

Registration number: 3595282

Administration of Gambling on Tracks Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2013

Administration of Gambling on Tracks Limited
Contents

Company Information	1
Directors' Report	2 to 3
Independent Auditor's Report	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 to 12

The following pages do not form part of the statutory financial statements:

Detailed Profit and Loss Account	13 to 14
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Administration of Gambling on Tracks Limited
Company Information

Chairman	T Barlow
Directors	G Thorpe A Styles R Grossmith T Moore P Crisp S Winfield R Roberto
Registered office	3A King's Hall St Ives Business Park St Ives Cambridgeshire PE27 4WY
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor Cambridge, United Kingdom

Administration of Gambling on Tracks Limited

Directors' Report for the Year Ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Directors of the company

The directors who held office during the year were as follows:

G Thorpe

A Styles

R Grossmith

T Moore

P Crisp

T Barlow - Chairman

S Winfield

R Roberto

Principal activity

The principal activity of the company is the administration of on-course betting rings at all meetings held at horse racecourses in Great Britain.

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

Directors' responsibilities statement

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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 directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Administration of Gambling on Tracks Limited
Directors' Report for the Year Ended 31 December 2013

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Review of developments

The directors report a modest operating profit for the year.

The company has a contract with each of Britain's 58 horse racecourses to provide administrative services until September 2017. These contracts have been in place since September 2012.

The company has successfully restructured its income streams to counteract regulatory developments in September 2012 which dictated that a substantial element of previous income (List Position Transfer Fees) would no longer be collectable. With this in mind, the directors have approved a five year budget (2012-2017) that ensures the company can fulfil its contractual obligations while remaining financially stable and liquid during the term of the contracts.

Income exceeded expectations in 2013 while costs were significantly below plan. This enabled the company to make a small profit rather than a budgeted deficit, which in turn means that the cash reserves are in excess of 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 2017.

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

Disclosure of information to the auditor

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

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

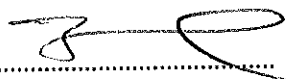
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

Approved by the Board on 27/05/14 and signed on its behalf by:


.....
T Moore
Director

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

We have audited the financial statements of Administration of Gambling on Tracks Limited for the year ended 31 December 2013 which comprise of the profit and loss account, the balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

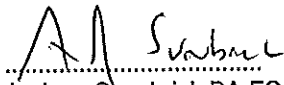
**Independent Auditor's Report to the Members of
Administration of Gambling on Tracks Limited**

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Matters on which we are required to report by exception

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 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 and the Directors' Report in accordance with the small companies regime.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a strategic report or in preparing the Directors' Report.



Andrew Swarbrick BA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

Date: *30 May 2014*

Administration of Gambling on Tracks Limited
Profit and Loss Account for the Year Ended 31 December 2013

	Note	2013 £	2012 £
Turnover		788,589	751,705
Cost of sales		<u>(412,369)</u>	<u>(461,543)</u>
Gross profit		376,220	290,162
Administrative expenses		<u>(332,063)</u>	<u>(367,194)</u>
Operating profit/(loss)	2	44,157	(77,032)
Other interest receivable and similar income		<u>787</u>	<u>240</u>
Profit/(loss) on ordinary activities before taxation		44,944	(76,792)
Tax on profit/(loss) on ordinary activities	4	<u>(157)</u>	<u>(48)</u>
Profit/(loss) for the financial year	10	<u><u>44,787</u></u>	<u><u>(76,840)</u></u>

Administration of Gambling on Tracks Limited
(Registration number: 3595282)
Balance Sheet at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	5	<u>21,258</u>	<u>40,055</u>
Current assets			
Debtors	6	130,033	160,096
Investments	7	200,000	-
Cash at bank and in hand		<u>222,073</u>	<u>346,679</u>
		552,106	506,775
Creditors: Amounts falling due within one year	8	<u>(120,169)</u>	<u>(138,422)</u>
Net current assets		<u>431,937</u>	<u>368,353</u>
Net assets		<u>453,195</u>	<u>408,408</u>
Reserves			
Profit and loss account	10	<u>453,195</u>	<u>408,408</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

Approved and authorised for issue by the Board on 27/5/14 and signed on its behalf by:



 T Barlow
 Chairman

Administration of Gambling on Tracks Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the applicable United Kingdom accounting standards and under the historical cost convention.

Going concern

The service contract with the 58 individual horse racecourses was renewed in 2012 and expires in 2017. 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.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	33.33% straight line basis
Office equipment	33.33% straight line basis
Computer equipment	33.33% straight line basis
Motor vehicles	33.33% straight line basis

Current asset investments

Current asset investments are included at the lower of cost and net realisable value.

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.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Administration of Gambling on Tracks Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

..... *continued*

Leases

Operating lease rentals are charged to the income and expenditure account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2013 £	2012 £
Auditor's remuneration	7,250	5,500
Profit on sale of tangible fixed assets	(2,625)	-
Depreciation of tangible fixed assets	14,707	21,366
Rentals under operating leases	11,250	15,000
Redundancy costs	<u>30,000</u>	<u>-</u>

3 Directors' remuneration

The directors' remuneration for the year was as follows:

	2013 £	2012 £
Remuneration (including benefits in kind)	<u>100,278</u>	<u>40,174</u>

4 Taxation

Tax on profit/(loss) on ordinary activities

	2013 £	2012 £
Current tax		
Corporation tax charge	<u>157</u>	<u>48</u>

Administration of Gambling on Tracks Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

..... continued

5 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2013	11,471	70,933	11,128	61,918	155,450
Additions	1,023	-	969	793	2,785
Disposals	-	(27,936)	(7,246)	(6,370)	(41,552)
At 31 December 2013	<u>12,494</u>	<u>42,997</u>	<u>4,851</u>	<u>56,341</u>	<u>116,683</u>
Depreciation					
At 1 January 2013	11,471	39,630	11,127	53,167	115,395
Charge for the year	28	10,749	121	3,809	14,707
Eliminated on disposals	-	(21,062)	(7,245)	(6,370)	(34,677)
At 31 December 2013	<u>11,499</u>	<u>29,317</u>	<u>4,003</u>	<u>50,606</u>	<u>95,425</u>
Net book value					
At 31 December 2013	<u>995</u>	<u>13,680</u>	<u>848</u>	<u>5,735</u>	<u>21,258</u>
At 31 December 2012	<u>-</u>	<u>31,303</u>	<u>1</u>	<u>8,751</u>	<u>40,055</u>

6 Debtors

	2013 £	2012 £
Trade debtors	105,075	144,865
Other debtors	24,958	15,231
	<u>130,033</u>	<u>160,096</u>

7 Current asset investments

	2013 £	2012 £
Cash held on deposit	<u>200,000</u>	<u>-</u>

Administration of Gambling on Tracks Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

..... *continued*

8 Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	24,350	17,039
Corporation tax	157	48
Other taxes and social security	37,800	36,808
Other creditors	57,862	84,527
	<u>120,169</u>	<u>138,422</u>

9 Company status

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.

10 Reserves

	Profit and loss account £	Total £
At 1 January 2013	408,408	408,408
Profit for the year	44,787	44,787
At 31 December 2013	<u>453,195</u>	<u>453,195</u>

11 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £73 (2012 - £37,473).

Administration of Gambling on Tracks Limited
Notes to the Financial Statements for the Year Ended 31 December 2013
..... continued

12 Commitments

Operating lease commitments

As at 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2013 £	2012 £
Within one year	15,000	15,000
Within two and five years	3,180	3,850
	<u>18,180</u>	<u>18,850</u>

Administration of Gambling on Tracks Limited
Detailed Profit and Loss Account for the Year Ended 31 December 2013

	2013		2012	
	£	£	£	£
Turnover				
Betting administration fees		623,132		535,404
Registration fees		58,987		3,070
List position fees		58,417		191,725
Other income		48,053		21,506
		<u>788,589</u>		<u>751,705</u>
Cost of sales				
Wages and salaries	189,204		211,821	
Staff NIC (Employers)	21,412		25,819	
Pension	(2,435)		17,713	
Health and death benefit insurance	6,456		5,099	
Casual betting ring managers	74,825		70,070	
Field staff expenses	96,133		94,559	
Motor expenses	7,700		11,559	
Mobile phones	8,325		8,928	
Depreciation of motor vehicles	10,749		15,975	
		<u>(412,369)</u>		<u>(461,543)</u>
Gross profit		<u>376,220</u>		<u>290,162</u>
Gross profit (%)		47.71%		38.60%

Administration of Gambling on Tracks Limited
Detailed Profit and Loss Account for the Year Ended 31 December 2013

..... *continued*

Administrative expenses		
Other board member expenses	2,210	2,886
Independent member expenses	3,651	3,942
Directors' Remuneration	87,779	36,969
Salaries	68,308	157,957
Pension	2,508	19,760
Employer's NI	14,352	17,997
Health and death benefit insurance	6,136	5,536
Expenses	7,620	9,980
Redundancy costs	30,000	-
Rates	6,081	5,906
Rent	11,250	15,000
Utilities, service charges and cleaning	8,345	4,066
Insurance	5,887	5,375
Telephone and fax	3,911	5,284
Computer software and maintenance costs	14,077	26,808
Printing, postage and stationery	12,153	12,530
Website costs	2,268	1,514
Meeting costs	3,574	3,085
Sundry expenses	1,727	-
Accountancy fees	20,253	4,851
Auditor's remuneration	7,250	5,500
Legal and professional fees	5,436	7,088
Bank charges	5,954	9,769
Depreciation of fixtures and fittings	28	751
Depreciation of office equipment	121	4,640
Depreciation of computer equipment	3,809	-
(Profit)/loss on disposal of tangible fixed assets	<u>(2,625)</u>	<u>-</u>
	(332,063)	(367,194)
Other interest receivable and similar income	<u>787</u>	<u>240</u>
Profit/(loss) on ordinary activities before taxation	<u><u>44,944</u></u>	<u><u>(76,792)</u></u>