

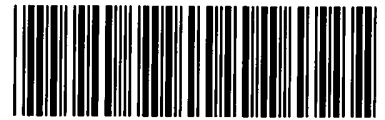
Company Registration No. 08004485

QATAR RACING LIMITED

Report and Financial Statements

31 December 2016

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COMPANIES HOUSE

(- 26/05/2017)
Qatar Racing Limited

QATAR RACING LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

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QATAR RACING LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sheikh Fahad bin Abdulla Al Thani
Kareem Adeeb Abdallah Altaji
Robert Michael Levitt
David John Luke Redvers

REGISTERED OFFICE

Lushington House
119 High Street
Newmarket
Suffolk
CB8 9AE

BANKERS

Weatherbys Bank Limited
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Northamptonshire
NN8 4BX
United Kingdom

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Private Bag 39806
Wellington Mail Centre
New Zealand

France Galop
46 Place Abel Gance
92655 Boulogne Cedex
France

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

QATAR RACING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

The directors' report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies exemption.

ACTIVITIES

The principal activity of the company is training and racing of horses.

BUSINESS REVIEW

The directors have continued to establish the business as a serious concern in the British Horse Racing Industry in its third full trading year. The financial statements indicate another less than successful year with a £11.3 million loss (2015 - £20.8 million loss). Turnover is down compared with 2015 with a significant reduction in horse sales compared to last year. The number of horses the business has an interest in has largely remained the same from 2015.

The parent company, Qatar Investments & Projects Development Holding Co. (QIPCO), has no intention to recall its loans in the foreseeable future. The directors are looking at new stock to invest in to continue to expand the business, and are hopeful of greater success in 2017.

DIRECTORS

The directors who served throughout the year were as follows:

Sheikh Fahad bin Abdulla Al Thani
Kareem Adeeb Abdallah Altaji
Robert Michael Levitt
David John Luke Redvers

GOING CONCERN

The financial statements for Qatar Racing Limited have been prepared on a going concern basis to the extent that the company is supported by the parent company. However, a material uncertainty exists with respect to the going concern status of the company, please refer to note 1 of the financial statements for further details.

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 of Directors
and signed on behalf of the Board



Director **R MLEVITT**

Date: **25 MAY 2017**

QATAR RACING LIMITED

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QATAR RACING LIMITED

We have audited the financial statements of Qatar Racing Limited for the year ended 31 December 2016 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the cash flow statement, the notes to the cash flow statement and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 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.

Basis for qualified opinion on financial statements

As racing animals do not fall within the definition of biological assets related to agricultural activity and agricultural produce in FRS 102 section 34 Specialised Activities, racehorses should be valued in accordance with FRS 102 section 13 Inventories. The inventory shown on the balance sheet of £22,739,675 is stated at fair value rather than at the lower of cost and selling price less costs to complete and sell as required under FRS 102. Accordingly, inventory should be reduced by £5,063,251 and cost of sales increased by £5,063,251 to comply with FRS 102 section 13 Inventories.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the basis for qualified opinion on financial statements paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QATAR RACING LIMITED (continued)

Emphasis of matter - going concern

In forming our opinion on the financial statements, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is reliant on support from its ultimate parent Qatar Investments Projects Development Holdings Co. (QIPCO). Qatar Racing Limited have received a letter of support from QIPCO that the parent will support the company for the foreseeable future in respect of all outstanding debts. However, the ability of QIPCO to provide that support cannot be verified to available financial statements and future cash flow projections, due to the confidentiality surrounding the QIPCO financial statements.

These conditions, along with other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

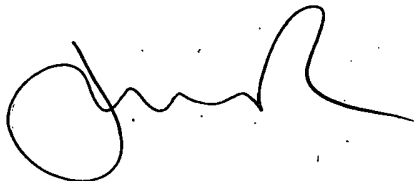
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' Report.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Julian Rae (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

26 May 2017

QATAR RACING LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2016

		2016	2015
		£	£
	Note		
TURNOVER	3	6,767,398	16,019,812
Cost of sales		<u>(17,308,192)</u>	<u>(35,881,480)</u>
Gross loss		(10,540,794)	(19,861,668)
Operating expenses		<u>(782,428)</u>	<u>(926,938)</u>
OPERATING LOSS, BEING LOSS BEFORE TAXATION	5	(11,323,222)	(20,788,606)
Tax on loss	6	<u>-</u>	<u>-</u>
RETAINED LOSS FOR THE FINANCIAL YEAR		<u><u>(11,323,222)</u></u>	<u><u>(20,788,606)</u></u>

All activities are derived from continuing operations.

There are no comprehensive income or expenses other than the loss for the financial year and the preceding financial year. Accordingly, no statement of comprehensive income is given.

QATAR RACING LIMITED

BALANCE SHEET 31 December 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	7	<u>88,999</u>	<u>66,189</u>
CURRENT ASSETS			
Inventory	8	22,739,675	20,533,373
Debtors	9	1,728,129	1,899,980
Cash at bank and in hand		<u>615,334</u>	<u>437,088</u>
		25,083,138	22,870,441
CREDITORS: amounts falling due within one year	10	<u>(82,003,059)</u>	<u>(68,444,330)</u>
NET CURRENT LIABILITIES		<u>(56,919,921)</u>	<u>(45,573,889)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(56,830,922)</u>	<u>(45,507,700)</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	11	<u>(56,831,022)</u>	<u>(45,507,800)</u>
SHAREHOLDERS' DEFICIT		<u>(56,830,922)</u>	<u>(45,507,700)</u>

The financial statements of Qatar Racing Limited, registered number 08004485, were approved by the Board of Directors and authorised for issue on 25 MAY 2017

Signed on behalf of the Board of Directors



Director R M LEVITT

QATAR RACING LIMITED

STATEMENT OF CHANGES IN EQUITY 31 December 2016

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2015	100	(24,719,194)	(24,719,094)
Loss for the financial year	-	(20,788,606)	(20,788,606)
At 31 December 2015	100	(45,507,800)	(45,507,700)
Loss for the financial year	-	(11,323,222)	(11,323,222)
At 31 December 2016	100	(56,831,022)	(56,830,922)

QATAR RACING LIMITED

CASH FLOW STATEMENT Year ended 31 December 2016

	Note	2016 £	2015 £
Net cash flows from operating activities	A	<u>(6,783,322)</u>	<u>(13,795,235)</u>
Cash flows from investing activities			
Payments to acquire tangible fixed assets		<u>(38,432)</u>	<u>-</u>
Net cash flows used in investing activities		<u>(38,432)</u>	<u>-</u>
Cash flows from financing activities			
Receipt of borrowings		<u>7,000,000</u>	<u>13,879,778</u>
Net cash flows from financing activities		<u>7,000,000</u>	<u>13,879,778</u>
Net increase in cash and cash equivalents		178,246	84,543
Cash and cash equivalents at beginning of year		<u>437,088</u>	<u>352,545</u>
Cash and cash equivalents at end of year		<u><u>615,334</u></u>	<u><u>437,088</u></u>

Cash and cash equivalents represents cash at bank and in hand.

QATAR RACING LIMITED

NOTES TO THE CASH FLOW STATEMENT Year ended 31 December 2016

A. RECONCILIATION OF OPERATING LOSS TO NET CASH GENERATED BY OPERATIONS

	2016 £	2015 £
Operating loss	(11,323,222)	(20,788,606)
Adjustment for:		
Depreciation charges	<u>15,622</u>	<u>13,700</u>
Operating cash flow before movement in working capital	(11,307,600)	(20,774,906)
(Increase) decrease in stocks	(2,206,302)	16,802,775
Decrease in debtors	171,851	1,184,972
Increase/(decrease) in creditors	242,759	(3,057,904)
Increase/(decrease) in intercompany creditors	<u>6,315,970</u>	<u>(7,950,172)</u>
Cash used in operations	<u><u>(6,783,322)</u></u>	<u><u>(13,795,235)</u></u>

QATAR RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

General information and basis of accounting

Qatar Racing Limited is a company incorporated in the United Kingdom under the Companies Act and is a private limited company, limited by shares. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, except for inventories as noted in the accounting policies below.

The functional currency of Qatar Racing Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Going concern

The company is dependent on its parent company for funding and at the year end owes £69.7 million. The funds are advanced to the company free of interest charges and the parent has also agreed to lend additional funds in 2017 for further expansion of the inventory. The parent company has confirmed in a letter that it has no intention to recall its borrowing in the foreseeable future. However, the parent company accounts are confidential and although the directors' best understanding is that QIPCO have available resource to provide the financial support, there is no evidence available to prove the future cash flow projections in the foreseeable future, and without QIPCO having available funds, the company will not continue as a going concern. These circumstances constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern, such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding this material uncertainty, the directors consider that the company will continue to receive support and resources from its parent enabling it to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover is recognised upon the transfer of risk when a horse is sold (generally when passport ownership transfers).

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Motor vehicles - 15% on cost

Inventory

Inventory comprises bloodstock held for the purpose of training and racing. These thoroughbreds should be stated at the lower of cost and selling price less costs to complete and sell as required by FRS 102 section 13 Inventories. Valuations upon which selling price less costs to complete and sell is assessed were performed by an expert third party on an individual basis. Where a write down is identified the value of the stock is reduced and the impairment immediately charged in the profit and loss account.

The directors disagree with valuing racehorses at lower of cost and selling price less costs to complete and have decided to fair value the assets as they believe that it is more representative of their business. The stock has therefore been included in these accounts at market value less costs to sell, which is a departure from FRS 102 section 13 Inventories and the audit opinion on page 4 is modified accordingly.

QATAR RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2016

1. 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.

Deferred taxation is provided in full on all 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 only 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.

Foreign currency transactions

Transactions of the company denominated in foreign currencies are translated into sterling at the rates ruling at the month end dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

(i) *Financial assets and financial liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Valuation of stock

Determining the fair value of stock under FRS 102 Section 34 "specialised activities" requires valuation judgement. The fair value requires judgement on the perceived market value of horses which year on year may be materially different depending on performance of the horse. The current value of stock held at fair value at the balance sheet date is £22,739,675. However, we understand from the standard that Racehorses are specifically excluded as an agricultural activity and the balance should be measured at cost under FRS102 section 13 Inventories, however in our opinion this policy better represents the nature of our business.

QATAR RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Going concern

As mentioned above, the company is reliant to a significant degree on parent funding. The parent company have provided a letter of support to the company but on the basis that this is not legally binding, the support is not guaranteed.

3. TURNOVER

Turnover represents amounts derived from race winnings and proceeds from the trading of racehorses which fall within the company's principal activities after deduction of value added tax.

	2016 £	2015 £
The geographical analysis of turnover is:		
United Kingdom	5,431,657	11,279,208
Rest of Europe	1,070,940	4,323,203
Rest of the World	264,801	417,401
	<u>6,767,398</u>	<u>16,019,812</u>
	2016 £	2015 £
An analysis of the company's turnover is:		
Bloodstock sales	5,042,311	13,541,514
Prize money and Sponsorship	1,709,987	2,478,298
Insurance proceeds	15,100	-
	<u>6,767,398</u>	<u>16,019,812</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors who were the only employees of the company during the year, did not receive any remuneration. £33,900 was paid to third parties in respect of directors' services.

5. LOSS BEFORE TAXATION

	2016 £	2015 £
Loss before taxation is stated after charging:		
Depreciation of owned tangible fixed assets	15,622	13,700
The analysis of auditor's remuneration is as follows:		
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>15,000</u>	<u>15,000</u>

QATAR RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2016

6. TAX ON LOSS

	2016 £	2015 £
Current taxation		
United Kingdom corporation at 20%	-	-

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £	2015 £
Loss before tax	(11,323,222)	(20,788,606)
Tax at 20% thereon	(2,264,644)	(4,157,721)
Effect of:		
Losses arising from non taxable activity	2,264,644	4,157,721
Total tax charge for year	-	-

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 17% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 17%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

7. TANGIBLE FIXED ASSETS

	Motor vehicles £
Cost	
At 1 January 2016	91,333
Additions	38,432
At 31 December 2016	129,765
Accumulated depreciation	
At 1 January 2016	25,144
Depreciation in year	15,622
At 31 December 2016	40,766
Net book value	
At 31 December 2016	88,999
At 31 December 2015	66,189

8. INVENTORY

	2016 £	2015 £
Race horses held for resale	22,739,675	20,533,373

QATAR RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2016

9. DEBTORS

	2016 £	2015 £
Due within one year:		
Trade debtors	189,405	1,045,955
Amounts owed from related parties	105,172	192,859
VAT	1,083,780	-
Other debtors	349,772	11,773
Prepayments	-	649,393
	<u>1,728,129</u>	<u>1,899,980</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	1,644,086	641,390
Amounts owed to related parties	35,714	70,479
Amounts owed to parent company	69,654,015	62,654,015
Amounts owed to fellow subsidiary of parent company	10,523,289	4,207,319
VAT	-	460,188
Accruals	145,955	410,939
	<u>82,003,059</u>	<u>68,444,330</u>

The parent company QIPCO has provided funds of £69,654,015 (2015 - £62,654,015) and confirmed that it has no intention to recall the borrowing in the foreseeable future. The funds are advanced free of interest charges. Its sister subsidiary Qatar Bloodstock Limited has advanced £10,523,289 (2015 - £4,207,319) on the same terms.

11. CALLED UP SHARE CAPITAL AND RESERVES

	2016 £	2015 £
Called up, allotted and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

The company's other reserve is as follows:

The profit and loss reserve represents cumulative profits or losses.

QATAR RACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

12. RELATED PARTY TRANSACTIONS

In the year the company has traded commercially with businesses in which the directors have an interest. D J L Redvers is a bloodstock agent and shareholder of Tweenhills Farm & Stud Limited, and of David Redvers Bloodstock Ltd and R M Levitt is a director and shareholder of Millhouse Bloodstock Services Limited.

	Sales £	Purchases £	Amounts (owed) due as at 1 January 2016 £	Net movement £	Amounts (owed) due as at 31 December 2016 £
Mr DJL Redvers	20,855	599,360	-	(14,278)	(14,278)
Tweenhills Farm & Stud Limited	26,400	80,997	(35,300)	13,864	(21,436)
Millhouse Bloodstock Services Limited	-	33,900	-	-	-
QIPCO	-	-	(62,654,015)	(7,000,000)	(69,654,015)
Qatar Bloodstock Limited	2,369,036	6023,826	(4,207,319)	(6,315,970)	(10,523,289)
Qatar Bloodstock Ireland	-	23,733	(3,582)	3,582	-
Qatar Bloodstock Partnerships DR	-	-	182,059	(75,135)	106,924
Qatar Bloodstock Partnerships CR	-	-	(20,797)	19,045	(1,752)

Qatar Bloodstock Limited is a fellow subsidiary with Qatar Racing Limited and is under common control. Sheikh Fahad bin Abdulla Al Thani, and Sheikh Suhaim bin Abdulla Al Thani his brother, are partners along with QRL in Qatar Racing Partnership along with another.

There are no further related party balances outstanding at the year end. All balances are repayable on demand and no interest is receivable.

No key management personnel were remunerated other than those described in note 4.

13. CONTROLLING PARTY

The immediate controlling party of Qatar Racing Limited is Qatar Investments & Projects Development Holding Co. (QIPCO), a company incorporated in Qatar. Group accounts are available from PO Box 8612, Doha, Qatar. This is the largest and smallest set of accounts which the company's results are consolidated within. Group accounts are available from PO Box 8612, Doha, Qatar.

The ultimate controlling parties are, His Highness Sheikh Abdulla bin Khalifa Al Thani, Sheikh Hamad bin Abdulla bin Khalifa, Sheikh Fahad bin Abdulla Al Thani and Mr Mohamad Al Kubaisi.