

Wood Hall Stud Limited

Annual Report

Year ended 31 December 2008

THURSDAY



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Company Information

Director	Andrew L Cohen
Secretary	Iain Williamson
Registered office	Wood Hall Lane Shenley Hertfordshire WD7 9AA
Registered number	2904418
Auditors	Grant Thornton UK LLP Enterprise House 115 Edmund Street Birmingham B3 2HJ

Report of the Director

The director presents his report together with the audited financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the company during the year was bloodstock.

Results and dividend

The results for the period are set out in detail on page 4. The director does not recommend the payment of a dividend (2007: nil).

Director

The director during the period and at the date of this report is disclosed on page 1.

Director's responsibilities for financial statements

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which 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 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

At the date of making this report the company's director, as set out on page 1, confirms the following:

- so far as the director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

A resolution to approve the re-election of Grant Thornton UK LLP as auditors will be proposed at the forthcoming AGM. The report of the director was approved by the Board on 22 June 2009 and signed on its behalf by



Iain Williamson
Secretary

Independent Auditors' Report to the Shareholders of Wood Hall Stud Limited

We have audited the financial statements of Wood Hall Stud Limited which comprise the profit and loss account, balance sheet and notes to the financial statements. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the report of the director is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the report of the director and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the report of the director is consistent with the financial statements.



Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
Birmingham, England
Date: 22 June 2009

Profit and Loss Account

for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	1	335,080	607,916
Cost of sales		(567,765)	(1,620,066)
Gross loss		(232,685)	(1,012,150)
Administrative expenses		(471,478)	(540,873)
Operating loss	2	(704,163)	(1,553,023)
Interest receivable	3	1	48
Interest payable	3	-	(44)
Loss on ordinary activities before taxation		(704,162)	(1,553,019)
Taxation credit on loss on ordinary activities	6	186,474	269,536
Loss for the financial year	13	(517,688)	(1,283,483)

All activities relate to continuing operations.

All recognised gains or losses are included in the profit and loss account for the periods above.

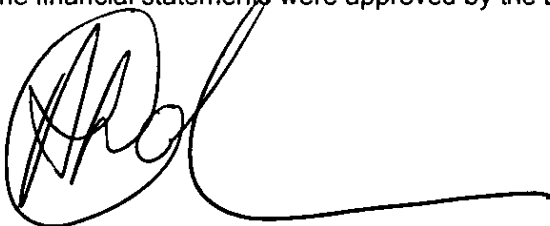
The notes on pages 6 to 11 form part of these financial statements.

Balance Sheet

at 31 December 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible fixed assets	7	247,008	268,180
		<hr/>	<hr/>
Current assets			
Stock	8	771,903	488,073
Debtors	9	206,281	237,231
Cash at bank and in hand		18,393	3,339
		<hr/>	<hr/>
		996,577	728,643
Creditors: Amounts falling due within one year	10	(962,423)	(197,973)
		<hr/>	<hr/>
Net current assets		34,154	530,670
		<hr/>	<hr/>
Net assets		281,162	798,850
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	1,118,000	1,118,000
Share premium account	13	499,300	499,300
Capital contribution	13	12,500,000	12,500,000
Profit and loss account	13	(13,836,138)	(13,318,450)
		<hr/>	<hr/>
Equity shareholders' funds	12	281,162	798,850
		<hr/>	<hr/>

The financial statements were approved by the Board on 22 June 2009 and signed on its behalf by:



Andrew L Cohen
Director

The notes on pages 6 to 11 form part of these financial statements.

Notes to the Financial Statements

31 December 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Going Concern Policy

The company has the continuing support of the ultimate holding company, which has confirmed that it will not withdraw current funding. On this basis, the directors have adopted a going concern policy.

Turnover

Turnover represents the sale of horses, income from training and racing horses, and income from land and property during the period, excluding value added tax.

Depreciation

Depreciation is calculated to write down the cost of tangible fixed assets to their estimated residual value over their expected useful lives.

Motor vehicles	25% on net book value
Plant and machinery	25% on net book value
Fixtures and fittings	25% on net book value

Stock

Stock comprises horses, hay and haylage valued at the lower of cost and net realisable value.

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19. Deferred tax is provided in full, in accordance with FRS19, on those timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

2. OPERATING LOSS

	2008 £	2007 £
Operating loss is stated after charging / (crediting):		
Depreciation of tangible fixed assets	82,335	89,394
Profit on sale of fixed assets	(7,227)	(12,158)
	<hr/>	<hr/>

Auditors' remuneration is borne by the parent company.

Notes to the Financial Statements

31 December 2008

3. INTEREST RECEIVABLE / (PAYABLE)

	2008 £	2007 £
Interest receivable on bank balances	1	48
Interest payable on bank overdraft	-	(44)
	<u>1</u>	<u>(44)</u>

4. DIRECTOR

The remuneration of the director is borne by the parent company.

5. EMPLOYEES

	2008 No.	2007 No.
Average monthly number of employees, excluding directors:		
Stud farm workers	14	15
	<u>14</u>	<u>15</u>

	2008 £	2007 £
Staff costs:		
Wages and salaries	225,465	239,634
Social security costs	19,540	20,688
Redundancy	2,800	-
	<u>247,805</u>	<u>260,322</u>

6. TAXATION CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2008 £	2007 £
Current Tax		
Adjustment in respect of prior years	11,400	-
Group relief receivable	175,074	269,536
	<u>186,474</u>	<u>269,536</u>
Total current tax	186,474	269,536
Deferred Tax		
Movement in year	-	-
	<u>-</u>	<u>-</u>
Taxation credit on ordinary activities	<u>186,474</u>	<u>269,536</u>

Notes to the Financial Statements

31 December 2008

6. TAXATION CREDIT ON LOSS ON ORDINARY ACTIVITIES (CONT'D)

The tax credit assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £	2007 £
Loss on ordinary activities before tax	704,162	1,553,019
Loss on ordinary activities at the standard rate of Corporation tax in the UK of 28% (2007 – 30%)	197,165	465,906
Effects of:		
Depreciation for year in excess of capital allowances	(18,748)	(3,256)
Disallowable expenditure	(3,343)	(6,052)
Losses carried forward	-	(187,062)
Adjustment in respect of prior years	11,400	-
Current tax credit for year	186,474	269,536

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Total £
Cost				
At 1 January 2008	109,198	143,037	670,453	922,688
Additions	10,322	22,850	28,114	61,286
Disposals	-	(19,562)	-	(19,562)
At 31 December 2008	119,520	146,325	698,567	964,412
Depreciation				
At 1 January 2008	27,300	102,898	524,310	654,508
Charge for the year	23,055	15,716	43,564	82,335
On disposals	-	(19,439)	-	(19,439)
At 31 December 2008	50,355	99,175	567,874	717,404
Net book value				
At 31 December 2008	69,165	47,150	130,693	247,008
At 31 December 2007	81,898	40,139	146,143	268,180

Notes to the Financial Statements

31 December 2008

8. STOCK

	2008 £	2007 £
Horses	751,077	470,434
Hay and Haylage	20,826	17,639
	<u>771,903</u>	<u>488,073</u>

The replacement cost of stock does not differ materially from the above amounts.

9. DEBTORS

	2008 £	2007 £
Trade debtors	11,900	99,254
Corporation tax	11,400	-
Other debtors	182,981	137,977
	<u>206,281</u>	<u>237,231</u>

All amounts shown under debtors fall due for repayment within one year.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Bank overdraft	12,319	20,793
Trade creditors	264,056	60,254
Amounts owed to parent undertaking	680,048	105,734
Other taxes and social security	-	6,073
Other creditors	-	868
Accruals	6,000	4,251
	<u>962,423</u>	<u>197,973</u>

The bank overdraft is secured by a fixed charge over certain properties of the group.

Notes to the Financial Statements

31 December 2008

11. SHARE CAPITAL

	2008 £	2007 £
Authorised		
10,000 Ordinary 'A' shares of £1 each	10,000	10,000
2,000,000 Ordinary 'B' shares of £1 each	2,000,000	2,000,000
	<hr/>	<hr/>
	2,010,000	2,010,000
	<hr/>	<hr/>
Allotted and fully paid		
10,000 Ordinary 'A' shares of £1 each	10,000	10,000
1,108,000 Ordinary 'B' shares of £1 each	1,108,000	1,108,000
	<hr/>	<hr/>
	1,118,000	1,118,000
	<hr/>	<hr/>

All the shares have the same rights attached and rank pari passu.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS / (DEFICIT)

	2008 £	2007 £
Opening equity shareholders' funds / (deficit)	798,850	(10,417,667)
Loss for financial year	(517,688)	(1,283,483)
Conversion of loan (see note 13)	-	12,500,000
	<hr/>	<hr/>
Closing equity shareholders' funds	281,162	798,850
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13. RESERVES

	Capital contribution £	Share premium account £	Profit and loss account £
At 1 January 2008	12,500,000	499,300	(13,318,450)
Loss for the financial year	-	-	(517,688)
	<hr/>	<hr/>	<hr/>
At 31 December 2008	12,500,000	499,300	(13,836,138)
	<hr/>	<hr/>	<hr/>

14. RELATED-PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with 100%-owned subsidiaries of Wood Hall Securities Limited that are included in its consolidated financial statements.

Notes to the Financial Statements

31 December 2008

15. CASH FLOW STATEMENT

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company

16. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Wood Hall Securities Limited, whose consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF4 3UZ.