

**THE WESTERN MEETING CLUB LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Company Registration No. SC234779 (Scotland)**

# THE WESTERN MEETING CLUB LIMITED

## COMPANY INFORMATION

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|--------------------------|---|
| <b>Directors</b>         | Mr David Brown<br>Mr James Morrison<br>Mr Alan MacDonald<br>Mr Richard Johnstone  |
| <b>Secretary</b>         | Mr David Brown  |
| <b>Company number</b>    | SC234779  |
| <b>Registered office</b> | 2 Whitletts Road<br>Ayr<br>Ayrshire<br>KA8 0JE  |
| <b>Auditor</b>           | William Duncan + Co Ltd<br>30 Miller Road<br>Ayr<br>Ayrshire<br>KA7 2AY   |
| <b>Business address</b>  | 2 Whitletts Road<br>Ayr<br>Ayrshire<br>KA8 0JE  |
| <b>Bankers</b>           | Clydesdale Bank<br>Glasgow Business and Private Banking Centre<br>3rd Floor<br>30 St Vincent Place<br>Glasgow<br>G1 2HL |
| <b>Solicitors</b>        | Morton Fraser Solicitors<br>145 St Vincent Street<br>Glasgow<br>G2 5JF  |

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# THE WESTERN MEETING CLUB LIMITED

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# THE WESTERN MEETING CLUB LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### **Fair review of the business**

The Company operates Ayr Racecourse which provided thirty three days of racing spread throughout the year and encompassing both codes of racing. In addition it is further enhanced by the operation of Western House Hotel, a four star hotel situated on the racecourse.

Turnover increased to £7.3m (2020 £4.8m). During 2021 30 race meetings took place with 2 abandonments (2020 – 20 with 14 abandoned) Total attendances were 34,145 (2020 – 6,755).

The Directors are committed to ensuring that the current race programme is appropriately funded and that it retains its status as a Group 1 racecourse. The principal investors and bankers continue to be supportive of this investment strategy.

We continue to invest in the fixture and both the National and Scottish Champion Hurdle are recognised as being in the top 12 UK handicap races.

The Catering and hotel operation performed in line with expectations taking into account the COVID 19 restrictions that were in place during the year.

The group continues to benefit financially from the support provided by related parties and is comfortable with its debt levels.

#### **Principal risks and uncertainties**

##### **Cashflow Risk**

The main cash flow risk is the vulnerability of race meetings to abandonment due to adverse weather conditions. The company has invested significant sums in recent years on improved drainage to mitigate risk.

Also, levy funding is dependent upon bookmaker contributions and profitability which are outside the control of the directors.

The company benefits from media rights income and the number of runners per race can affect certain media rights payments.

##### **Credit Risk**

The company's credit risk is primarily attributed to its trade receivables; however, payment is required in advance for ticket, hospitality and sponsorship income thereby reducing the risk of bad debt.

##### **Price Risk**

The company operates within the leisure sector and regularly benchmarks its prices to ensure it remains competitive.

##### **Cost Risk**

The main risks are unforeseen maintenance liabilities, supplier price increases and additional regulatory costs. There is a programme of regular maintenance in place to manage the risk of infrastructure failure; regular tendering of supplier contracts and the company is a member of all trade bodies appropriate to a racecourse in order to mitigate this risk.

##### **Going Concern**

The Board has reviewed the company's forecasts and associated risks taking cognisance of economic factors. Regular review and up-to-date management information reduced the risk of unforeseen trends developing without appropriate action being taken to mitigate them.

The Board has reviewed the working capital and cashflow requirements of the group and consider that they are consistent and adequate and, as a consequence, the going concern basis continues to be adopted in preparing the financial statements.

# **THE WESTERN MEETING CLUB LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **Key performance indicators**

The Directors monitor the performance of the business through the production of detailed budgets and comparison of actual and anticipated results on a continual basis.

In addition key performance indicators are monitored to ensure that they are within tolerable levels.

These include but are not exhaustive;

Attendance and sales against budget and previous years;

RevPar statistics;

Wage Costs as a fixed cost and variable costs;

Food and liquor gross profit percentages.

On behalf of the board

Mr David Brown

**Director**

27 September 2022

# THE WESTERN MEETING CLUB LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

### Principal activities

The principal activity of the company continued to be that of promotion, operation and management of Ayr Racecourse.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr David Brown  
Mr James Morrison  
Mr Alan MacDonald  
Mr Richard Johnstone

### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Market value of land and buildings

As noted in the accounts, land and buildings are included at the valuation carried out in 1996 with subsequent additions being included at cost.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr David Brown  
**Director**

27 September 2022

# **THE WESTERN MEETING CLUB LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The directors are responsible for preparing the annual 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

# THE WESTERN MEETING CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE WESTERN MEETING CLUB LIMITED

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#### Opinion

We have audited the financial statements of The Western Meeting Club Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 December 2021 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 UK, including the FRC'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.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we 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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



# THE WESTERN MEETING CLUB LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE WESTERN MEETING CLUB LIMITED

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

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 strategic report and the directors' report.

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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 directors are 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 directors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims.
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

## **THE WESTERN MEETING CLUB LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF THE WESTERN MEETING CLUB LIMITED**

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

**Graeme Bryson CTA, ACA (Senior Statutory Auditor)**

**For and on behalf of William Duncan + Co Ltd**

27 September 2022

**Chartered Accountants**

**Statutory Auditor**

30 Miller Road

Ayr

Ayrshire

KA7 2AY

# THE WESTERN MEETING CLUB LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

|  | Notes    | 2021<br>£   | 2020<br>£   |
|--|----------|-------------|-------------|
| <b>Turnover</b>                        | <b>3</b> | 7,262,852   | 4,777,755   |
| Cost of sales                          |          | (4,296,600) | (2,569,491) |
| <b>Gross profit</b>                    |          | 2,966,252   | 2,208,264   |
| Administrative expenses                |          | (2,620,293) | (2,293,050) |
| Other operating income                 |          | 745,395     | 289,958     |
| <b>Operating profit</b>                | <b>4</b> | 1,091,354   | 205,172     |
| Interest receivable and similar income | <b>7</b> | 82,467      | 18,170      |
| Interest payable and similar expenses  | <b>8</b> | (81,617)    | (80,697)    |
| <b>Profit before taxation</b>          |          | 1,092,204   | 142,645     |
| Tax on profit                          | <b>9</b> | (262,498)   | (7,069)     |
| <b>Profit for the financial year</b>   |          | 829,706     | 135,576     |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# THE WESTERN MEETING CLUB LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

|  | Notes | 2021<br>£               | £ | 2020<br>£               | £ |
|--|-------|-------------------------|---|-------------------------|---|
| <b>Fixed assets</b>  |       |                         |   |                         |   |
| Tangible assets  | 10    | 12,439,494              |   | 12,777,619              |   |
| Investments  | 11    | 161,260                 |   | 161,260                 |   |
|  |       | <u>12,600,754</u>       |   | <u>12,938,879</u>       |   |
| <b>Current assets</b>  |       |                         |   |                         |   |
| Debtors  | 12    | 2,810,217               |   | 2,360,778               |   |
| Cash at bank and in hand                                       |       | 2,466,385               |   | 1,121,791               |   |
|  |       | <u>5,276,602</u>        |   | <u>3,482,569</u>        |   |
| <b>Creditors: amounts falling due within one year</b>          | 13    | <u>(2,106,731)</u>      |   | <u>(877,143)</u>        |   |
| <b>Net current assets</b>                                      |       | <u>3,169,871</u>        |   | <u>2,605,426</u>        |   |
| <b>Total assets less current liabilities</b>                   |       | <u>15,770,625</u>       |   | <u>15,544,305</u>       |   |
| <b>Creditors: amounts falling due after more than one year</b> | 14    | (6,554,158)             |   | (7,159,373)             |   |
| <b>Provisions for liabilities</b>                              |       | <u>(561,882)</u>        |   | <u>(560,053)</u>        |   |
| <b>Net assets</b>  |       | <u><u>8,654,585</u></u> |   | <u><u>7,824,879</u></u> |   |
| <b>Capital and reserves</b>                                    |       |                         |   |                         |   |
| Called up share capital  | 18    | 1,120                   |   | 1,120                   |   |
| Share premium account  |       | 2,805,192               |   | 2,805,192               |   |
| Fair value reserve   |       | 1,479,191               |   | 1,517,384               |   |
| Equity reserve   | 21    | 1,055,098               |   | 1,136,715               |   |
| Profit and loss reserves                                       |       | <u>3,313,984</u>        |   | <u>2,364,468</u>        |   |
| <b>Total equity</b>  |       | <u><u>8,654,585</u></u> |   | <u><u>7,824,879</u></u> |   |

The financial statements were approved by the board of directors and authorised for issue on 27 September 2022 and are signed on its behalf by:

Mr David Brown  
Director

Company Registration No. SC234779

# THE WESTERN MEETING CLUB LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

|  | Share capital | Share premium account | Revaluation reserve | Equity reserve/loss | Profit and reserves | Total     |
|--|---------------|-----------------------|---------------------|---------------------|---------------------|-----------|
| Notes  | £             | £                     | £                   | £                   | £                   | £         |
| <b>Balance at 1 January 2020</b>                   | 1,120         | 2,805,192             | 1,555,577           | 1,217,412           | 2,110,002           | 7,689,303 |
| <b>Year ended 31 December 2020:</b>                |               |                       |                     |                     |                     |           |
| Profit and total comprehensive income for the year | -             | -                     | -                   | -                   | 135,576             | 135,576   |
| Transfer of amortised cost movements               | 18            | -                     | -                   | (80,697)            | 80,697              | -         |
| Transfers  | -             | -                     | (38,193)            | -                   | 38,193              | -         |
| <b>Balance at 31 December 2020</b>                 | 1,120         | 2,805,192             | 1,517,384           | 1,136,715           | 2,364,468           | 7,824,879 |
| <b>Year ended 31 December 2021:</b>                |               |                       |                     |                     |                     |           |
| Profit and total comprehensive income for the year | -             | -                     | -                   | -                   | 829,706             | 829,706   |
| Transfer of amortised cost movements               | 18            | -                     | -                   | (81,617)            | 81,617              | -         |
| Transfers  | -             | -                     | (38,193)            | -                   | 38,193              | -         |
| <b>Balance at 31 December 2021</b>                 | 1,120         | 2,805,192             | 1,479,191           | 1,055,098           | 3,313,984           | 8,654,585 |

# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

The Western Meeting Club Limited is a private company limited by shares incorporated in Scotland. The registered office is 2 Whitlets Road, Ayr, Ayrshire, KA8 0JE.

#### **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.

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 on the historical cost convention as modified to include the revaluation of freehold property. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of The Western Meeting Club 2003 Limited. These consolidated financial statements are available from its registered office.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents income derived directly and indirectly from race meetings plus other miscellaneous income from the use of the racecourse facilities, excluding VAT.

Revenue is recognised on the date of the event.

# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.4 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:

|                             |                                      |
|-----------------------------|--------------------------------------|
| Land and buildings Freehold | 10 - 50 years on straight-line basis |
| Plant and machinery         | 3 - 10 years on straight-line basis  |

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.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

#### 1.6 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.

#### 1.7 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

#### **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.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.



# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### 1.9 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.

### 1.10 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.

### 1.11 Retirement benefits

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

# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.12 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.13 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.

Government grants of £62,942 (2020 - £280,032) were received and recognised during the year. The grants received related to the HMRC Job Retention Scheme.

#### 1.14 Grants from the Horserace Betting Levy Board

Grants are receivable from the Levy Board to support racing activities. The grants can be waived and transferred to capital credits. Such capital credits may be claimed, at the Levy Board's discretion, against expenditure on approved capital projects or repayment of Levy Board loans. Grants are taken to income when the race to which they relate is held.

#### 1.15 Other borrowings

Other borrowings, which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for similar borrowings. Subsequently, they are measured at amortised cost using the effective interest method. Other borrowings that are payable within one year are not discounted.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

|  | 2021      | 2020      |
|--|-----------|-----------|
|  | £         | £         |
| Turnover analysed by class of business |           |           |
| Raceday Events                         | 7,262,852 | 4,777,755 |

# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue (Continued)

|   | 2021<br>£         | 2020<br>£         |
|---|-------------------|-------------------|
| <b>Turnover analysed by geographical market</b> |                   |                   |
| UK  | 7,262,852         | 4,777,755         |
|   | <u>          </u> | <u>          </u> |
|   | 2021<br>£         | 2020<br>£         |
| <b>Other significant revenue</b>                |                   |                   |
| Dividends received                              | 82,467            | 18,170            |
| Grants received                                 | 607,698           | 280,032           |
|   | <u>          </u> | <u>          </u> |

### 4 Operating profit

|   | 2021<br>£         | 2020<br>£         |
|---|-------------------|-------------------|
| Operating profit for the year is stated after charging/(crediting):                       |                   |                   |
| Government grants   | (607,698)         | (280,032)         |
| Fees payable to the company's auditor for the audit of the company's financial statements | 13,253            | 10,500            |
| Depreciation of owned tangible fixed assets   | 466,815           | 537,236           |
|   | <u>          </u> | <u>          </u> |

### 5 Employees

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

|                              | 2021<br>Number    | 2020<br>Number    |
|------------------------------|-------------------|-------------------|
| Administration               | 15                | 20                |
| Management                   | 2                 | 2                 |
| Ground staff and maintenance | 13                | 30                |
| Casual raceday staff         | 35                | 26                |
|                              | <u>          </u> | <u>          </u> |
| Total                        | 65                | 78                |
|                              | <u>          </u> | <u>          </u> |
|                              | 2021<br>£         | 2020<br>£         |
| Wages and salaries           | 1,142,364         | 1,009,741         |
| Social security costs        | 67,980            | 60,623            |
| Pension costs                | 30,852            | 27,145            |
|                              | <u>          </u> | <u>          </u> |
|                              | 1,241,196         | 1,097,509         |
|                              | <u>          </u> | <u>          </u> |

# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Directors' remuneration

|   | 2021<br>£      | 2020<br>£      |
|---|----------------|----------------|
| Remuneration for qualifying services                          | 172,808        | 150,790        |
| Company pension contributions to defined contribution schemes | 9,109          | 8,799          |
|   | <u>181,917</u> | <u>159,589</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

### 7 Interest receivable and similar income

|                                      | 2021<br>£     | 2020<br>£     |
|--------------------------------------|---------------|---------------|
| <b>Other income from investments</b> |               |               |
| Dividends received                   | 82,467        | 18,170        |
|                                      | <u>82,467</u> | <u>18,170</u> |

### 8 Interest payable and similar expenses

|                              | 2021<br>£     | 2020<br>£     |
|------------------------------|---------------|---------------|
| Adjustment to amortised cost | 81,617        | 80,697        |
|                              | <u>81,617</u> | <u>80,697</u> |

### 9 Taxation

|  | 2021<br>£      | 2020<br>£       |
|--|----------------|-----------------|
| <b>Current tax</b>                                   |                |                 |
| UK corporation tax on profits for the current period | 260,669        | 29,970          |
|  | <u>260,669</u> | <u>29,970</u>   |
| <b>Deferred tax</b>                                  |                |                 |
| Origination and reversal of timing differences       | 1,829          | (22,901)        |
|  | <u>1,829</u>   | <u>(22,901)</u> |
| <b>Total tax charge</b>                              | <u>262,498</u> | <u>7,069</u>    |

# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| Profit before taxation   | 1,092,204 | 142,645   |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 207,519   | 27,103    |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 994       | -         |
| Group relief   | -         | (93,825)  |
| Depreciation on assets not qualifying for tax allowances   | 61,290    | 61,911    |
| Other non-reversing timing differences   | (2,426)   | -         |
| Dividend income  | (15,669)  | (3,452)   |
| Adjustments in respect of financial liabilities  | 15,507    | 15,332    |
| Additional first year allowances   | (4,717)   | -         |
| Taxation charge for the year   | 262,498   | 7,069     |

### 10 Tangible fixed assets

|                                    | Land and buildings<br>Freehold<br>£ | Plant and machinery<br>£ | Total<br>£ |
|------------------------------------|-------------------------------------|--------------------------|------------|
| <b>Cost or valuation</b>           |                                     |                          |            |
| At 1 January 2021                  | 17,846,730                          | 3,642,338                | 21,489,068 |
| Additions                          | -                                   | 128,690                  | 128,690    |
| Disposals                          | -                                   | (3,500)                  | (3,500)    |
| At 31 December 2021                | 17,846,730                          | 3,767,528                | 21,614,258 |
| <b>Depreciation and impairment</b> |                                     |                          |            |
| At 1 January 2021                  | 5,439,834                           | 3,271,615                | 8,711,449  |
| Depreciation charged in the year   | 320,324                             | 146,491                  | 466,815    |
| Eliminated in respect of disposals | -                                   | (3,500)                  | (3,500)    |
| At 31 December 2021                | 5,760,158                           | 3,414,606                | 9,174,764  |
| <b>Carrying amount</b>             |                                     |                          |            |
| At 31 December 2021                | 12,086,572                          | 352,922                  | 12,439,494 |
| At 31 December 2020                | 12,406,896                          | 370,723                  | 12,777,619 |

# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Tangible fixed assets

(Continued)

Land and buildings were valued in 1996 at £5,690,000 by independent external valuers based on depreciated replacement cost. Additions since that date are included at cost.

The transitional rules set out in FRS 102 have been applied in implementing FRS102. Accordingly the 1996 valuation is being deemed as the cost therefore revaluations are not required in the future.

Land and buildings are carried at valuation. If land and buildings were measured using the cost model, the carrying amounts would have been approximately £11,189,418 (2020 - £11,483,102), being cost £15,937,068 (2020 - £15,937,068) and depreciation £4,747,650 (2020 - £4,453,966).

|                          | 2021<br>£   | 2020<br>£   |
|--------------------------|-------------|-------------|
| Cost                     | 15,963,320  | 15,937,068  |
| Accumulated depreciation | (5,021,094) | (4,747,650) |
| Carrying value           | 10,942,226  | 11,189,418  |

### 11 Fixed asset investments

|                      | 2021<br>£ | 2020<br>£ |
|----------------------|-----------|-----------|
| Unlisted investments | 161,260   | 161,260   |

The company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

The unlisted investments above are carried at cost and the directors are satisfied that this represents fair value given that the investments are not held for capital growth but for income generation.

### 12 Debtors

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 159,979   | 193,824   |
| Amounts owed by group undertakings          | 1,985,032 | 1,650,032 |
| Prepayments and accrued income              | 665,206   | 516,922   |
|   | 2,810,217 | 2,360,778 |

# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

|                                    | Notes | 2021<br>£        | 2020<br>£      |
|------------------------------------|-------|------------------|----------------|
| Other borrowings                   | 15    | 686,832          | -              |
| Trade creditors                    |       | 182,724          | 192,691        |
| Amounts owed to group undertakings |       | 67,871           | 49,045         |
| Corporation tax                    |       | 259,847          | 59,633         |
| Other taxation and social security |       | 143,088          | 109,875        |
| Other creditors                    |       | 18,133           | 9,669          |
| Accruals and deferred income       |       | 748,236          | 456,230        |
|                                    |       | <u>2,106,731</u> | <u>877,143</u> |

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

|                  | Notes | 2021<br>£        | 2020<br>£        |
|------------------|-------|------------------|------------------|
| Other borrowings | 15    | <u>6,554,158</u> | <u>7,159,373</u> |

Amounts included above which fall due after five years are as follows:

|                        |                  |                  |
|------------------------|------------------|------------------|
| Payable by instalments | <u>4,229,085</u> | <u>4,829,541</u> |
|------------------------|------------------|------------------|

### 15 Loans and overdrafts

|                            | 2021<br>£        | 2020<br>£        |
|----------------------------|------------------|------------------|
| Loans from related parties | <u>7,240,990</u> | <u>7,159,373</u> |
| Payable within one year    | 686,832          | -                |
| Payable after one year     | <u>6,554,158</u> | <u>7,159,373</u> |

Loans from related parties due in greater than one year have not incurred a market rate of interest since the year ended 31 December 2017, and as such have been discounted to fair value to account for the below market rate of interest, with the difference between book value and fair value being recognised in equity. The subsequent unwinding of the discount is recognised as an interest charge through the Profit and Loss Account.

# THE WESTERN MEETING CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

|                                | Liabilities<br>2021<br>£ | Liabilities<br>2020<br>£ |
|--------------------------------|--------------------------|--------------------------|
| <b>Balances:</b>               |                          |                          |
| Accelerated capital allowances | 561,882                  | 560,053                  |
|                                | <u>561,882</u>           | <u>560,053</u>           |
| <b>Movements in the year:</b>  |                          | <b>2021<br/>£</b>        |
| Liability at 1 January 2021    |                          | 560,053                  |
| Charge to profit or loss       |                          | 1,829                    |
|                                |                          | <u>1,829</u>             |
| Liability at 31 December 2021  |                          | 561,882                  |
|                                |                          | <u>561,882</u>           |

### 17 Retirement benefit schemes

|   | 2021<br>£     | 2020<br>£     |
|---|---------------|---------------|
| <b>Defined contribution schemes</b>                                 |               |               |
| Charge to profit or loss in respect of defined contribution schemes | 30,852        | 27,145        |
|   | <u>30,852</u> | <u>27,145</u> |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 18 Share capital

|   | 2021<br>Number | 2020<br>Number | 2021<br>£    | 2020<br>£    |
|---|----------------|----------------|--------------|--------------|
| <b>Ordinary share capital<br/>Issued and fully paid</b> |                |                |              |              |
| Ordinary A of £1 each                                   | 1,114          | 1,114          | 1,120        | 1,114        |
| Ordinary B of £1 each                                   | 6              | 6              | -            | 6            |
|   | <u>1,120</u>   | <u>1,120</u>   | <u>1,120</u> | <u>1,120</u> |

Each 'A' ordinary shareholder is entitled to one vote for each share held. 'B' ordinary shareholders are not entitled to vote.

On the winding up of the company 'A' and 'B' ordinary shareholders rank pari passu in the event of a return of assets.

### 19 Equity reserve

The equity reserve reflects the discounting of the loans from related parties to fair value and the movement in the year is in relation to the unwinding of the discount. These reserves are not distributable.



# **THE WESTERN MEETING CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **20 Financial commitments, guarantees and contingent liabilities**

The company has given a cross-guarantee to bankers to secure the borrowings of the parent company, The Western Meeting Club 2003 Limited, and fellow subsidiary company, Western House Catering Limited. At 31 December 2021, group bank borrowing amounted to £2,202,854 (2020 - £2,499,170).

### **21 Related party transactions**

The company has taken advantage of the exemption in the Financial Reporting Standard 102 Number 33 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company, The Western Meeting Club 2003 Ltd.

Included within note 15 is amounts due to companies which have common directorships of The Western Meeting Club Limited. These loans are repayable over 12 years with a rate of interest of 1.36%. Repayments of nil (2020 - nil) were made in the year. Interest of Nil (2020 - nil) was charged in the year. The amounts outstanding at the balance sheet date was £7,240,990 (2020 - £7,159,373).

### **22 Ultimate controlling party**

The ultimate controlling party is The Western Meeting Club 2003 Limited by virtue of its 100% shareholding. Copies of the group accounts can be found at Companies House.

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.