

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 2014

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25/06/2015  
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# Administration of Gambling on Tracks Limited

(A company limited by guarantee)

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

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# Administration of Gambling on Tracks Limited

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## Company Information

<b>Chairman</b>	T Barlow
<b>Directors</b>	G Thorpe A Styles R Grossmith T Moore P Crisp S Winfield R Roberto
<b>Registered office</b>	3A Kings Hall Parsons Green St Ives Business Park St Ives Cambridgeshire PE27 4WY
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor Cambridge, United Kingdom

## **Administration of Gambling on Tracks Limited**

(A company limited by guarantee)

### **Directors' Report for the Year Ended 31 December 2014**

The directors present their annual report, the financial statements and auditor's report for the year ended 31 December 2014.

#### **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).

#### **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.

#### **Review of developments**

The directors report a modest operating surplus 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 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.

Although income did not quite meet expectations in 2014, costs were significantly below plan which enabled the company to post a small surplus rather than a budgeted deficit. This 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.

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.

## Administration of Gambling on Tracks Limited

(A company limited by guarantee)

### Directors' Report for the Year Ended 31 December 2014

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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.

#### 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.

Approved by the Board on 1/6/15 and signed on its behalf by:



.....  
T Moore  
Director

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

(A company limited by guarantee)

We have audited the financial statements of Administration of Gambling on Tracks Limited for the year ended 31 December 2014 which comprise of the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 2014 and of its surplus 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**

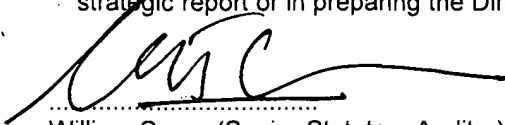
(A company limited by guarantee)

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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.



William Crane (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor  
Cambridge, United Kingdom

Date: 8 June 2015

## Administration of Gambling on Tracks Limited

(A company limited by guarantee)

### Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £	(As restated) 2013 £
Turnover		760,362	758,422
Cost of sales		<u>(435,716)</u>	<u>(412,368)</u>
Gross surplus		324,646	346,054
Administrative expenses		<u>(275,245)</u>	<u>(332,064)</u>
Operating surplus	2	49,401	13,990
Other interest receivable and similar income		<u>1,377</u>	<u>787</u>
Surplus on ordinary activities before taxation		50,778	14,777
Tax on surplus on ordinary activities	4	<u>(130)</u>	<u>(157)</u>
Surplus for the financial year	10	<u><u>50,648</u></u>	<u><u>14,620</u></u>

The notes on pages 9 to 14 form an integral part of these financial statements.



**Administration of Gambling on Tracks Limited**

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**Statement of Total Recognised Gains and Losses for the Year Ended 31  
December 2014**

	Note	2014 £	(As restated) 2013 £
Surplus for the financial year		50,648	14,620
Prior year adjustment (as explained in note 11)		<u>(30,167)</u>	<u>-</u>
Total recognised gains and losses since last annual report		<u>20,481</u>	<u>14,620</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

**Administration of Gambling on Tracks Limited**

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**Balance Sheet at 31 December 2014**

	Note	2014 £	(As restated) 2013 £
<b>Fixed assets</b>			
Tangible assets	5	<u>23,329</u>	<u>21,258</u>
<b>Current assets</b>			
Debtors	6	92,165	130,033
Investments	7	-	200,000
Cash at bank and in hand		<u>458,858</u>	<u>222,073</u>
		551,023	552,106
Creditors: Amounts falling due within one year	8	<u>(100,676)</u>	<u>(150,336)</u>
Net current assets		<u>450,347</u>	<u>401,770</u>
Net assets		<u>473,676</u>	<u>423,028</u>
<b>Reserves</b>			
Accumulated funds	10	<u>473,676</u>	<u>423,028</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 April 2008).

Approved and authorised for issue by the Board on 1/6/15 and signed on its behalf by:

  
.....  
T Barlow  
Chairman

# Administration of Gambling on Tracks Limited

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## Notes to the Financial Statements for the Year Ended 31 December 2014

### 1 Accounting policies

#### Basis of preparation

The financial statements 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 April 2008) 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

#### 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 surplus's arising from their mutual trade.

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

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### Notes to the Financial Statements for the Year Ended 31 December 2014

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#### 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 surplus

Operating surplus is stated after charging/(crediting):

	2014 £	2013 £
Auditor's remuneration	5,600	7,250
Surplus on sale of tangible fixed assets	(9,218)	(2,625)
Depreciation of tangible fixed assets	13,944	14,707
Rentals under operating leases	15,000	11,250
Redundancy costs	-	30,000

## 3 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014 £	2013 £
Remuneration (including benefits in kind)	108,780	100,277

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2014 No.	2013 No.
Accruing benefits under money purchase pension scheme	1	1

## Administration of Gambling on Tracks Limited

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### Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

#### 4 Taxation

##### Tax on surplus on ordinary activities

	2014 £	2013 £
<b>Current tax</b>		
Corporation tax charge (investment income only under the mutual trading status exemption)	130	157
	130	157

#### 5 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2014	12,494	42,996	4,851	56,341	116,682
Additions	-	15,598	7,058	-	22,656
Disposals	-	(42,996)	-	-	(42,996)
At 31 December 2014	12,494	15,598	11,909	56,341	96,342
<b>Depreciation</b>					
At 1 January 2014	11,499	29,316	4,003	50,606	95,424
Charge for the year	341	9,185	1,329	3,089	13,944
Eliminated on disposals	-	(36,355)	-	-	(36,355)
At 31 December 2014	11,840	2,146	5,332	53,695	73,013
<b>Net book value</b>					
At 31 December 2014	654	13,452	6,577	2,646	23,329
At 31 December 2013	995	13,680	848	5,735	21,258

## Administration of Gambling on Tracks Limited

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### Notes to the Financial Statements for the Year Ended 31 December 2014

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#### 6 Debtors

	2014 £	2013 £
Trade debtors	81,776	105,075
Other debtors	10,389	24,958
	<u>92,165</u>	<u>130,033</u>

#### 7 Current asset investments

	2014 £	2013 £
Cash held on deposit	-	200,000

#### 8 Creditors: Amounts falling due within one year

	2014 £	(As restated) 2013 £
Trade creditors	22,182	24,351
Corporation tax	131	157
Other taxes and social security	33,055	37,800
Other creditors	45,308	88,028
	<u>100,676</u>	<u>150,336</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.

## Administration of Gambling on Tracks Limited

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### Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

#### 10 Reserves

	Profit and loss account £	Total £
At 1 January 2014 as previously reported	453,195	453,195
Prior year adjustment (note 11)	<u>(30,167)</u>	<u>(30,167)</u>
At 1 January 2014 as restated	423,028	423,028
Surplus for the year	<u>50,648</u>	<u>50,648</u>
At 31 December 2014	<u><u>473,676</u></u>	<u><u>473,676</u></u>

#### 11 Prior period adjustments

Deferred income of £30,167 relating to registration income was omitted from the year to 31 December 2013. In the year to 31 December 2014, this was corrected by way of a prior period adjustment. This has the effect of reducing the surplus in the year to 31 December 2013 and increasing the surplus in the year to 31 December 2014 by £30,167.

##### Journal Required

Year ended 31 December 2013	Dr £	Cr £
Dr Registration Income (profit and loss account)	30,167	
Cr Receipts in advance (balance sheet)		30,167

#### 12 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 £32,532 (2013 - £72).

**Administration of Gambling on Tracks Limited**

(A company limited by guarantee)

**Notes to the Financial Statements for the Year Ended 31 December 2014**

..... *continued*

**13 Commitments**

**Operating lease commitments**

As at 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Within one year	18,180	15,000
Within two and five years	-	3,180
	<u>18,180</u>	<u>18,180</u>