

**The National Stud Blakeney Owner-Breeders' Club  
Limited**

**Annual report**

**for the year ended 31 December 2010**

Registered Number: 5937236

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With offices in  
Bishop's Stortford Cambridge Ely City of London  
Guernsey North London Norwich

A member of the UK 200 Group  
an association of independent practising Chartered Accountants

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**The National Stud Blakeney Owner-Breeders' Club  
Limited  
Annual report  
for the year ended 31 December 2010  
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# **The National Stud Blakeney Owner-Breeders' Club Limited**

## **Directors and advisors for the year ended 31 December 2010**

### **Directors**

Lady H Burham

P Harrowell

Appointed 1<sup>st</sup> January 2011

J McKeever

B O Rourke (Chairman)

N C Wright

Miss E C Lawrence

Resigned 31<sup>st</sup> December 2010

R L Ansell

Resigned 31<sup>st</sup> December 2010

### **Secretary and registered office**

Mrs L Clarke

The National Stud

Newmarket

Suffolk

CB8 0XE

### **Auditors**

Price Bailey LLP Chartered Accountants and Statutory Auditors

Richmond House

16-18 Broad Street

Ely

Cambs CB7 4AH

# **The National Stud Blakeney Owner-Breeders' Club Limited**

## **Chairman's review**

This Annual Report covers the year to 31<sup>st</sup> December 2010, which was the fourth full year of operation of The National Stud Blakeney Owner Breeders' Club Limited

The year started well for Blakeney Club members, with two foals being born within a fortnight of each other. Emouna (Cadeaux Genereux) gave birth to a nice bay colt by Piccolo colt on 31<sup>st</sup> January. Jasmine Breeze (Saddlers' Hall) subsequently foaled a good-looking bay colt on 14<sup>th</sup> February. By Bertolini, he is a full brother to Liniberto (05).

Coincidentally, on 7<sup>th</sup> February Liniberto recorded his fourth career victory at Pau in France. Owned by a Spanish syndicate, this was his first win outside Spain, where he had won three races as a 4-year-old. During 2010, from a total of eight starts he won three more races in Spain and France, and was placed four times.

Sir Lunchalott, Jasmine Breeze's 08 colt by Pastoral Pursuits provided his dam with another winner, when winning at Thirsk on 1<sup>st</sup> May. Sir Lunchalott, who was sold privately to Stan Moore in 2009, had made his debut for the trainer in the Brocklesby at Doncaster in March, where he finished a respectable 9<sup>th</sup> of 14 runners. After his win at Thirsk he was gelded and subsequently ran an excellent race when finishing 4<sup>th</sup> in the Class 2 RSA Nursery Stakes at Goodwood in July. He recorded a second win at Wolverhampton on 18<sup>th</sup> September, and was placed three times in seven more races. He finished the year having started thirteen times over 5-8f, winning twice and being placed six times.

Sadly, two of Jasmine Breeze's progeny were lost during 2010. Realta, her 06 filly by Bahamian Bounty, made her only racecourse appearance for trainer Gerard Butler on 20<sup>th</sup> January at Lingfield Park, where she finished 5<sup>th</sup>. In April, unfortunately she sustained a fractured pastern during exercise and was euthanased. March Forth, (07 by Kyllachy) ironically suffered a similar fate, when he too fractured a pastern during routine exercise at Tom Dascombe's yard in Cheshire. He had run just twice, finishing 4<sup>th</sup> in his final race at Thirsk.

Aintgottaname, Emouna's 07 filly by Trade Fair, had a very disappointing 3-year-old season, following on from three unsuccessful starts in 2009. She raced just three times in 2010 and was unplaced on each occasion. The filly has left the yard of trainer Murty McGrath and it is not known if she is to stay in training in 2011.

Emouna's 08 filly by Kyllachy was named Bigalo's Princessa and went into training with Malton-based handler Lawrence Mullaney. She had two starts towards the end of 2010 and was unplaced on both occasions.

2010 sales results for the Club's bloodstock were mixed. Jasmine Breeze's Bertolini colt sold at Tattersalls December Foal Sale for 7,500gns to McKeever Bloodstock. Johnny McKeever said later that he was pleased with his purchase and that he planned to pinhook him to the 2011 Yearling Sales. The underbidder for the colt was an agent acting on behalf of Liniberto's Spanish owners, one of whom later expressed their disappointment at not succeeding in buying the foal. Regrettably, Emouna's colt by Piccolo was a box-walker and, although an attractive individual, he failed to get a single bid in the ring. There was little interest in him afterwards and it was decided to minimise the Club's losses and future costs of keeping the foal by accepting an offer of 190gns from John Heclan, who was planning to take the colt to Ireland.

# **The National Stud Blakeney Owner-Breeders' Club Limited**

## **Chairman's review**

Jasmine Breeze, who is now the dam of three winners (Accolation, who won one race before being sold and exported to Kuwait, Liniberto and Sir Lunchalott), unfortunately lost her pregnancy to Major Cadeaux after initially being scanned in foal. It was decided to rest her in 2010 and she has been covered recently by Monsieur Bond, who had a very successful year with his progeny in 2010.

Emouna foaled an attractive, strong Firebreak chesnut colt on 10<sup>th</sup> February 2011. His birth weight was 60kg and he is undoubtedly the mare's nicest foal to date. She has a nomination to Cockney Rebel, whose yearlings and foals sold well during 2010. His first runners are eagerly anticipated this year.

We were pleased to welcome a large number of the Blakeney Club members to events held during the course of the year. There were six open days during 2010, including the AGM which took place on 30<sup>th</sup> September. A number of members visited the Jockey Club Rooms in March for lunch and a guided tour, and in May more than 30 members of the Blakeney Club and the Never Say Die Club enjoyed an excellent visit to France. This was organised in conjunction with Horse Racing Abroad and included visits to two Normandy studs and a trip to Paris for the French Guineas Meeting at Longchamp. A visit to Bearstone Stud was organised in August, the highlight of which was a parade of their stallions (including Firebreak and Major Cadeaux) and some of their mares, foals and yearlings. This visit was very well received by members, as were Open Day talks at the Stud by Joe Grimwade of the Royal Studs, and by the National Stud's Training Director, Tabitha Smith. A visit to Newmarket Equine Hospital in November also proved very popular, with more than 120 members from both breeders' clubs in attendance.

Six open days, including a visit to Dalham Hall Stud, plus a visit to Ireland, already have been organised for 2011.

Thanks to Elizabeth Lawrance and Bob Ansell, who stood as member directors of the Board in 2010, in particular to Elizabeth, who in December battled through wintry conditions and heavy traffic (whilst suffering with a recently broken and painful thumb) in order to attend the last Board Meeting of the year. Peter Harrowell will serve as a member director in 2011.

We look forward to welcoming back members to the Stud at the open days in 2011. The Club comes to its natural conclusion at the end of the year, when its bloodstock will be dispersed at the December Sales.



Brian O'Rourke

Chairman 20-6-11

# **The National Stud Blakeney Owner-Breeders' Club Limited**

## **Directors' report for the year ended 31 December 2010**

The directors present their report and the audited statements for the year ended 31 December 2010

### **Principal activities**

The company provides an opportunity for members to participate in the ownership of thoroughbred racehorses and their progeny

### **Review of business and future developments**

The Chairman's review of the business is set out on page 2

The Board evaluates operating and financial performance of the Club during the year. A close watch is kept on the funds available and the solvency of the Club. All matters regarding the operations of the Club are considered in Board meetings.

The profit and loss account is set out on page 8

The directors do not recommend the payment of a dividend (2009 £nil)

### **Principal risks and uncertainties**

The Board considers the principal risk of the company to be the fluctuations in the market price of bloodstock sales, which are determined at auction

### **Directors**

The directors who held office during the year are noted below

	<b>Date of appointment during the year</b>	<b>Date of resignation during the year</b>
R L Ansell	1 <sup>st</sup> January 2010	31 <sup>st</sup> December 2010
Lady H Burnham		
Miss E C Lawrence	1 <sup>st</sup> January 2010	31 <sup>st</sup> December 2010
J McKeever		
B O'Rourke		
N C Wright		

### **Directors' responsibilities**

The directors are responsible for preparing 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 judgments and 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 National Stud Blakeney Owner-Breeders' Club Limited**

## **Directors' report for the year ended 31 December 2010**

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.

### **Provision of Information to Auditors.**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

### **Auditors**

The auditors, Price Bailey LLP will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

**By order of the board**

  
Mrs L Clarke  
Company secretary

20-6-11

# **The National Stud Blakeney Owner-Breeders' Club Limited**

## **Independent Auditor's Report to the Members of The National Stud Blakeney Owner-Breeders' Club Limited**

We have audited the financial statements of The National Stud Blakeney Owner-Breeders' Club Limited for the year ended 31<sup>st</sup> December 2010 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5, the directors are 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 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 31<sup>st</sup> December 2010, and of its loss 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.

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# **The National Stud Blakeney Owner-Breeders' Club Limited**

## **Independent Auditor's Report to the Members of The National Stud Blakeney Owner-Breeders' Club Limited**

### **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 directors' remuneration specified by law are not made, or
- we have not received all of the information and explanations we require for our audit



Trevor Smith FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP  
Chartered Accountants & Registered Auditors  
Richmond House, Broad Street, Ely, Cambridgeshire CB7 4AH

21 June 2011

# **The National Stud Blakeney Owner-Breeders' Club Limited**

## **Profit and loss account for the year ended 31 December 2010**

	Notes	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Turnover	2	48,271	44,296
Cost of sales		(38,669)	(37,089)
Gross profit		9,602	7,207
Administrative expenses		(21,916)	(22,052)
Operating loss		(12,314)	(14,845)
Loss on ordinary activities before taxation	3	(12,314)	(14,845)
Taxation	5	-	-
Loss for the period	12	(12,314)	(14,845)

All activities are continuing operations

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented


# The National Stud Blakeney Owner-Breeders' Club Limited

## Balance sheet as at 31 December 2010

Registered Number: 5937236

	Notes	As at 31 December 2010 £	As at 31 December 2009 £
<b>Fixed assets</b>			
Tangible Fixed Assets	6	7,642	8,894
<b>Current assets</b>			
Stocks	7	4,500	9,000
Debtors	8	7,922	3,108
Cash at bank and in hand		2,663	1,234
<b>Total current assets</b>		<b>15,085</b>	<b>13,342</b>
<b>Creditors: amounts falling due within one year</b>	9	<b>(143,163)</b>	<b>(101,412)</b>
<b>Net current liabilities</b>		<b>(128,078)</b>	<b>(88,070)</b>
<b>Total assets less current liabilities</b>		<b>(120,436)</b>	<b>(79,176)</b>
<b>Creditors: amounts falling due after one year</b>	10	<b>-</b>	<b>(28,946)</b>
<b>Net liabilities</b>		<b>(120,436)</b>	<b>(108,122)</b>
<b>Members' fund</b>			
Revenue reserve	12	(120,436)	(108,122)

The financial statements on pages 8 to 16 were approved by the board of directors on 20 June 2011 and were signed on its behalf by

  
B O'Rourke  
Chairman

# **The National Stud Blakeney Owner- Breeders' Club Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been reviewed by the Board of Directors in accordance with Financial Reporting Standard ('FRS') 18, 'Accounting Policies', which have been applied consistently, is set out below.

#### **Basis of preparation**

The financial statements have been prepared in accordance with the historical cost convention. The club will cease at the end of its 6 year life at the end of 2011 at which point following the sale of its assets the company will be wound up, any outstanding debts will be met by the National Stud. Subsequently the financial statements have not been prepared under the going concern basis but no adjustment is required to the accounts in respect of this basis of accounting.

#### **Stocks**

All stocks are stated at the lower of cost and net realisable value.

For unborn foals cost is calculated as the nomination fee plus the cost of keeping the mare up to the balance sheet date. For foals, added to the stock value brought forward is the cost of keeping the mare until the foal is weaned, and then the cost of keeping the weaned foal to the balance sheet date. Horses in training are stated at their cost on the date of entering training.

#### **Deferred taxation**

Provision is made for deferred taxation to the extent that there is a reasonable probability that such tax will become payable in the foreseeable future. The provision is calculated on the excess of the book value or historical cost of those fixed assets qualifying for taxation allowances over their written down value for taxation purposes and other timing differences, less losses available for set-off against future profits. Deferred taxation is not discounted.

#### **Fixed assets - Broodmares**

Broodmares are included as fixed assets and are stated at cost. Broodmares are depreciated to their estimated residual value on a straight line basis up to the age of fifteen. Depreciation is charged pro-rata in the year of purchase and disposal.

#### **Foreign currency**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the accounting period. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Foreign exchange differences are taken to the profit and loss account in the year in which they arise.

#### **Cash flow statement**

The National Stud Blakeney Owner-Breeders' Club Limited qualifies as a small Company and therefore it is exempt from the requirement to publish a cash flow statement.

# The National Stud Blakeney Owner- Breeders' Club Limited

## Notes to the financial statements for the year ended 31 December 2010

### 1 Principal accounting policies (continued)

#### Turnover

Turnover includes membership fees apportioned to the profit and loss account over the life of the club. Turnover also includes proceeds from the sale of horses, which is stated net of selling commissions, as well as sponsorship income, sponsorship income is spread over the length of the agreement. All turnover is stated excluding VAT.

### 2 Turnover and cost of sales

An analysis of turnover is given below. All turnover is generated within the UK.

	Year ended 31 December 2010	Year ended 31 December 2009
	£	£
Membership fee	28,946	28,946
Sponsorship	11,250	11,250
Proceeds from sale of horses	8,075	4,100
Sundry receipts	-	-
	<b>48,271</b>	<b>44,296</b>

The membership fee is credited to the profit and loss account on a straight line basis over the life of the Club, which is 64 months.

#### Membership fee:

	2010 £	2009 £
Membership fees brought forward @ 1 <sup>st</sup> January 2010	57,892	86,838
Membership during period	-	-
Transfer to profit and loss account during the period	(28,946)	(28,946)
Carried forward membership fees at 31 December 2010 (see note 10 and 11)	28,946	57,892

#### Sponsorship fee:

	2010 £	2009 £
Brought forward sponsorship at 1 <sup>st</sup> January 2010	25,000	13,750
Sponsorship raised in the period	-	22,500
Transfer to profit and loss account during the period	(11,250)	(11,250)
Carried forward sponsorship fees at 31 December 2010 (see note 10)	13,750	25,000

# The National Stud Blakeney Owner- Breeders' Club Limited

## Notes to the financial statements for the year ended 31 December 2010

### 3 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Depreciation – owned assets	1,252	1,252
Services provided by the Company's auditor		
- Fees payable for the audit	3,600	3,250
- Services relating to taxation	750	750

### 4 Employee information

The company has no employees other than the directors who do not receive any remuneration for their services. The affairs of the company are administered by employees of National Stud Limited and an appropriate recharge is then made by National Stud Limited to the company (see note 14)

### 5 Taxation

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
<b>Current tax:</b>		
United Kingdom corporation tax at 21%	-	-
Total current tax	-	-
<b>Tax on loss on ordinary activities</b>	-	-

# The National Stud Blakeney Owner- Breeders' Club Limited

## Notes to the financial statements for the year ended 31 December 2010

### 5 Taxation (continued)

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
<b>Loss on ordinary activities before tax</b>	<b>(12,314)</b>	<b>(14,845)</b>
Loss on ordinary activities multiplied by standard rate in the UK 21%	(2,586)	(3,117)
Effects of		
Expenses not deductible for tax purposes	2,068	2,562
Trading losses	518	555
Accelerated capital allowances	-	-
<b>Current tax charge for the period</b>	<b>-</b>	<b>-</b>

### 6 Fixed assets

	Broodmares £
<b>Cost</b>	
Cost brought forward at 1 <sup>st</sup> January 2010	12,650
Additions	-
<b>At 31 December 2010</b>	<b>12,650</b>
<b>Depreciation</b>	
Accumulated Depreciation brought forward at 1 <sup>st</sup> January 2010	3,756
Charge for the period	1,252
<b>At 31 December 2010</b>	<b>5,008</b>
<b>Net book value at 31 December 2010</b>	<b>7,642</b>
Net book value at 31 December 2009	8,894

# The National Stud Blakeney Owner- Breeders' Club Limited

## Notes to the financial statements for the year ended 31 December 2010

### 7 Stocks

	As at 31 December 2010 £	As at 31 December 2009 £
Unborn foals	4,500	9,000
	4,500	9,000

### 8 Debtors

	As at 31 December 2010 £	As at 31 December 2009 £
VAT Debtor	-	1,223
Other debtors	7,681	1,656
Prepayments and accrued income	241	229
	7,922	3,108

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

	As at 31 December 2010 £	As at 31 December 2009 £
Amounts due to The National Stud	29,282	21,359
Accruals	3,828	9,107
Loan (National Stud Limited)	67,000	17,000
VAT	357	-
Deferred membership income (see note 2)	28,946	28,946
Deferred sponsorship income (see note 2)	13,750	25,000
	143,163	101,412



# The National Stud Blakeney Owner- Breeders' Club Limited

## Notes to the financial statements for the year ended 31 December 2010

### 10 Creditors: amounts falling due after more than one year

	As at 31 December 2010 £	As at 31 December 2009 £
Deferred income (see note 2)	-	28,946

### 11 Deferred taxation

Deferred taxation provided in the financial statements and the amounts unprovided of the total potential (asset)/liability are as follows

	2010 Provided £	2010 Unprovided £	2009 Provided £	2009 Unprovided £
Excess of depreciation over capital allowances		-	-	-
Trading losses		(3,414)		(2,895)
		<b>(3,414)</b>	-	<b>(2,895)</b>

No deferred tax assets have been provided in the financial statements as the directors do not consider that sufficient taxable profits will be made to utilise the trading losses going forward

### 12 Reconciliation of movements in reserves

	Total reserves £
Reserves brought forward at 1 <sup>st</sup> January 2010	(108,122)
Loss for the period	(12,314)
<b>Reserves at 31 December 2010</b>	<b>(120,436)</b>

### 13 Related party disclosures

National Stud Limited is a related party by virtue of having common board members as the directors of the company. During the year, National Stud Limited charged the company £50,148 (2009 £43,579) for employee cost recharges and keep of its mares and foals. The keep was charged at National Stud Limited's standard rates. The amounts owed to National Stud Limited by The National Stud Blakeney Owner-Breeders' Club Limited as at 31st December 2010 is £96,282 (2009 £38,359).

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## **The National Stud Blakeney Owner- Breeders' Club Limited**

### **Notes to the financial statements for the year ended 31 December 2010**

#### **14 Controlling party**

The National Stud Blakeney Owner-Breeders' Club Limited is a company limited by guarantee. As such, it is owned by its 129 members, none of whom has control of the company. In the opinion of the directors, The National Stud Blakeney Owner-Breeders' Club Limited is deemed to be controlled by National Stud Limited. At the year end National Stud Limited was ultimately controlled by the Jockey Club.