profit on disposal of fixed assets		5,751,673	-
<b>Operating profit/(loss)</b>		<b>5,354,319</b>	<b>(415,264)</b>
Interest payable and expenses		(8,275)	(9,131)
<b>Profit/(loss) before tax</b>		<b>5,346,044</b>	<b>(424,395)</b>
Tax on profit/(loss)		(1,017,138)	-
<b>Profit/(loss) after tax</b>		<b>4,328,906</b>	<b>(424,395)</b>
Retained earnings at the beginning of the year		1,261,715	1,686,110
Profit/(loss) for the year		4,328,906	(424,395)
<b>Retained earnings at the end of the year</b>		<b>5,590,621</b>	<b>1,261,715</b>

The notes on pages 9 to 14 form part of these financial statements.

**ELITE RACING CLUB LIMITED**  
**REGISTERED NUMBER:03296044**

**BALANCE SHEET**  
**AS AT 28 FEBRUARY 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	5	412,481	483,782
<b>Current assets</b>			
Stocks	6	659,051	590,068
Debtors: amounts falling due within one year	7	8,071,344	1,309,204
Cash at bank and in hand		120,568	81,839
		<u>8,850,963</u>	<u>1,981,111</u>
Creditors: amounts falling due within one year	8	<u>(3,672,723)</u>	<u>(1,203,078)</u>
<b>Net current assets</b>		5,178,240	778,033
<b>Net assets</b>		<u><u>5,590,721</u></u>	<u><u>1,261,815</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		5,590,621	1,261,715
		<u><u>5,590,721</u></u>	<u><u>1,261,815</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Mr A J Hill**  
 Director

Date: 21/11/18

The notes on pages 9 to 14 form part of these financial statements.

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**ELITE RACING CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2018**

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**1. General information**

Elite Racing Club Limited is a private company limited by shares and incorporated in England and Wales. Registered number 03296044. Its registered head office is located at A' Becketts, 29 High Street, Littleton Panell, Devizes, Wiltshire, SN10 4EN.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements may require management to make judgements, estimates or assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

Management does not believe that there exist any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year.

The following principal accounting policies have been applied:

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## ELITE RACING CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

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#### 2. Accounting policies (continued)

##### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.3 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

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## ELITE RACING CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

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#### 2. Accounting policies (continued)

##### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

##### 2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## ELITE RACING CLUB LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

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#### 2. Accounting policies (continued)

##### 2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

##### 2.10 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

#### 3. Employees

The average monthly number of employees, including directors, during the year was 1 (2017: 1).

The employees of the company are remunerated through the ultimate parent undertaking, Wentrow Media Limited.

#### 4. Exceptional items

	2018 £	2017 £
Profit on disposal of racehorse asset	<u>(5,751,673)</u>	<u>-</u>

**ELITE RACING CLUB LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2018**

**5. Tangible fixed assets**

	Racehorses £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>				
At 1 March 2017	795,653	30,601	87,015	913,269
Additions	191,175	-	-	191,175
Disposals	(156,850)	-	-	(156,850)
At 28 February 2018	829,978	30,601	87,015	947,594
<b>Depreciation</b>				
At 1 March 2017	324,685	18,607	86,195	429,487
Charge for the year on owned assets	184,093	6,120	329	190,542
Disposals	(84,916)	-	-	(84,916)
At 28 February 2018	423,862	24,727	86,524	535,113
<b>Net book value</b>				
At 28 February 2018	406,116	5,874	491	412,481
At 28 February 2017	470,968	11,994	820	483,782

**6. Stocks**

	2018 £	2017 £
Breeding stock	650,078	570,366
Goods for resale	8,973	19,702
	659,051	590,068



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ELITE RACING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2018

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7. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	7,879,890	1,046,309
Other debtors	100	22,600
VAT recoverable	155,732	147,562
Prepayments and accrued income	35,622	92,733
	<u>8,071,344</u>	<u>1,309,204</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	80,502	54,792
Amounts owed to group undertakings	252,621	219,064
Corporation tax	1,017,138	-
Other taxation and social security	1,152,492	259
Directors loan account	258,840	258,840
Other creditors	291,178	166,744
Accruals and deferred income	619,952	503,379
	<u>3,672,723</u>	<u>1,203,078</u>

9. Related party transactions

As a wholly owned subsidiary of Wentrow Media Limited the company is exempt from the requirements in FRS 102 section 33 to disclose transaction with other members of the group headed by that company whose financial statements are publicly available at Companies House.

10. Controlling party

The company's ultimate parent company is Wentrow Media Limited which is registered in England and Wales, and owns 100% of the issued share capital.

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

Wentrow Media Limited is the smallest and largest group in which Elite Racing Club Limited is consolidated.