

Administration of Gambling on Tracks Limited
Company Limited by Guarantee
Financial Statements
31 December 2018



GEORGE HAY PARTNERSHIP LLP
Chartered Accountants & statutory auditor
St George's House
14 George Street
Huntingdon
Cambridgeshire
PE29 3GH

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2018

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Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Officers and Professional Advisers

The board of directors

Mr T Moore
Mr S Winfield
Mrs T Barlow - Chair

Registered office

3A Kings Hall
Parsons Green
St Ives Business Park
St Ives
Cambridgeshire
PE27 4WY

Auditor

George Hay Partnership LLP
Chartered Accountants & Statutory Auditor
St George's House
14 George Street
Huntingdon
Cambridgeshire
PE29 3GH

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Directors' Report

Year ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Directors

The directors who served the company during the year were as follows:

Mr T Moore
Mr S Winfield
Mrs T Barlow

Review of developments

Administration of Gambling on Tracks Limited is a company limited by guarantee.

The directors report an operating deficit for the year.

The company has a contract with each of Britain's 60 horse racecourses to provide administrative services until September 2022. These contracts have been in place since September 2017 and are renewed on a five-year cycle.

The operating deficit in 2018 was slightly smaller than the budgeted deficit. This in turn means that the cash reserves are marginally higher than the projected figure. It is likely that a deficit will be reported in the forthcoming year as the company has been able to moderate its fee income in line with the budgetary plan to reach a particular level of reserves in 2022.

In the meantime, the directors consider that the level of reserves ensures that the company is adequately financed.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Directors' Report *(continued)*

Year ended 31 December 2018

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.

Auditor

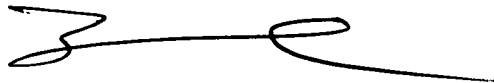
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 19 March 2019 and signed on behalf of the board by:



Mr T. Moore
Director

Registered office:
3A Kings Hall
Parsons Green
St Ives Business Park
St Ives
Cambridgeshire
PE27 4WY

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Administration of Gambling on Tracks Limited

Year ended 31 December 2018

Opinion

We have audited the financial statements of Administration of Gambling on Tracks Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of 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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Administration of Gambling on Tracks Limited *(continued)*

Year ended 31 December 2018

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

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

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 directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Administration of Gambling on Tracks Limited *(continued)*

Year ended 31 December 2018

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Administration of Gambling on Tracks Limited *(continued)*

Year ended 31 December 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our 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.

Toni Hunter

Toni Hunter FCCA ACA DCha (Senior Statutory Auditor)

For and on behalf of
George Hay Partnership LLP
Chartered Accountants & Statutory Auditor
St George's House
14 George Street
Huntingdon
Cambridgeshire
PE29 3GH

3rd May 2019

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Statement of Income and Retained Earnings

Year ended 31 December 2018

	Note	2018 £	2017 £
Turnover		793,537	749,079
Cost of sales		<u>523,532</u>	<u>519,549</u>
Gross profit		270,005	229,530
Administrative expenses		<u>336,357</u>	<u>331,699</u>
Operating loss		(66,352)	(102,169)
Other interest receivable and similar income		<u>241</u>	<u>96</u>
Loss before taxation	7	(66,111)	(102,073)
Tax on loss		<u>64</u>	<u>254</u>
Loss for the financial year and total comprehensive income		(66,175)	(102,327)
Retained earnings at the start of the year		320,041	422,368
Retained earnings at the end of the year		<u>253,866</u>	<u>320,041</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Statement of Financial Position

31 December 2018

	Note	2018 £	£	2017 £
Fixed assets				
Tangible assets	8		25,532	41,798
Current assets				
Debtors	9	97,779		106,991
Cash at bank and in hand		<u>294,222</u>		<u>313,582</u>
		392,001		420,573
Creditors: amounts falling due within one year	10	<u>163,667</u>		<u>142,330</u>
Net current assets			<u>228,334</u>	<u>278,243</u>
Total assets less current liabilities			<u>253,866</u>	<u>320,041</u>
Net assets			<u>253,866</u>	<u>320,041</u>
Capital and reserves				
Profit and loss account			<u>253,866</u>	<u>320,041</u>
Members funds			<u>253,866</u>	<u>320,041</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 19 March 2019, and are signed on behalf of the board by:



Mrs T Barlow
Chair

Company registration number: 03595282

The notes on pages 10 to 14 form part of these financial statements.

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2018

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is 3A Kings Hall, Parsons Green, St Ives Business Park, St Ives, PE27 4WY, Cambridgeshire.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The service contract with the 60 individual horse racecourses was renewed in 2017 for five years. The contracts are continually renewed on a five year cycle. The company believes that its future is adequately secure to continue as a going concern.

The directors continue to review the financial performance of the company to ensure it is adequately funded whilst being mindful of the fees and charges made to racecourse bookmakers. The directors have produced forecasts demonstrating adequate resources for the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The mutual trading status obtained results in the mutual trader not being liable to tax on surpluses arising from their mutual trade.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Computer equipment	-	33% straight line
Fixtures and fittings	-	33% straight line
Motor vehicles	-	33% straight line
Office equipment	-	33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Company limited by guarantee

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

5. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>4,800</u>	<u>6,050</u>

6. Employee numbers

The average number of persons employed by the company during the year amounted to 26 (2017: 20).

7. Profit before taxation

Profit before taxation is stated after charging:

	2018	2017
	£	£
Depreciation of tangible assets	<u>26,396</u>	<u>25,510</u>

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

8. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 January 2018	104,496	13,082	15,999	22,553	156,130
Additions	3,741	5,245	—	1,144	10,130
At 31 December 2018	108,237	18,327	15,999	23,697	166,260
Depreciation					
At 1 January 2018	80,337	12,738	3,111	18,146	114,332
Charge for the year	16,640	779	5,333	3,644	26,396
At 31 December 2018	96,977	13,517	8,444	21,790	140,728
Carrying amount					
At 31 December 2018	11,260	4,810	7,555	1,907	25,532
At 31 December 2017	24,159	344	12,888	4,407	41,798

9. Debtors

	2018 £	2017 £
Trade debtors	86,737	95,097
Other debtors	11,042	11,894
	97,779	106,991

10. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	22,669	17,788
Social security and other taxes	45,734	38,896
Other creditors	95,264	85,646
	163,667	142,330

11. Company limited by guarantee

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

Administration of Gambling on Tracks Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	15,000	15,000
Later than 1 year and not later than 5 years	60,000	15,000
	<u>75,000</u>	<u>30,000</u>