

Company Registration No. 08812840 (England and Wales)

HARRY FRY RACING LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

PAGES FOR FILING WITH REGISTRAR

HARRY FRY RACING LIMITED

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HARRY FRY RACING LIMITED

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	3		55,000		70,000
Tangible assets	4		1,239,140		357,631
			<u>1,294,140</u>		<u>427,631</u>
Current assets					
Stocks		140,324		84,701	
Debtors	5	284,843		597,315	
Cash at bank and in hand		88,063		132,919	
		<u>513,230</u>		<u>814,935</u>	
Creditors: amounts falling due within one year	6	(1,285,338)		(682,836)	
Net current (liabilities)/assets			<u>(772,108)</u>		<u>132,099</u>
Total assets less current liabilities			522,032		559,730
Creditors: amounts falling due after more than one year	7		(332,535)		(324,643)
Provisions for liabilities			<u>(16,146)</u>		<u>(48,082)</u>
Net assets			<u>173,351</u>		<u>187,005</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			173,251		186,905
Total equity			<u>173,351</u>		<u>187,005</u>

HARRY FRY RACING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2020

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 21 May 2021 and are signed on its behalf by:

Mr H T B Fry
Director

Company Registration No. 08812840

HARRY FRY RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Harry Fry Racing Limited is a private company limited by shares incorporated in England and Wales. The registered office is c/o Brook Financial Management Ltd, Ashwell Business Park, ILMINSTER, Somerset, TA19 9DX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have considered the use of the going concern basis of accounting in the preparation of the financial statements and consider it appropriate. They have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

At the balance sheet date the company had net current liabilities. Post balance sheet the company has obtain additional lending which has moved £190,000 of funding from short to long term. In addition, included within short term creditors are loans from directors of £300,000 which are not expected to be repaid within 12 months of the balance sheet date.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of its racehorse related activities including training fees, bloodstock sales and prize money exclusive of Value Added Tax and trade discounts.

Revenue from the company's horse training and racing activities is recognised when the services have been provided and races run respectively.

Revenue from the sale of bloodstock is recognised when the significant risks and rewards of ownership of the horses have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

HARRY FRY RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	4% straight line
Plant and equipment	25% straight line
Computer equipment	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

HARRY FRY RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises of the initial purchase price of the bloodstock and those overheads that have been incurred in bringing the stocks to their present location.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

HARRY FRY RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

HARRY FRY RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	28	35
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HARRY FRY RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2019 and 30 June 2020	150,000
Amortisation and impairment	
At 1 July 2019	80,000
Amortisation charged for the year	15,000
At 30 June 2020	95,000
Carrying amount	
At 30 June 2020	55,000
At 30 June 2019	70,000

4 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2019	147,001	228,506	3,244	141,377	520,128
Additions	648,127	254,496	-	58,545	961,168
Disposals	-	-	-	(39,000)	(39,000)
At 30 June 2020	795,128	483,002	3,244	160,922	1,442,296
Depreciation and impairment					
At 1 July 2019	30,869	67,576	3,036	61,015	162,496
Depreciation charged in the year	14,700	22,381	126	32,708	69,915
Eliminated in respect of disposals	-	-	-	(29,255)	(29,255)
At 30 June 2020	45,569	89,957	3,162	64,468	203,156
Carrying amount					
At 30 June 2020	749,559	393,045	82	96,454	1,239,140
At 30 June 2019	116,131	160,931	208	80,361	357,631

HARRY FRY RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

5 Debtors	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	72,824	504,510
Corporation tax recoverable	41,959	22,715
Other debtors	170,060	70,090
	<u>284,843</u>	<u>597,315</u>

6 Creditors: amounts falling due within one year	2020	2019
	£	£
Trade creditors	540,630	312,333
Taxation and social security	18,063	68,439
Other creditors	726,645	302,064
	<u>1,285,338</u>	<u>682,836</u>

The short term hire purchase creditors of £29,005 (2019 - £27,530) are secured over the assets to which they relate.

7 Creditors: amounts falling due after more than one year	2020	2019
	£	£
Other creditors	332,535	324,643

The long-term hire purchase creditors of £32,530 (2019 - £24,643) are secured over the assets to which they relate.

8 Events after the reporting date

Post balance sheet, the company obtained a Bounceback Scheme loan of £50,000 on 2 July 2020. It also received a loan of £67,000 from a Pension Fund related to the directors on 3 September 2020 and a further £21,000 on 29 March 2021. The company also refinanced some of its existing debt and, for capital project purposes, obtained a new consolidated 20 year loan of £949,070 on 31 July 2020. This capital project incurred a further £435,000 of costs post year end that were committed to as at 30 June 2020.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.