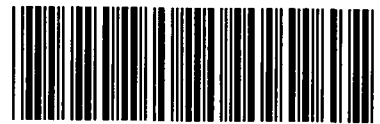


Al Shaqab Racing (UK) Limited

**Director's report and financial statements
for the year ended 29 February 2016**

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Al Shaqab Racing (UK) Limited

Company Information

Director	Mohammed Al Mannai
Registered number	08895458
Registered office	Great Farm Barns West Woodhay Newbury Berkshire RG20 0BP

Al Shaqab Racing (UK) Limited

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Al Shaqab Racing (UK) Limited

Director's report for the year ended 29 February 2016

The director presents his report and the unaudited financial statements of the company for the year ended 29 February 2016.

Principal activity

The principal activity of the company is that of stallion nomination.

The company commenced trading on 1 March 2015.

Results and dividends

The profit for the year, after taxation, amounted to £668,310 (period ended 28 February 2015: £nil).

The director does not recommend the payment of a dividend (period ended 28 February 2015: £nil).

FRS 102

These financial statements are the first delivered by the company under "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") Section 1A "Small Entities", the prior period has been restated accordingly to meet the requirements of FRS 102 Section 1A "Small Entities".

Director

The director who served during the year and up to the date of signing the financial statements, unless otherwise indicated, is given below:

Mohammed Al Mannai

Director's responsibilities statement

The director is responsible for preparing the director's report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") Section 1A "Small Entities". Under Company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting 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 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 him to ensure that the financial statements comply with the Companies Act 2006. 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.

Al Shaqab Racing (UK) Limited

Director's report for the year ended 29 February 2016

Small company exemption

In preparing this report, the director have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

The director has taken advantage of the small company exemptions provided by Section 414B of the Companies Act 2006 and has not prepared a strategic report.

This report was approved by the sole director on 25/12/2016



**Mohammed Al Mannai
Director**

Al Shaqab Racing (UK) Limited

Profit and loss account for the year ended 29 February 2016

	Note	2016 £	14 February 2014 to 28 February 2015 £
Turnover		795,850	-
Cost of sales		(464,770)	-
Gross profit		331,080	-
Administrative expenses		(12,962)	-
Other operating income	5	518,106	-
Operating profit		836,224	-
Tax on profit on ordinary activities	7	(167,914)	-
Profit for the financial year/period		668,310	-

There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account, as such a separate statement of other comprehensive income has not been presented.

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

Al Shaqab Racing (UK) Limited

Registered number: 08895458

Balance sheet as at 29 February 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Stallion	8		2,750,000		
			<u>2,750,000</u>		
Current assets					
Debtors: amounts falling due within one year	9	1,306,789		1	
Cash at bank		<u>1,136,721</u>			
		2,443,510		1	
Creditors: amounts falling due within one year	10	<u>(1,775,199)</u>			
Net current assets			668,311		1
Net assets			<u>3,418,311</u>		<u>1</u>
Capital and reserves					
Called up share capital	11		1		1
Capital contribution reserve			2,750,000		
Retained earnings			<u>668,310</u>		
Total equity			<u>3,418,311</u>		<u>1</u>

These financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" Section 1A "Small Entities".

For the year ending 29 February 2016, the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the sole director and were signed on 25/12/2016.


Mohammed Al Mannai

Director

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

Al Shaqab Racing (UK) Limited

Statement of changes in equity for the year ended 29 February 2016

	Called up share capital	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£
At 1 March 2015	1	-	-	1
Profit for the financial year	-	-	668,310	668,310
Capital introduced	-	2,750,000	-	2,750,000
At 29 February 2016	1	2,750,000	668,310	3,418,311

On 1 March 2015, capital was introduced to the company from the shareholder.

Statement of changes in equity for the period ended 28 February 2015

	Called up share capital	Total equity
	£	£
Shares issued during the period	1	1
At 28 February 2015	1	1

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

Al Shaqab Racing (UK) Limited

Notes to the financial statements for the year ended 29 February 2016

1. General information

The principal activity of Al Shaqab Racing (UK) Limited ('the company') is that of stallion nomination.

The company is a private company which is limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Great Farm Barns, West Woodhay, Newbury, Berkshire, RG20 0BP.

2. Statement of compliance

The financial statements of Al Shaqab Racing (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 Section 1A "Small Entities", "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 as applicable to small companies.

The effective date of FRS 102 Section 1A "Small Entities" is for accounting periods beginning on or after 1 January 2016, but may be applied early to periods beginning on or after 1 January 2015. The company has taken advantage of the ability to apply the standard early in the preparation of these financial statements. Details of the transition to FRS 102 are disclosed in note 13.

3. Summary of significant accounting policies

The principal accounting policies and measurement bases applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 Section 1A "Small Entities" requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.2 Turnover

Turnover, which is stated net of discounts and value added tax, represents amounts received or receivable for services provided in the normal course of business.

Nomination income is recognised in the breeding season when the service has been provided unless the mare is found not to be in foal.

3.3 Operating leases: lessor

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Receipts from operating leases are credited to the profit and loss account on a straight line basis over the period of the lease.

Al Shaqab Racing (UK) Limited

Notes to the financial statements for the year ended 29 February 2016

3. Summary of significant accounting policies (continued)

3.4 Foreign currency translation

(a) Functional and presentational currency

The company's functional and presentational currency is pound sterling.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into pound sterling at rates prevailing at the reporting date. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account within cost of sales.

3.5 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity. In this case tax is also recognised directly in equity.

Current taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.6 Stallion

The share of the stallion is included as a fixed asset and is stated at a deemed cost using a cost model applied by the director. The director considers the market conditions over the estimated useful life of the stallion. The fair value of the stallion can not be reliably measured.

The stallion will be depreciated after the second covering season to be calculated on a reducing balance basis based on the useful life of the stud, and is depreciated so that he will have a book value of nil at the end of his useful life.

Al Shaqab Racing (UK) Limited

Notes to the financial statements for the year ended 29 February 2016

3. Summary of significant accounting policies (continued)

3.7 Financial instruments

(i) Financial assets

The company's financial assets comprise trade debtors, other debtors, accrued income and cash at bank and in hand which are shown in note 9 and in the balance sheet. Management determines the classification of its financial assets at initial recognition.

The company's financial assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Cash at bank and in hand comprise deposits with banks.

(ii) Financial liabilities

The company's financial liabilities comprise trade creditors, other taxation and social security, other creditors and accruals which are shown in note 10 and in the balance sheet. Management determines the classification of its financial liabilities at initial recognition.

The company's financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(iii) Offsetting

Financial assets and liabilities are offset and 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.

3.8 Share capital

Ordinary shares are classified as equity.

3.9 Related party transactions

The company discloses transactions with related parties which are not wholly related to the owner. It does not disclose transactions with members of the same wholly owned companies.

Al Shaqab Racing (UK) Limited

Notes to the financial statements for the year ended 29 February 2016

4. Critical accounting judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Live foal provision

The majority of stallion nomination contracts are sold on a "special live foal" basis, with payment due on 1 October in the year of covering. If a mare fails to produce a healthy foal, then the contract price to be paid would be refunded.

(ii) Impairment of assets

The director makes an assessment at the end of each financial year of whether there is objective evidence that any assets are impaired. When assessing impairment of an asset, the director considers the factors including the current credit rating of debtors, historical experience of cash collections from debtors, market conditions impacting the stallion, and recent health and performance of the stallion. See notes 8 and 9 for the net carrying amount of assets

5. Other operating income

	2016 £	14 February 2014 to 28 February 2015 £
Operating lease income	<u>518,106</u>	<u>-</u>

6. Employees

The company had no employees during the year (period ended 28 February 2015: nil).

The director of the company did not receive any remuneration in respect of his service to the company during the year ended 29 February 2016 (period ended 28 February 2015: £nil).

Al Shaqab Racing (UK) Limited

Notes to the financial statements for the year ended 29 February 2016

7. Taxation

	2016 £	14 February 2014 to 28 February 2015 £
Corporation tax		
UK corporation tax charge on profit for the year/period	167,914	-
Taxation on profit on ordinary activities	<u>167,914</u>	<u>-</u>

Factors affecting tax charge for the year/period

There were no factors that affected the tax charge for the year/period which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20.08% (2015: 20.1%).

Factors that may affect future tax charges

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

8. Stallion

	Stallion £
Cost or valuation	
Additions	2,750,000
At 29 February 2016	<u>2,750,000</u>
Net book value	
At 29 February 2016	<u>2,750,000</u>
At 28 February 2015	<u>-</u>

The director has considered the value of the share of the stallion at 29 February 2016 to reflect a valuation of £2,750,000.

Al Shaqab Racing (UK) Limited

Notes to the financial statements for the year ended 29 February 2016

9. Debtors: amounts falling due within one year

	2016 £	2015 £
Trade debtors	364,778	-
Called up share capital not paid	-	1
Prepayments and accrued income	942,011	-
	<u>1,306,789</u>	<u>1</u>

Trade debtors are stated after provisions for impairment of £nil (2015: £nil).

10. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	50,413	-
Corporation tax	167,914	-
Other taxation and social security	199,388	-
Other creditors	561,350	-
Accruals and deferred income	796,134	-
	<u>1,775,199</u>	<u>-</u>

11. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

12. Controlling party

The ultimate controlling party is Sheikh Joaan bin Hamad Al Thani.

13. First time adoption of FRS 102

This is the first year that the company has presented its results under FRS 102.

The last financial statements prepared under the previous accounting framework, UK GAAP, were for the year ended 28 February 2015. The date of transition to FRS 102 Section 1A small entities was 1 March 2015. The transition to FRS 102 Section 1A small entities has not affected the reported financial position or financial performance. There have been no other changes in accounting policy. There are no adjustments or reconciliations required as a result of this transition.