

**WELBOURNE HOLDINGS LIMITED**

**Director's Report and  
Consolidated Financial Statements  
for the Year Ended 31 May 2020**



**WELBOURNE HOLDINGS LIMITED**

**Contents of the Consolidated Financial Statements  
for the year ended 31 May 2020**

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**WELBOURNE HOLDINGS LIMITED**

**Company Information  
for the year ended 31 May 2020**

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**Director:** E Atkin

**Registered office:** 16 Rosemont Road  
London  
NW3 6NE

**Registered number:** 11076513 (England and Wales)

**Accountants:** Haines Watts Chartered Accountants  
New Derwent House  
69-73 Theobalds Road  
London  
WC1X 8TA

**WELBOURNE HOLDINGS LIMITED**

**Director's Report  
for the year ended 31 May 2020**

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The director presents his report with the financial statements of the company and the group for the year ended 31 May 2020.

**Principal activities**

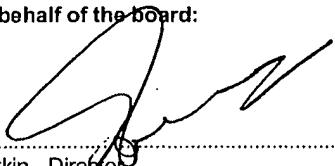
The principal activities of the group in the year under review were those of property investment, magazine publisher and R&D engineering.

**Director**

E Atkin held office during the whole of the period from 1 June 2019 to the date of this report.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**On behalf of the board:**

  
.....  
E Atkin - Director

Date: 18-05-2021

**Chartered Accountants' Report to the Members  
on the Unaudited Financial Statements of  
Welbourne Holdings Limited**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Welbourne Holdings Limited for the year ended 31 May 2020 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet and the related notes from the company's and the group's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the director of Welbourne Holdings Limited in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Welbourne Holdings Limited and state those matters that we have agreed to state to the director of Welbourne Holdings Limited in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Welbourne Holdings Limited the company and the group and the company's director for our work or for this report.

It is your duty to ensure that Welbourne Holdings Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Welbourne Holdings Limited. You consider that Welbourne Holdings Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Welbourne Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Haines Watts Chartered Accountants  
New Derwent House  
69-73 Theobalds Road  
London  
WC1X 8TA

26 May 2021

WELBOURNE HOLDINGS LIMITED

Consolidated Income Statement  
for the year ended 31 May 2020

	Notes	2020 £	2019 £
Turnover		2,292,975	2,594,995
Cost of sales		<u>(2,670,684)</u>	<u>(3,044,276)</u>
Gross loss		(377,709)	(449,281)
Administrative expenses		<u>(3,419,312)</u>	<u>(3,292,420)</u>
		(3,797,021)	(3,741,701)
Other operating income		25,000	-
Operating loss		<u>(3,772,021)</u>	<u>(3,741,701)</u>
Interest receivable and similar income		-	2,100
Interest payable and similar expenses		<u>262</u>	<u>327</u>
Loss before taxation	4	<u>(3,771,759)</u>	<u>(3,739,274)</u>
Tax on loss		<u>85,149</u>	<u>101,157</u>
Loss for the financial year		<u><u>(3,686,610)</u></u>	<u><u>(3,638,117)</u></u>
Loss attributable to: Owners of the parent		<u><u>(3,686,610)</u></u>	<u><u>(3,638,117)</u></u>

The notes form part of these financial statements

**WELBOURNE HOLDINGS LIMITED (REGISTERED NUMBER: 11076513)**

**Consolidated Balance Sheet  
31 May 2020**

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Intangible assets	6		9,185,613		10,294,646
Tangible assets	7		3,103,072		2,312,057
Investments	8		-		-
Investment property	9		7,443,955		7,043,955
			<u>19,732,640</u>		<u>19,650,658</u>
<b>Current assets</b>					
Stocks	10	209,131		231,334	
Debtors	11	1,068,729		1,275,444	
Cash at bank and in hand		685,854		378,729	
		<u>1,963,714</u>		<u>1,885,507</u>	
<b>Creditors</b>					
Amounts falling due within one year	12	6,711,770		5,964,971	
			<u>(4,748,056)</u>		<u>(4,079,464)</u>
<b>Net current liabilities</b>					
			<u>14,984,584</u>		<u>15,571,194</u>
<b>Total assets less current liabilities</b>					
<b>Creditors</b>					
Amounts falling due after more than one year	13		21,380,025		18,280,025
			<u>(6,395,441)</u>		<u>(2,708,831)</u>
<b>Net liabilities</b>					
<b>Capital and reserves</b>					
Called up share capital	14		201		201
Retained earnings	15		(6,395,642)		(2,709,032)
			<u>(6,395,441)</u>		<u>(2,708,831)</u>
<b>Shareholders' funds</b>					

The company and the group are entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2020.

The members have not required the company and the group to obtain an audit of its financial statements for the year ended 31 May 2020 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- ensuring that the group keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company and the group as at the end of each financial year and of the group's profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company and the group.

The notes form part of these financial statements

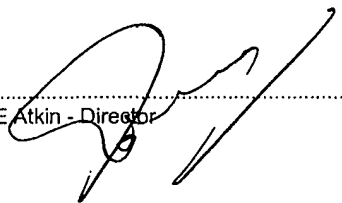
Consolidated Balance Sheet - continued  
31 May 2020

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

The financial statements were approved by the director and authorised for issue on  
and were signed by:

18-05-2021

  
.....  
E Atkin - Director



WELBOURNE HOLDINGS LIMITED (REGISTERED NUMBER: 11076513)

Company Balance Sheet  
31 May 2020

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Intangible assets	6		-		-
Tangible assets	7		1,856		-
Investments	8		100,201		100,201
Investment property	9		-		-
			<u>102,057</u>		<u>100,201</u>
<b>Current assets</b>					
Debtors	11	147,155		6,273	
Cash at bank		<u>147,705</u>		<u>48,515</u>	
		294,860		54,788	
<b>Creditors</b>					
Amounts falling due within one year	12	<u>1,386,808</u>		<u>664,187</u>	
<b>Net current liabilities</b>			<u>(1,091,948)</u>		<u>(609,399)</u>
<b>Total assets less current liabilities</b>			<u>(989,891)</u>		<u>(509,198)</u>
<b>Capital and reserves</b>					
Called up share capital	14		201		201
Retained earnings	15		<u>(990,092)</u>		<u>(509,399)</u>
<b>Shareholders' funds</b>			<u>(989,891)</u>		<u>(509,198)</u>
<b>Company's loss for the financial year</b>			<u>(480,693)</u>		<u>(500,830)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2020 in accordance with Section 476 of the Companies Act 2006.

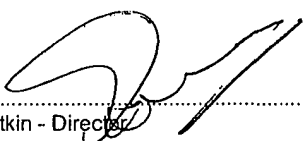
The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the director and authorised for issue on and were signed by:

18-05-2021

  
E Atkin - Director

The notes form part of these financial statements

## WELBOURNE HOLDINGS LIMITED

### Notes to the Consolidated Financial Statements for the year ended 31 May 2020

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#### 1. Statutory information

Welbourne Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

#### 2. Accounting policies

##### Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### Going concern

Following the emergence and spread of the coronavirus (COVID-19) the director has examined the possible effects on the business of the group and believe its impact will be minimal with no disruption to operations.

The group meets its day-to-day working capital requirements through its director loans. The director will provide the necessary financial support to enable the group to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. The director, therefore has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, the director continues to adopt the going concern basis in preparing the financial statements.

##### Basis of consolidation

The consolidated financial statements for the year ended 31 May 2020 incorporate Welbourne Holdings Limited and all of its subsidiary undertakings for the year. All intra group transactions are eliminated on consolidation.

##### Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

##### Turnover

Turnover, which is stated net of value added tax, is attributable to the principal activities of the individual companies.

##### Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the income statement over its estimated economic life of 10 years.

##### Intangible assets

Intangible assets comprise the cost of publishing rights, titles and benefits in respect of Motor Sport magazine, acquired on 1 December 2006, together with the subsequent addition of Motor Sport website and trademarks. This expenditure is being amortised over estimated useful lives as follows:-

Motor sport title	20 years
Motor sport website	3 years
Trademarks	10 years

## WELBOURNE HOLDINGS LIMITED

### Notes to the Consolidated Financial Statements - continued for the year ended 31 May 2020

#### 2. Accounting policies - continued

##### **Tangible fixed assets**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15% straight line
Computer equipment	25% straight line
Fixtures and fittings	15-25% straight line
Motor vehicles	15-25% straight line

##### **Investment property**

Investment properties are included in the balance sheet at their open market value.

##### **Stocks**

Stocks and work in progress are valued at the lower of costs and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **Research and development**

Research expenditure is written off to the income statement in the year in which it is incurred. Development expenditure is written off in the same way unless the director is satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Employee benefits**

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

## WELBOURNE HOLDINGS LIMITED

### Notes to the Consolidated Financial Statements - continued for the year ended 31 May 2020

#### 2. Accounting policies - continued

##### Financial instruments policy

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

##### Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is uncertainty in calculating stock provisions. Slow moving and obsolete stocks are monitored during the year. Individual sales margins are reviewed to identify any stock sold at less than cost and provisions raised where necessary. Whilst every attempt is made to ensure that the stock provisions are as accurate as possible, there remain a risk that the provisions do not match the ultimate unrealised value of stock held.

#### 3. Employees and directors

The average number of employees during the year was 33 (2019 - 35).

#### 4. Loss before taxation

The loss is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	97,799	150,304
Goodwill amortisation	1,110,217	1,110,216
Development costs amortisation	39,400	42,761
Motor Sport Title amortisation	60,000	60,000

#### 5. Individual income statement

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

WELBOURNE HOLDINGS LIMITED

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 May 2020

6. Intangible fixed assets

Group	Goodwill £	Development costs £	Motor Sport Title £	Totals £
<b>Cost</b>				
At 1 June 2019	11,102,165	128,058	585,000	11,815,223
Additions	-	100,584	-	100,584
At 31 May 2020	11,102,165	228,642	585,000	11,915,807
<b>Amortisation</b>				
At 1 June 2019	1,391,585	53,992	75,000	1,520,577
Amortisation for year	1,110,217	39,400	60,000	1,209,617
At 31 May 2020	2,501,802	93,392	135,000	2,730,194
<b>Net book value</b>				
At 31 May 2020	8,600,363	135,250	450,000	9,185,613
At 31 May 2019	9,710,580	74,066	510,000	10,294,646

7. Tangible fixed assets

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>Cost</b>			
At 1 June 2019	2,062,979	280,437	63,083
Additions	851,345	-	24,659
Disposals	-	-	-
At 31 May 2020	2,914,324	280,437	87,742
<b>Depreciation</b>			
At 1 June 2019	-	128,159	16,721
Charge for year	-	46,435	16,592
Eliminated on disposal	-	-	-
At 31 May 2020	-	174,594	33,313
<b>Net book value</b>			
At 31 May 2020	2,914,324	105,843	54,429
At 31 May 2019	2,062,979	152,278	46,362

**WELBOURNE HOLDINGS LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 May 2020**

**7. Tangible fixed assets - continued**

**Group**

	Motor vehicles £	Computer equipment £	Totals £
<b>Cost</b>			
At 1 June 2019	2,089	92,239	2,500,827
Additions	-	12,810	888,814
Disposals	-	(6,248)	(6,248)
	<u>2,089</u>	<u>98,801</u>	<u>3,383,393</u>
At 31 May 2020	<u>2,089</u>	<u>98,801</u>	<u>3,383,393</u>
<b>Depreciation</b>			
At 1 June 2019	2,089	41,801	188,770
Charge for year	-	34,772	97,799
Eliminated on disposal	-	(6,248)	(6,248)
	<u>2,089</u>	<u>70,325</u>	<u>280,321</u>
At 31 May 2020	<u>2,089</u>	<u>70,325</u>	<u>280,321</u>
<b>Net book value</b>			
At 31 May 2020	<u>-</u>	<u>28,476</u>	<u>3,103,072</u>
At 31 May 2019	<u>-</u>	<u>50,438</u>	<u>2,312,057</u>

**Company**

	Fixtures and fittings £
<b>Cost</b>	
Additions	<u>2,475</u>
At 31 May 2020	<u>2,475</u>
<b>Depreciation</b>	
Charge for year	<u>619</u>
At 31 May 2020	<u>619</u>
<b>Net book value</b>	
At 31 May 2020	<u>1,856</u>

**WELBOURNE HOLDINGS LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 May 2020**

**8. Fixed asset investments**

**Company**

**Shares in  
group  
undertakings  
£**

**Cost**

At 1 June 2019  
and 31 May 2020

100,201

**Net book value**

At 31 May 2020

100,201

At 31 May 2019

100,201

<b>Company Name</b>	<b>Country</b>	<b>Shareholding</b>	<b>Description</b>
ARCC Innovations Limited	UK	100%	Research & development
ARCC Estates Limited	UK	100%	Investment properties
Rosemont Estates Limited	UK	100%	Investment properties
Motor Sport Magazine Limited	UK	100%	Magazine publisher

**9. Investment property**

**Group**

**Total  
£**

**Fair value**

At 1 June 2019  
Additions

7,043,955  
400,000

At 31 May 2020

7,443,955

**Net book value**

At 31 May 2020

7,443,955

At 31 May 2019

7,043,955

**10. Stocks**

**Group**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Raw materials	99,000	133,500
Work-in-progress	4,000	2,000
Finished goods	106,131	95,834
	<u>209,131</u>	<u>231,334</u>

**WELBOURNE HOLDINGS LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 May 2020**

**11. Debtors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	212,508	112,059	50	-
Amounts owed by group undertakings	-	-	120,001	6,000
Other debtors	856,221	1,163,385	27,104	273
	<u>1,068,729</u>	<u>1,275,444</u>	<u>147,155</u>	<u>6,273</u>

**12. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	107,800	-	-	-
Trade creditors	352,183	313,422	12,539	1,633
Amounts owed to group undertakings	-	-	123,756	57,009
Taxation and social security	40,952	46,641	-	-
Other creditors	6,210,835	5,604,908	1,250,513	605,545
	<u>6,711,770</u>	<u>5,964,971</u>	<u>1,386,808</u>	<u>664,187</u>

**13. Creditors: amounts falling due after more than one year**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other creditors	<u>21,380,025</u>	<u>18,280,025</u>

**14. Called up share capital**

<b>Allotted and issued:</b>			<b>Group</b>	
<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2020</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
201	Ordinary	£1	<u>201</u>	<u>201</u>

**15. Reserves**

<b>Group</b>	<b>Retained earnings</b>
	<b>£</b>
At 1 June 2019	(2,709,032)
Deficit for the year	(3,686,610)
At 31 May 2020	<u>(6,395,642)</u>



**WELBOURNE HOLDINGS LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 May 2020**

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**15. Reserves - continued**

**Company**

	<b>Retained earnings £</b>
At 1 June 2019	(509,399)
Deficit for the year	<u>(480,693)</u>
At 31 May 2020	<u><u>(990,092)</u></u>

**16. Related party disclosures**

As at the year end, £21,380,025 (2019: £18,280,025) was due to the director.

Included in creditors at the year end is £5,422,466 (2019: £4,972,666) due to a company controlled by the director.

**17. Ultimate controlling party**

The ultimate controlling party is E Atkin.