
MICHAEL STOUTE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022

MICHAEL STOUTE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The director presents his report and financial statements for the year ended 31 December 2022.

BUSINESS REVIEW

The principal activity of the company continued to be that of a horse racing trainer. The director is satisfied with the performance of the company in the year.

FINANCIAL KEY PERFORMANCE INDICATORS

The Key financial highlights are as follows:

	2022	2021	2020
	£'000	£'000	£'000
Turnover	3,549	4,053	4,726
Profit before tax	526	502	532
Net profit percentage	14.82%	12.39%	11.25%

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a positive cash position. The group makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

This report was approved by the board and signed on its behalf.

.....
Sir M.R. Stoute
Director
Date: 27 April 2023

MICHAEL STOUTE LIMITED
REGISTERED NUMBER: 01274171

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	315,262	329,193
Investments	5	478,106	555,509
Investment property	6	600,000	600,000
		<u>1,393,368</u>	<u>1,484,702</u>
Current assets			
Stocks		5,770	9,923
Debtors: amounts falling due within one year	7	339,001	436,071
Current asset investments	8	810,812	864,296
Cash at bank and in hand	9	4,605,727	4,042,671
		<u>5,761,310</u>	<u>5,352,961</u>
Creditors: amounts falling due within one year	10	(514,689)	(509,361)
Net current assets		<u>5,246,621</u>	<u>4,843,600</u>
Total assets less current liabilities		<u>6,639,989</u>	<u>6,328,302</u>
Provisions for liabilities			
Deferred tax	12	(105,900)	(105,900)
		<u>(105,900)</u>	<u>(105,900)</u>
Net assets		<u>6,534,089</u>	<u>6,222,402</u>
Capital and reserves			
Called up share capital		250	250
Capital redemption reserve		250	250
Investment property reserve		408,292	408,292
Profit and loss account		6,125,297	5,813,610
		<u>6,534,089</u>	<u>6,222,402</u>

MICHAEL STOUTE LIMITED
REGISTERED NUMBER: 01274171

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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 provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2023.

.....
Sir M.R. Stoute

Director

The notes on pages 4 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Michael Stoute Limited is a private company limited by shares and incorporated in England. Its registered office is Freemason Lodge, Bury Road, Newmarket, Suffolk, CB8 7BY.

The financial statements are presented in Sterling, which is the functional currency of the company.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.3 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using a combination of straight line and reducing balance methods as follows.

Depreciation is provided on the following basis:

Freehold buildings	- 2.5% Straight Line
Motor vehicles	- 25% Reducing balance
Fixtures, fittings and stable equipment	- 20% Reducing balance
Office equipment	- 20% Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.4 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.5 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.6 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

2.10 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.11 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.12 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.17 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

MICHAEL STOUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. EMPLOYEES

	2022 £	2021 £
Wages and salaries	1,632,763	2,110,400
Social security costs	148,695	184,953
Cost of defined contribution scheme	24,619	33,793
	<u>1,806,077</u>	<u>2,329,146</u>

The average monthly number of employees, including directors, during the year was 47 (2021 - 65).

4. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2022	473,471	182,928	356,100	67,686	1,080,185
Additions	-	-	-	1,411	1,411
At 31 December 2022	<u>473,471</u>	<u>182,928</u>	<u>356,100</u>	<u>69,097</u>	<u>1,081,596</u>
Depreciation					
At 1 January 2022	187,007	170,992	328,895	64,097	750,991
Charge for the year on owned assets	5,918	2,984	5,441	1,000	15,343
At 31 December 2022	<u>192,925</u>	<u>173,976</u>	<u>334,336</u>	<u>65,097</u>	<u>766,334</u>
Net book value					
At 31 December 2022	<u>280,546</u>	<u>8,952</u>	<u>21,764</u>	<u>4,000</u>	<u>315,262</u>
At 31 December 2021	<u>286,464</u>	<u>11,936</u>	<u>27,204</u>	<u>3,589</u>	<u>329,193</u>

MICHAEL STOUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. FIXED ASSET INVESTMENTS

	Unlisted investments £
Cost or valuation	
At 1 January 2022	555,509
Disposals	(77,403)
	<hr/>
At 31 December 2022	<u><u>478,106</u></u>

6. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 January 2022	600,000
	<hr/>
At 31 December 2022	<u><u>600,000</u></u>

The 2022 valuations were made by the director, on an open market value for existing use basis.

	2022 £	2021 £
Revaluation reserves		
At 1 January 2022	408,292	408,292
	<hr/>	<hr/>
At 31 December 2022	<u><u>408,292</u></u>	<u><u>408,292</u></u>

MICHAEL STOUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. DEBTORS

	2022 £	2021 £
Trade debtors	329,643	423,424
Other debtors	1,091	176
Prepayments and accrued income	8,267	12,471
	<u>339,001</u>	<u>436,071</u>

8. CURRENT ASSET INVESTMENTS

	2022 £	<i>As restated</i> 2021 £
Listed investments	810,812	864,296
	<u>810,812</u>	<u>864,296</u>

The market value of listed investments at 31 December 2022 was £810,812 (2021: £864,296)

9. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	4,605,727	4,042,671
	<u>4,605,727</u>	<u>4,042,671</u>

10. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	94,493	103,820
Corporation tax	114,169	79,182
Other taxation and social security	128,583	138,746
Other creditors	104,124	102,625
Accruals and deferred income	73,320	84,988
	<u>514,689</u>	<u>509,361</u>

MICHAEL STOUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets		
Financial assets measured at amortised cost	<u>6,225,379</u>	<u>5,886,076</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(514,689)</u>	<u>(509,361)</u>
Financial assets measured at amortised cost comprise of investments, cash, trade and other debtors.		
Financial liabilities measured at amortised cost comprise of trade and other creditors.		

12. DEFERRED TAXATION

	2022 £
At beginning of year	(105,900)
At end of year	<u>(105,900)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Revaluations	(105,900)	(105,900)
	<u>(105,900)</u>	<u>(105,900)</u>

13. RELATED PARTY TRANSACTIONS

Included within creditors is an amount of £98,570 owed to Sir Michael Stoute, the director of the company.

14. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 27 April 2023 by Stephen Haffner (Senior statutory auditor) on behalf of Harris & Trotter LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.