



BRITISH HORSERACING AUTHORITY



BUILDING A BRIGHTER
FUTURE FOR OUR
SPORT, OUR HORSES
AND OUR PEOPLE

CONTENTS

BHA Vision and Mission	4 - 5
2015 Highlights	6 - 7
Chairman's Statement	8 - 9
Chief Executive's Foreword	10 - 11
Case Study: Members' Agreement	12 - 13
Strategic Report	14 - 69
Financial Overview	14 - 23
Racing	24 - 33
■Case Study: More opportunities for three-year-old sprinters	28 - 29
■Case Study: Veterans' Chase Series	30 - 31
■Case Study: Race times	32 - 33
Raceday Operations and Regulation	34 - 43
■On Raceday	40 - 41
■Case Study: The Whip – a welfare issue, not a welfare problem	42 - 43
Integrity	44 - 53
Industry People and Development	54 - 57
Communications and Corporate Affairs	58 - 65
■Case Study: Understanding the Authorised Betting Partner Scheme	e 62 - 63
■Case Study: The Horse Comes First	64
■Case Study: Retraining of Racehorses	65
Great British Racing	66 - 69
BHA Administration	70 - 71
Directors' Report and Governance Statement	72 - 80
Key Statistics	80 - 103
Financial Statements	104 - 137

BHA VISION AND MISSION

OUR VISION

Together we will build a brighter future for our sport, our horses and our people.

OUR MISSION

- •We govern, regulate and represent British horseracing
- We lead and co-ordinate activities which will ensure the overall health, development and growth of the industry
- •We prioritise the welfare of our horses and our people

OUR VALUES

Integrity: We will always do the right thing to uphold the British Horseracing Authority's (BHA) reputation for fairness, and to maintain the trust of our stakeholders.

Accountable: We take personal responsibility for our actions and strive to improve the health of British racing.

Credible: We are open and honest about what we do, and treat everyone fairly and with respect.

Responsive: We stay in-tune with the sport's diverse stakeholders so that we can effectively meet agreed objectives and goals.

Progressive: We promote a forward-thinking and collaborative culture while respecting the strong heritage of British racing as a sport and an industry.

WHAT WE DO

- Integrity
- Licensing
- Regulation of racing, including racecourses and participants
- Race and fixture planning
- Racing administration
- Handicapping
- •Guardianship of the Pattern and rules at an international level
- Medical services
- Leadership of equine welfare
- Industry careers marketing, training, development and welfare
- Industry representation
- Government relations and industry communication





STRATEGIC OBJECTIVES

- 1 To provide equine welfare leadership.
- **2** To deliver improved and sustainable funding from betting on the sport.
- **3** To develop properly funded and integrated industry training, welfare and careers marketing activities.
- **4** To work with others in the sport to grow participation levels and deliver the Strategy for Growth, and associated targets.
- **5** To develop a fixture list that supports the industry's growth objectives and to lead an holistic approach to race planning that matches the race programme to the requirements of the participants.
- **6** To continue to evolve a regulatory and integrity framework that ensures improved confidence amongst participants and the racing and betting public.
- **7** To develop and maintain a cohesive and friendly workplace in which commitment, contribution, enthusiasm and professionalism is expected and recognised.
- **8** To continue to develop a framework that sees Britain further its position as the home of the best quality racing in the world.
- 9 To operate the BHA on a break-even basis over the long term whilst maintaining an appropriate level of cash reserves and to be transparent about the BHA's business plan and budget.

2015 HIGHLIGHTS

6.1 million

Racecourse attendance, growth of 5.3% from 5.8m

32%

Reduction in race clashes involving British and Irish races from 637 to 435 Members'
Agreement

New tripartite governance structure for British racing

7.5%

Growth in prize money to £132.2m from £123.0m

358

More horses in training 13,528 to 13,886

March 2015 Budget

Government commits to introducing
Horserace Betting Right

8.77

Average race field size from 8.66

41

Recommendations in Jump Review to secure future health of sport

Horseracing Bettors' Forum

Eight members to represent the betting public

0.6%

Increase in total number of runners from 87,531 to 88,075

48%

Decrease in number of whip offences since 2010 from 1,029 to 538



Encouraged mutually beneficial relationships with off-shore bookmakers

Note: Statistics compared to 2014 unless otherwise stated.





Conducted for first time

£2.77m

Plus 10 contribution to British prize money



PhD co-funded by BHA to support jockey's wellbeing and long-term fitness

6,000

People employed to care for racing's 14,000 horses in training

£650,000

Cash generated through first ever R&D tax credit claim

342,000

Visits to careersinracing.com from 295,000



Leading antidoping policy

Enhanced anti-doping policy launched

1,000

Individuals who accessed industry specific training, and 800 registered for racing-related qualifications

7,738

Free Tickets for Troops provided in 2015, taking the total to almost 50,000



CHAIRMAN'S STATEMENT

There is no doubt that 2015 was a significant year for British horseracing. We witnessed a number of landmark moments for our sport – a world-class industry which supports 85,000 jobs and delivers an economic impact of £3.45 billion.

Our sport came together to develop an ambitious growth strategy to grow racecourse attendances, ownership, horses in training and betting, underpinned by a strong foundation in integrity and regulation, participant welfare and training.

There is still much to do but the initial signs are encouraging with the reversal of some negative trends achieved in 2015.

Racing's leaders demonstrated a common sense of purpose in embarking on this new strategy for growth, and formalised this unity in the signing of the Members' Agreement. The BHA, the Horsemen's Group and the Racecourse Association, are now jointly responsible for making decisions in the best interests of our sport.

A major benefit of this unified approach showed early fruits with the progress made with Government in 2014 and early

in 2015 and which resulted in achieving strong ministerial and cross-party political support for the replacement of the outdated Horserace Betting Levy. I would like to express again my sincere thanks to all past and present Ministers at the Department for Culture, Media and Sport and the very many parliamentarians who have demonstrated an understanding of the value of horseracing to UK plc, and for their leadership and support in getting us here.

The commitment from the Government to use legislation to restore a fair return from all bookmakers to racing, which has been lost simply because of the shift to remote offshore betting, is a major breakthrough and will help us to secure a brighter future for our sport.

I would also like to thank the many leaders in our sport, the media and of course owners, trainers, jockeys,





breeders, stud and stable staff and racecourses – all too many to mention – for supporting racing's campaign for a fair return from betting.

This development is only one of a number of steps which are required to put our sport on a more sustainable financial footing. The Strategy for Growth identifies the need for the industry to achieve significantly more than a £100 million uplift in annual income, with much of this growth targeted to benefit the grass roots of our sport, and thus build long-term foundations.

2015 saw the launch of the Integrity Review, the results of which were announced recently. This review was initiated by our new Chief Executive, Nick Rust, supported by a changed board (please see board bios from page 77 to 79). This board is appropriate for the future challenges and opportunities, and has a good blend of racing knowledge covering all aspects, including integrity and regulation, bookmaking, media and growth. All board members have access to industry best practice and possess a broad, diverse and highly relevant range of backgrounds.

In July 2015, we welcomed a new member to the board, Sir Paul Stephenson, a previous Head of the Metropolitan police. Sir Paul oversaw the completion of the Integrity Review.

The Board and I are motivated by what we can do with other leaders in our sport to help the grassroots and to put something back into the communities we serve.

Racing plays such an important role, in both rural economies and inner cities, in helping youngsters, veterans and many others move on with their lives; through our community engagement programme, Racing Together, we have continued to support the most pressing social issues.

Across the country, racing has partnered with local community groups and charities to work with young people, providing racing-based education and development programmes and future employment pathways. I am grateful to everyone in our sport who has given their time to support these hugely important and beneficial activities – and there is lots more to do here.

Looking ahead, my priority is for the BHA to continue to play a major role as the sport's governing body and regulator, and as a representative of the industry with other racing leaders, to grow our sport and achieve a more sustainable future.

Steve Harman Chairman



CHIEF EXECUTIVE'S FOREWORD

I am delighted to introduce the BHA's 2015 Annual Report. Overall, it has been a good year for British racing and the BHA has played its part, delivering significant increases in activity to support our industry while returning our business to a sound financial footing.

At the first Industry Update roadshows, held in April and May 2015 at Edinburgh, York, Newmarket and Newbury, the BHA and Great British Racing (GBR) set out the industry's Strategy For Growth, with three key targets for our sport to achieve, each an indicator of the health of our industry: an additional 1,000 horses in training by 2020; 5 per cent growth in betting on the sport by 2018; growing live attendances to 7 million a year (from 5.8 million) by 2020.

The racecourses have worked well together to grow attendances, achieving a near record of 6 million last year. Horses in training increased by more than 350, although growth was among our very top ownership groups and syndicates, with sole ownership continuing to decline. There was evidence that betting on British racing is becoming an even more important battleground for betting operators, and growth was reported at the major festivals.

There is still a lot to do. Throughout this report you will find details of a number of initiatives the BHA has undertaken in partnership with the sport's participants and stakeholders.

In June, we launched a review of our integrity functions to ensure that we maintain the confidence of the sport's participants and our customers. We published the findings in full in March 2016, after the report had been subjected to an external challenge panel and approved by our Board of Directors.

We continued to take the lead in people and development, growing recruitment activity under our careersinracing brand, while also launching the Participant Welfare and Training Pillar of the Strategy for Growth. This pillar is designed to address the challenge our industry faces recruiting and retaining skilled staff, especially work riders. Significant work is under way, and to support this, a £1 million funding grant from the Racing Foundation has been secured for a new, three-year programme focusing on workforce development. We also carried out a successful trial of employer-led training.

2015 was a critical point in our regulation and governance of the sport. In November, the BHA, the Racecourse Association (RCA) and the Horsemen's Group signed the Members' Agreement, a new tripartite agreement which will ensure that we make the big decisions in the best interests of our sport.

We worked closely with Government to replace the outdated Horserace Betting Levy which helps fund grass roots racing, including prize money, integrity and the welfare of our horses and our people. The Government announced recently that it will introduce the necessary legislation to put this in place by April 2017, which is excellent news.

It has always been clear that we would not be able to rely solely on Government to resolve our industry's short-term funding issues. We have seen the amount of Levy or equivalent funding fall from more than £100 million as recently as 2008, to £70 million in 2015, and expect this to reduce further to under £50 million by 2017.



Racing had to take responsibility for this issue, so in October 2015, British racing launched its Authorised Betting Partner (ABP) policy. ABP is an initiative to acknowledge and reward betting operators who pay the Levy, or an agreed contribution, on their digital businesses. It has been critical in maintaining investment in our sport with more and more betting activity taking place remotely and therefore outside the scope of the current Levy.

On equine welfare, we continued to take a leadership role, working closely with recognised international and British animal welfare charities, including the RSPCA and World Horse Welfare. As well as protecting the integrity of our sport, our new anti-doping rules help safeguard the welfare of our horses by precluding the administration of any substance that is prohibited at all times, including anabolic steroids.

One of our biggest challenges is to optimise the fixture list to increase attendances and betting on the sport, while meeting the needs of horsemen and racecourses. During the year, we introduced a number of initiatives to increase field sizes, including the application of £10,000 Plus 10 bonuses to specific two-year-old races (expanded to include three-year-old races in 2016), removing geographical clashes, introducing enhanced prize money for placed horses, launching a new race series and addressing poorly performing races. The 2016 fixture list was published in August, much earlier than in recent years.

We established a new Horseracing Bettors Forum to allow people who bet on British racing to provide us with constructive suggestions about how the sport can develop and change, for the benefit of the betting public, to ensure racing remains a compelling betting product and to achieve our growth target of 5 per cent by 2020. The incident involving Speculative Bid in the Gigaset International Stakes at Ascot – initially declared a runner, only to subsequently be deemed to be a non-runner –

was regrettable. Our investigation identified a number of errors on the day. We have now implemented the recommendations of our investigation to minimise the risk of such incidents in the future. I am pleased the legal dispute was resolved; had we lost it, it would have had serious implications for the funding of our sport.

In December, we published a comprehensive review of British jump racing with the aim of safeguarding jumping's future health and ensuring its future growth. I am delighted that Edward Gillespie has kindly agreed to chair the Jump Racing Review Implementation Group.

We have already implemented some of the recommendations of the review, including rebalancing central funding for 2016 and introducing the Challenger Series. In addition, the review group supported the Thoroughbred Breeders' Association (TBA) proposal for a Mare Owners Prize Scheme which meets the aims outlined by the group for encouraging more mares into jump racing.

Looking forward to 2016, we have a number of opportunities, and face a number of challenges, including implementing the recommendations of our Integrity Review; using our Fixture List to deliver growth for the industry; securing the implementation of the replacement of the Levy on time in April 2017 and at the right rate; improving levels of skilled employment in our industry; and implementing our strategy for equine welfare. I am confident that with the governance changes we have put in place, that British racing can and will continue to act in a unified way in the best interests of the sport.

Nick Rust Chief Executive

MEMBERS' AGREEMENT

Members' Agreement: Securing a brighter future for our sport.

In a landmark moment in the history of British horseracing, in November 2015, the industry's major stakeholders signed the Members' Agreement, a new, tripartite governance structure for the sport.

The Members' Agreement ensures that the sport is able to act in a unified manner, with the major stakeholders making strategic decisions for the long-term benefit of the industry by acting as a united body.

What does it mean?

The Members' Agreement changes the way the BHA operates and makes decisions for the good of the sport. We now have three categories of decision-making:

- Decisions which can be made autonomously by the BHA
- Decisions which can only be made after consultation has taken place
- Tripartite decisions (which fall into two categories, Category A decisions can be made by a 2:1 majority, Category B decisions must be unanimous)

How will decisions be made?

Members' Committee

Meets quarterly, with responsibility for high-level strategic decisions. The Members' Committee comprises of:

- BHA Chairman, who chairs the Committee
- Three Racecourse representatives
- Racehorse Owners Association (ROA), TBA and Licensed Personnel representatives, being the National Trainers Federation (NTF), Professional Jockeys Association (PJA) and National Association of Stud and Stable Staff (NASS)
- Plus non-voting observers

Executive Committee

Meets monthly, with responsibility for executive decisions. The Executive Committee's members are:

- BHA Chief Executive, who chairs the Committee
- ■1 x Racecourse representative
- ■1 x Horsemen's Group (HG)
- Plus non-voting observers

Parties to the Agreement

- BHA
- RCA
- ROA
- TBA
- National Trainers Federation (NTF), also representing the Licensed personnel

Steve Harman, Chairman of the BHA

"This is a landmark moment for the sport and the industry.

We now move forward from a position of strength as a sport and industry which is united."

Nick Rust, Chief Executive of the BHA

"The Agreement gets our key stakeholders round the table to make big decisions, in the best interests of the sport. It makes us greater than the sum of our parts and represents the industry formally coming together in a manner which it rarely has in the past."

Philip Freedman, Chairman of the Horsemen's Group

"This marks another step on the road which began over twenty years ago when the Jockey Club created the British Horseracing Board, prior to the foundation of the BHA in 2007. We now have a modern, governance structure which is fit for purpose."

Maggie Carver, Chairman of the RCA

"We believe that it will benefit all parties to the Agreement, our members and the sport as a whole through better communication and decision-making. We are committed to working with our partners to ensure that it does."











FINANCIAL OVERVIEW

In 2015, we made a surplus before tax of £160,000 and after tax of £690,000. This compares to a deficit before tax of £1,363,000 in 2014. Costs and income in 2015 remained at a lower level than in 2010.

The surplus for 2015 was delivered along with significant increases in activity. This was achieved through good cost control, new income and the first fee rises since 2012. Our financial aim was to return to break-even - which we achieved - and to start replenishing the deficit accumulated in 2014, which significantly reduced reserves.

2016 represents a further year of financial consolidation, with no increases in standard fees for owners, or to trainers' licence fees, and with limited fee increases elsewhere.

We aim to deliver value for the sport through managing our costs effectively, and to achieve another year of financial stability.

In late 2015, we published a budget guide which was a cash-based forecast showing a small deficit for that year. Our actual results, based upon accounting principles, show increased income and reduced costs delivered through efficiencies achieved in the final months of the year. These factors combined to deliver a small surplus.

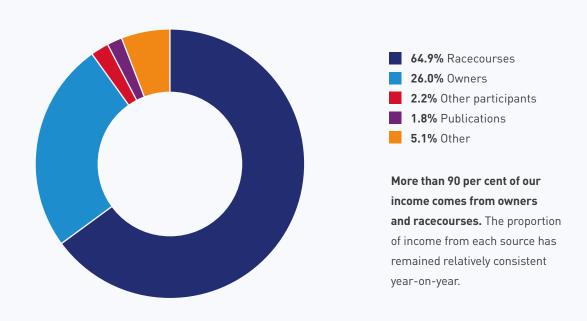
HEADLINE NUMBERS FOR 2014 & 2015

	2014	2015
	£'000	£'000
Income before statutory adjustments	28,644	30,652
Administrative costs before statutory adjustments	(30,007)	(30,492)
Surplus / (deficit) before statutory adjustments and before tax	(1,363)	160

TOTAL INCOME BEFORE STATUTORY ADJUSTMENTS

	2014	2015	Variance	Variance
	£'000	£'000	£'000	%
Racecourses	18,704	19,901	1,197	6.4
Owners	7,514	7,961	447	5.9
Other participants	597	659	62	10.4
Publications	524	564	40	7.6
Management charges	380	394	14	3.7
Property recharges	133	169	36	27.1
Fines	150	155	5	3.3
International runner and permanent import testing*	0	121	121	
Industry training income	20	90	70	350.0
Interest	60	27	(33)	(55.0)
Other	562	611	49	8.7
Total**	28,644	30,652	2,008	7.0%

^{*} International runner and permanent import testing income offsets the people and sampling costs of delivering this service. ** Total income of £30,652,000 differs by £472,000 from the figure shown in the statutory accounts due to statutory adjustments.



INCOME EXPLAINED

Income increased by 7 per cent in 2015 as a result of increases in the unit price of fees paid by racecourses and participants, as well as increases in the fixture list and new revenue streams.

The 2015 increase in unit fees of 5.85 per cent was the first increase since January 2012.

Our income can be broken down as follows:

- Income from racecourses is derived from charges for regulation, integrity and governance services.
- Owners' fees consist of entry handling fees and registrations. Entry handling fee income increased by 6.3 per cent between 2014 and 2015, driven mainly by a 5.85 per cent increase in the unit price of an entry. We charge a lower handling fee where the entry and declaration is made online. In 2015, 90 per cent of entries and 81 per cent of declarations were made online. Moving transactions online has enabled us to make savings through our contract with Weatherbys.
- Other participant fees include trainer licences, stable employee registrations, jockey licences and income from amateur riders. Amateur rider income arises from riding fees and prize money won in races against professionals and is used to fund specific costs associated with amateur riders, the largest of which is an insurance policy for race riding injuries.
- We also generate income from the sale of racing related **publications**, including the Racing Calendar and Programme Book, as well as advertising in these publications and on our racing administration website. Increasing advertising revenues accounted for the year-on-year increase in income here.

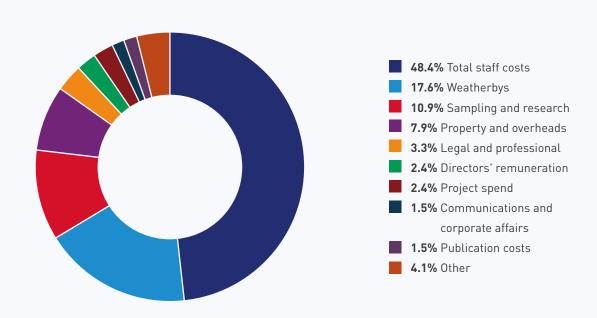
- We have three main **management** agreements with British Horseracing Database Limited (BHD) for the management of the Weatherbys agreement; with Racing Enterprises Limited (REL) for the provision of office space and finance, IT and HR services; and with the Point-to-Point Authority for the provision of regulatory services. In addition to the property charges included with the REL management agreement, BHA also sublets space to the ROA, RCA and British Champions Series Limited (BCS).
- •Income is also generated from fines on participants and racecourses which arise from breaches of the Rules of Racing and which are imposed by the stewards or a disciplinary panel.
- •International runner and permanent import testing income is new in 2015 as a result of the implementation of the Equine Anti-Doping Rules. This new income offsets the costs we incurred in collecting and processing these samples.
- Industry training income is generated either from grants for specific industry training activities or from running our Graduate Development Programme.
- Interest income has reduced in 2015 as a result of lower interest rates and less cash placed on deposit.

2016 income is budgeted to rise by 2 per cent, although work is ongoing to deliver new, sustainable income streams to enhance this.

TOTAL COSTS BEFORE STATUTORY ADJUSTMENTS

	2014	2015	Variance	Variance
	£'000	£'000	£'000	%
Total staff costs	14,259	14,749	490	3.4
Weatherbys	5,232	5,378	146	2.8
Sampling and research	3,108	3,330	222	7.1
Property and overheads	2,201	2,405	204	9.3
Legal and professional	1,109	1,016	(93)	(8.4)
Directors' remuneration	676	735	59	8.7
Project spend	1,008	731	(277)	(27.5)
Communications and corporate affairs	554	456	(98)	(17.7)
Publication and production costs	461	445	(16)	(3.5)
Committees and enquiries	363	369	6	1.7
IT infrastructure and network costs	166	196	30	18.1
Industry people and development external costs	177	164	(13)	(7.3)
BHD licence fee	153	159	6	3.9
Horsemen's Group loan repayment	0	(175)	(175)	
Other	540	534	(6)	(1.1)
Total*	30,007	30,492	485	1.6

^{*} Total costs of £30,492,000 differs by £477,000 from the figure shown in the statutory accounts due to statutory adjustments.



COSTS BROKEN DOWN

- Total staff costs make up approximately half of our overall costs. These include costs associated with salary, pension, National Insurance, benefit costs and travel and subsistence. Remuneration specifically for the Board, including the CEO, is separated out from staff costs.

 Overall, total people costs rose by 3.4 per cent, driven by a general rise of 2 per cent, plus increased headcount in corporate affairs, industry people and development and racing and operations to support a higher level of activity. Total staff costs are expected to rise by about 4 per cent in 2016 driven by additional staff to achieve our objectives, the full year impact of 2015 changes and salary inflation.
- Weatherbys provide administration services on a long-term contract. The main services comprise processing all owner registrations, entries and declarations and maintaining the racing database. These costs increased due to contractual inflation of 1.54 per cent (£80,000), increased IT development (£70,000) and additional activity (£22,000), offset by savings of £26,000 delivered by bringing payroll services in-house. In 2016, we anticipate further contractual inflationary increases will be partially offset by efficiency savings.
- Equine sampling and research is provided under an agreement with LGC and through our facility the Centre for Racehorse Studies in Newmarket. The level of testing undertaken is shown on page 49. The increased costs in 2015 arose through increased out-of-competition testing for substances prohibited at all times, including anabolic steroids, on international runners and permanent imports as well as testing at various sales both in the UK and overseas. In 2016, we have budgeted for contractual inflation of 2 per cent, plus increased sampling activity to deliver our anti-doping policy.
- In May 2015, our central London offices underwent a rent review, this is the main reason behind the increased cost of **property and overheads**. Rent accounted for £0.75 million of the £2.4 million total, which equates to £40 per square foot. Of this total, more than £0.2 million is recharged via sublets. The majority of the balance of these costs relate to rates,

- service charge, electricity, depreciation and insurance. In 2016, these costs will increase as the full-year rent review takes effect and depreciation charges increase significantly as a result of planned capital expenditure.
- Legal and professional costs for the year totalled £1 million, covering our compliance, regulatory and governance activities. In addition, we closed our defined benefit pension scheme to future accrual on 31 December 2015 and the legal costs associated with this closure are also included.
- At the end of 2014 we appointed new Board members as the Board was restructured. These costs represent the **remuneration** payable to Board members.
- Project spend varies each year and covers projects including integrity, equine science, medical, the Plus 10 bonus scheme and other central projects.
- Communications and corporate affairs is an essential area of governing authority spend and includes some costs relating to the Godolphin Stud and Stable Staff awards, The Horse Comes First campaign, as well as the cost of Government relations.
- Publication production costs are associated with the Racing Calendar and Programme Book. These costs reduced during the year due to a rationalisation in content and a change of layout for the Racing Calendar.
- Committee and enquiry costs include the fees payable to committee members and the cost of accessing recordings from the digital archive.
- During the year, we received a repayment from the Horsemen's Group of £175,000.

PERSONNEL BREAKDOWN

Our headcount for 2015 was 210 as at 31 December. We also employ sessional staff during the year, primarily in raceday regulation and operations, who have not been included in the table below.

Business unit	Cost Centre	Total as at 31 December 2015
Raceday regulation and operations	Equine Welfare and Integrity Officers	34
	Stipendiary Stewards	20
	Starters	15
	Veterinary Officers	11
	Clerks of Scales	9
	Judges	8
	Inspector of Courses	4
	Medical	3
	Raceday Services	3
	Racecourse and Point to Point	2
	Centre for Racehorse Studies	2
Raceday regulation and operations Total		111
Racing and operations	Handicappers	11
	Racing Department	10
	Programme Office and Development	8
	Finance	3
	ICT	3
	Office Services	2
Racing and operations Total		37
Integrity, legal and risk	Integrity	8
	Investigating Officers	5
	Stable Inspectors	5
	Compliance	5
	Licensing	4
	Disciplinary	3
Integrity, legal and risk Total		30
Executive	Executive	13
Executive Total		13
Industry people and development	Industry people and development	6
	HR	3
Industry people and development Total		9
Comms and corporate affairs	Plus 10 Bonus Scheme	3
	Communications	2
	Corporate Affairs	2
Comms and corporate affairs Total		7
GBRI	GBRI	3
GBRI Total		3
Grand Total		210

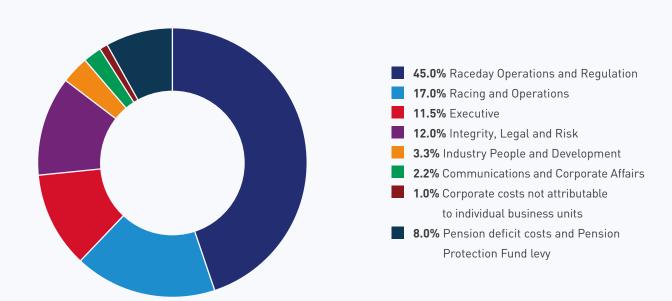
TOTAL COSTS BEFORE STATUTORY ADJUSTMENTS

	2014	2015	Variance	Variance
	£'000	£'000	£'000	%
Raceday Operations and Regulation	6,639	6,638	(1)	(0.1)
Racing and Operations	2,354	2,508	154	6.5
Executive	1,615	1,695	80	5.0
Integrity, Legal and Risk	1,817	1,768	(49)	(2.7)
Industry People and Development	413	486	73	17.5
Communications and Corporate Affairs	174	324	150	86.6
Corporate costs not attributable to individual business units	71	148	77	108.5
Pension deficit costs and Pension Protection Fund levy	1,176	1,182	6	0.5
Total	14,259	14,749	490	3.4

Total staff costs include all the costs shown in note four of the statutory accounts plus all travel and subsistence, other benefit costs and pension deficit and Pension Protection funding.

Overall, staff costs rose by 3.4 per cent. While total staff numbers remained approximately the same

at the end of 2015 compared to the end of 2014, we increased resource in raceday regulation and operations, industry people and development, with corresponding reductions in support functions and Great British Racing International (GBRI). This enabled us to deliver certain key strategic objectives across the business.



SIX YEAR TREND

Since 2010, costs have decreased and in real terms have reduced by more than 10 per cent. This reduction has been in the context of significant increases in activity in areas such as equine sampling, industry people and

development and government relations. There were no fee increases in 2013 or 2014 and this resulted in a significant deficit in 2014 which reduced reserves. Our aim is to replenish reserves over the next three years.

BHA SURPLUS AND DEFICIT (£'000)



BHA INCOME AND COSTS (£'000)



RECONCILIATION TO STATUTORY NUMBERS

In 2015, we implemented Financial Reporting Standard (FRS) 102, which required us to restate certain prior year figures. FRS102 pension adjustments of £599,000 increased surplus before tax to £759,000 and surplus after tax to £1,289,000. The analysis of income and costs on page 16 to 21 is based upon surplus excluding statutory

pension adjustments, as this better reflects our operating activities as a single entity. We are also required to produce consolidated statutory numbers which includes the operations of REL and BHD. The analysis and commentary is based only on our activity.

	2014	2015
	£'000	£'000
Surplus / (deficit) before statutory adjustments and before tax	(1,363)	160
Adjustments in respect of FRS102 for pensions	618	599
Statutory surplus / (deficit) before tax	(745)	759

TAXATION

In 2015, we submitted claims to HMRC for Research and Development (R&D) tax credits for expenditure incurred in veterinary and medical research. This is the first time

R&D tax credits have been claimed. Our net tax credit of £530,000 includes £650,000 of cash received or tax credits relating to 2012, 2013 and 2014.

	2014	2015
	£'000	£'000
Surplus / (deficit) before taxation	(745)	759
Taxation	67	530
Surplus / (deficit) after taxation	(678)	1,289

CASH

Our cash balance is made up of operating cash and ringfenced cash for specific purposes (i.e. not our operating activity). Operating cash in total reduced over the year as a result of capital expenditure and changes in working capital.

	2014	2015
	£'000	£'000
Operating cash	5,569	5,060
Ring fenced cash	5,058	6,347
Total cash	10,627	11,407

Note: Operating cash includes some cash held on deposit.



RACING

During 2015, we continued to focus our race planning activities on delivering competitive and compelling racing. Developing a fixture list which meets a diverse range of objectives and stakeholders' needs is one of our biggest challenges.

The fixture list, in meeting the agreed sporting objectives, must be produced in the best interests of the sport. In doing so it has to strike the right balance between the ability of the horse population to deliver competitive, compelling racing, and the needs of the racecourses, with the aim of making British racing as successful as possible.

In 2015, we published the 2016 fixture list in August, earlier than in recent years, to allow our customers to plan accordingly. This meant that we could publish the Programme Book earlier for the benefit of horsemen and the racing public, and that racecourses could determine their budgets and market their 2016 calendar.

Throughout 2014, falling average field sizes led to real concerns about the attractiveness of the sport as a spectacle and as a betting product, with novice chases and flat novice races frequently attracting small and uncompetitive fields. We introduced a number of measures in 2015 to reverse the trend of reduced field sizes.

While conscious of the impact of reducing the number of races staged on racing's income, average field sizes had reached a point where we needed to take action. Using a monthly field size forecasting process, we were able to reduce the number of races in a targeted manner while minimising the impact on prize money.

We removed around 130 races from the programme at certain 'pinch-points' when historic trends showed the horse population to be most stretched. The data from this suggests that this initiative did help field sizes in this period.

1,482

Scheduled fixtures

Headline elements for 2016 Fixtures

- **1,482** scheduled fixtures (1,471 in 2015)
 - ■40% jump, 39% flat turf, 21% all weather
- ■1,219 racecourse fixtures
- ■198 BHA Fixtures
- ■13 self-funded fixtures
- 52 enterprise/other fixtures

We continued to focus on the resolution of many of the geographical clashes contained in the current list, to help increase racecourse attendances and field sizes.

We also focused on improving the performance of certain race types, including reducing the number of weight-for-age novice chases and introducing new race conditions for sellers and claimers, while reducing the number programmed. We reached agreement to introduce a new approach to the two-year-old flat novice and maiden programme, which we will see the results of in 2016. The trial will see

the significant majority of maiden races (about 85 per cent or around 180 races) converted to novice contests between the start of the flat turf season and the beginning of July, when nursery handicaps commence. It is designed to provide a more attractive programme for winning two-year-olds to compete again, and to reduce the number of small-field races.

Plus 10

As part of our commitment to grow the number of owners in the industry, and to have 1,000 more horses in training by 2020, the Plus 10 bonus scheme was launched in 2014. By offering £10,000 bonuses on top of prize money across two and three-year-old races in Britain and Ireland, Plus 10 offers significant reward to owners who invest in and support British and Irish bred bloodstock. We manage the £5.5 million bonus scheme which, in a historical first, operates across both Britain and Ireland, as well as attend all major yearling and foal sales, while liaising with owner, breeder and trainer associations, to grow the scheme.

In 2015:

- 417 British two-year-old races featured a £10,000 Plus 10 bonus
- ■£2.77 million worth of bonuses won on British tracks
- 160 owners and 177 breeders shared in the British bonus winnings

We also introduced a scheme to pay additional prize money to placed horses in order to support increased field sizes. This was funded through bookmakers' voluntary contributions (which also supported the Veterans' Chase series discussed on page 30 to 31). Additionally, and for the first time, we began to assess whether individual races had delivered for the sport as a whole, with the provision of eight runners (and place betting down to third) classified as a 'success' and races with fewer than five runners classified as a 'failure'.

During the year, we consulted with stakeholders, including the Horsemen's Group and the RCA to develop a better way to create the race programme to benefit horsemen, racecourses and the wider industry. We published the findings at the beginning of 2016 which identified the need for improved data to inform race planning decisions, improved processes when compiling the race programme, better communication with trainers and increased visibility for racecourses.

Key metrics at the end of 2015 show that the measures we introduced have started to have a positive effect. Average field size increased from 8.66 to 8.77; the total number of runners increased by 0.6 per cent despite the fact that the number of races fell by 0.6 per cent; non-runners fell by 5 per cent; the race failure rate (i.e. races with fewer than five runners) fell from 15.4 per cent to 12.9 per cent while the race success rate (i.e. races with at least eight runners) rose from 59.2 per cent to 61.7 per cent.

Of course, these improvements are just the beginning and we will continue to develop further initiatives to ensure that we can deliver improved results.

417

British races featured a £10,000 bonus in 2015



As part of the Industry Strategy for Growth that we launched with Great British Racing in 2015, we set targets to grow attendances, increase the number of horses in training and to increase betting participation levels. Our ongoing work with the Members' Committee to rebalance and restructure the fixture list and race programme will play a critical role in helping to meet these objectives, as well as continuing to provide competitive, compelling racing.

Jump Review

We also conducted a Jump Review in 2015 to assess the health of jump racing, identify and examine the threats and challenges faced by the industry, and to create logical and deliverable solutions to these challenges.

We aim to use the work to create a long-term strategy for jump racing, one which outlines a path from which future growth and success can be delivered. The review was chaired by former managing director of Cheltenham Racecourse Edward Gillespie. Particular areas of focus for the review included the race programme, field sizes, participation, ownership, breeding, horse population, prize money, sales, racecourse attendances, media and betting trends.

Handicapping

Our handicapping team is responsible for producing the ratings that form the basis of all handicap races, which currently make up 65 per cent of the race programme. Their role extends to international matters including the assessment of every Flat Pattern Race in the world. This enables us to take a prominent role in the assessment of all horses rated above 115 which appear in the Longines World Racehorse Rankings at the end of the year, and all horses rated 110-114 which appear in the European top horses list.

Head of Handicapping, Phil Smith, co-chaired Longines World's Best Rankings committee and also the Anglo-Irish Jump Classifications. In 2015, Phil appeared monthly on Attheraces on the Ask The Handicapper feature and also led the Handicapping seminar on the British Racing School Trainers' Course.

During the year, we also launched a new initiative to help explain how handicapping works, and to address the questions and issues of the sport's fans and participants through a dedicated email address, with responses to be published on an ongoing basis via our website.

INDUSTRY GROWTH TARGETS

1,000

Additional horses in training by 2020

5%

Increase in betting participation levels by 2018

7m

Racecourse attendance target by 2020

£120m

Additional income for the sport per annum by 2018



MORE OPPORTUNITIES FOR THREE-YEAR-OLD SPRINTERS

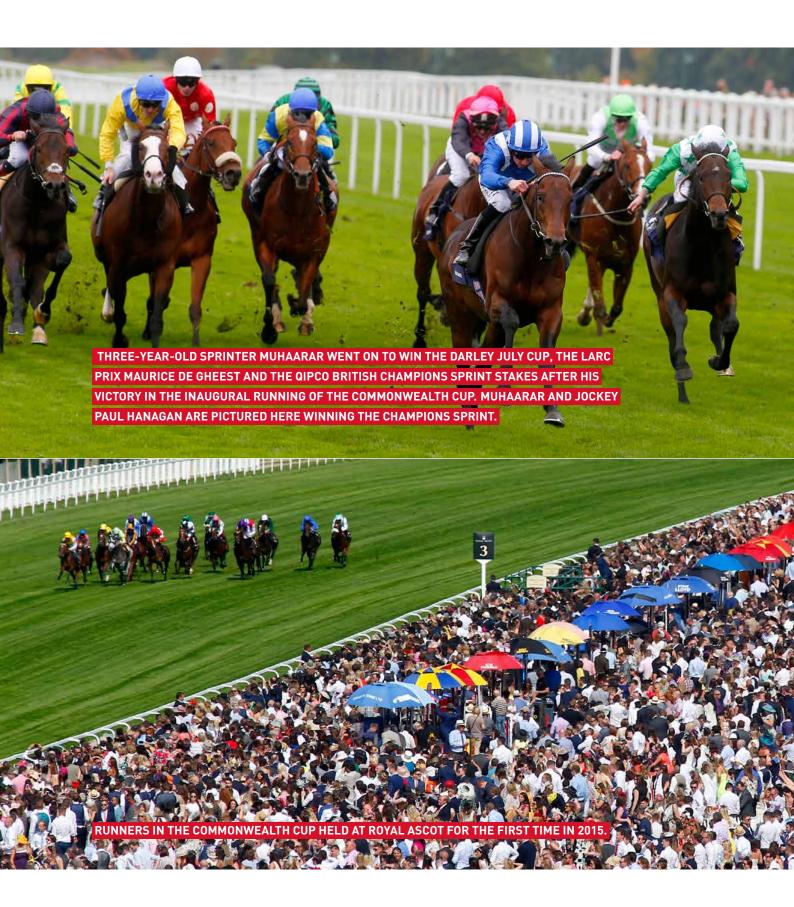
In 2015, we played a key part in a pan-European initiative designed to address the lack of opportunities for high-class three-year-old sprinters, while improving the overall standard of sprint Group races in Europe.

We made two changes to the sprint programme. First, we worked with the European Pattern Committee (EPC) to either upgrade or introduce a limited number of Pattern races restricted to three-year-olds in the first half of the season, culminating in a new Group 1 sprint race at Royal Ascot, the Commonwealth Cup. Second, we worked with the EPC to deliver a more balanced overall sprint programme, providing better opportunities and greater incentives to run high-class sprinters in Europe. This included upgrading a number of races including the British Champions Sprint on QIPCO British Champions Day to Group 1, and the Flying Five on Irish Champions Weekend to Group 2.

On the newly created Commonwealth Cup in particular, perhaps the most remarkable point (quite apart from the international representation) was the fact that every runner had already earned black type by the time of the race. This included 13 winners of black type races while the other five runners had all been placed in black type events.

It was especially pleasing that the winner of every upgraded trial leading up to the new Group 1 contest took part. The trial races themselves all exceeded the required rating parameter for their new grade, showing not only the appeal of the initiative but the quality of sprinters attracted to run in Europe as a result.

"As a result of these changes we have had an excellent sprinting season. What we didn't know until that Royal Ascot tour de force was in Muhaarar we had a champion sprinter in waiting. The owners of three-year-olds needed to be encouraged to consider sprinting. The new Group 1 race at Royal Ascot, plus improvements to the early-season programme, helped to do exactly that, while the QIPCO British Champions Sprint proved itself worthy of a Group 1 update." Lee Mottershead in the Racing Post on 19 October.



VETERANS' CHASE SERIES

One of the highlights of 2015 for many racing fans was the inaugural Veterans' Chase Series, which featured some of our sport's favourite horses from years gone by.

Veterans' chases were not a new thing, in fact, we reintroduced them to the programme as Class 2 handicaps in 2008. What was new and innovative, was structuring a series of eleven races worth a total of £400,000 with a £100,000 final for those that had started in one of the qualifiers.

We created the series to provide a boost to Sunday racing and to give some of the most cherished chasers in training a chance to compete against their own age group. Predictably, given the rewards on offer, field sizes were healthy, with the average across the whole series reaching 9.55, the highest since 2008.

There were other benefits too, not least the fact that elder chasers starting in a veterans' chase in 2015 subsequently went on to win the BetBright Grimthorpe Chase, the Betfred Grand National Trial, the Ryman Stationery Handicap Chase, the Coral Scottish Grand National Handicap Steeple Chase and the Coral Welsh Grand National. They also filled four of the first 10 places in the Crabbie's Grand National Chase itself – with Alvarado best of the veterans in fourth.

The final at Sandown Park on 2 January 2016 was a memorable event. In one of the stirring finishes for which Sandown is famous, it was 11-year-old Soll (for David Pipe and owner Derrick Mossop, who also bred the son of Presenting) who proved victorious in a driving finish from 12-year-old Aachen to bag his third, and most important, veterans' chase of the series.

There can be no doubt this was a fabulous first year of the Veterans' Chase Series, with support from racecourses, sponsors, owners, trainers, bookmakers, media, race-going and stay-at-home followers of the sport. The real stars of the show, however, were the veterans themselves and, following this initial success, we plan to repeat the series in 2016.

9.55

Highest average field size since 2008



RACE TIMES

In November 2014, we led a cross-industry initiative to focus on reducing race time clashes which detract from our customer's viewing experience. The Levy Board had estimated an average loss of £1,500 to the Levy when a race clashes against another British or Irish race. This figure rises to approximately £5,000 for a race that is broadcast on terrestrial television.

In 2014, there were 637 race time clashes involving British and/or Irish races. Of these clashes, 358 involved a British race starting when another race had yet to finish.

With financial support from the Levy Board, we employed a dedicated resource to oversee

racing each day and to co-ordinate delays with racecourses to try and avoid as many races overlapping or "clashing" as possible. Commencing this in November 2014, we achieved a reduction in the total number of clashes to 435, of which 214 involved clashes with British races.

Туре
GB/IRE
IRE/GB
GB/GB
IRE/IRE
Total

	2014		2015
Count	% by Type	Count	% by Type
279	43.8	220	50.6
263	41.3	129	29.7
95	14.9	85	19.5
0	0	1	0.2
637	100.00	435	100.00

Many of the remaining clashes occur on days when, due to the volume of fixtures and races, some clashes are unavoidable.

It is worth noting that running one race immediately after another will have the same detrimental effect to betting turnover as a direct clash and, as a result, we try to ensure that there is a minimum gap of 45 seconds between races wherever possible. We classify any race which commences within 45 seconds of another race finishing as a near clash and we are continuing our efforts to reduce such occurrences.



Also in 2015

Stayers' Maidens

We developed 10 new races with enhanced prize money of £10,000 thanks to support from the British European Breeders Fund (BEBF).

The aim: to help to prepare a proportion of the two-year-old population for a future staying career, as well as provide encouragement for the ongoing production of such horses.

New Challenger Series

We announced a significant boost for mid-tier jump racing with the launch of five new series of races, known as the Challenger Series.

The Challenger Series is an expansion of the successful and popular Grassroots Jump

Series which was launched in 2011/12.

The Challenger Series comprises five separate series that allow horses rated up to 135 to qualify through a total of 75 races for a finals day at Haydock Park on Easter Saturday. The finals day carries prize money of about £265,000.

An additional bonus fund of £50,000 will be available on Challenger Series Finals Day for any horse which wins a qualifier and then goes on to win the series final. The Challenger Series proposal was raised and recommended by the Jump Racing Review which was also completed during the year.



RACEDAY OPERATIONS AND REGULATION

Our raceday operations and regulatory teams continued to ensure that British racing was fair and operated to high standards of integrity.

Throughout 2015, we made a number of improvements to benefit the sport.

For example, we introduced new starting procedures in jump races to improve both control and fairness, reducing the number of false starts in both hurdle and chase races.

We continued to modernise and improve the starting processes by trialling an automated false start auto recall device at Kempton.

Our racecourse inspectorate continued to develop and trial a new design of a padded hurdle. Across the two racecourses involved, Taunton and Newton Abbot, we experienced a reduction in the average faller rate to 1.7 per cent, compared with the national average of 2.18 per cent for the period between 2005 and 2009. We plan to extend the trial to a further three racecourses in 2016. This is an excellent example of the work being done to help ensure the welfare of both horse and jockey.

We continued to work on initiatives to improve our processes and our systems, including developing a fast results system to deliver the official result to the public and stakeholders faster. In the field, our Equine Welfare Integrity Officers trialled an electronic horse identification and sample collection system. A further major project in 2015 was the development of a new stewards information management

system designed to enhance the capacity and integrity provision of this key function.

We also enhanced the structure of the stewarding team at race meetings by creating a new permanent, professional role of Stewards' Secretary, who are now present at each fixture. The Stewards' Secretaries carry out administrative functions in the stewards' room, and, crucially, have increased our resilience as they possess the skills necessary to act as a steward, if required.

1,740

Number of stewards' enquiries

Stewards enquiries in 2015:

- Interference: 759 (528 in breach)
- **Whip:** 548 (538)
- Running and Riding: 433 (261)

During the year, we worked with the RCA to adopt a new methodology for the measurement of jump race distances to achieve greater accuracy and to reflect the methodology already used at flat tracks.

Jump races were previously measured along the mid-point of the course using a surveyor's wheel, but under the agreed new methodology, they have been measured along a line two yards off the innermost running rail position and professionally surveyed to the nearest yard. All jump race distances are now advertised

using both the traditional description – rounded to the nearest half furlong – alongside a new, exact 'baseline' distance, described to the exact yardage. Having a base measurement means that changes to race distances can be advertised more accurately, particularly if late changes to the racing line are necessary. This has benefited trainers, jockeys and riders, owners and betting customers. As a result of this change the Crabbie's Grand National is now advertised as 4 mile 2 1/2 furlong and remains the longest race in Britain.

During the year, our medical team collaborated with stakeholders to deliver a complete re-write of the British Horseracing Authority General Instructions (BHAGI) in relation to raceday medical provision. This was a significant project which builds on the excellent medical health and welfare provision for participants, in particular jockeys and riders, that is already available at racecourses.

The enhanced BHAGIs are designed to assist racecourses in improving and updating many aspects of medical care for jockeys and riders including services such as ambulances, physiotherapy rooms and the medications/equipment available in jockeys' and riders' medical rooms. The aim is to ensure that racing remains at the forefront of medical care for its participants in what is a high-risk sporting environment.

Racecourses are inspected by the BHA on an approximate three-year cycle although if any concerns are raised, snap inspections can be undertaken. These audits are to ensure compliance with our BHAGIs. Visits during 2015, which were a mixture of announced and unannounced, did not reveal any non-compliance which could put jockey and rider safety at risk. We also worked with the Liverpool John Moores University to launch a major new PhD study into jockey nutrition

and wellbeing, with the intention of using the findings to educate jockeys in better fitness and dietary practices.

Further relationships and studies have been developed with the following academic institutions to progress the jockey research agenda and with the overall aim of having the scientific evidence base to support the concept and development of the 'Jockey Athlete':

- Liverpool John Moores University: The
 Effect of Dehydration on Cardiac Function
- Oxford University: Epidemiological studies,
 The Jockey Study Bone Health and Injury
- Queen Mary's University of London:
 Intervention studies, Vestibular
 Rehabilitation in Concussion

4m 21/2f

Distance of the Grand National - Britain's longest race

British Horseracing Authority General Instructions key changes:

- Annual risk assessment to allow courses to enhance minimum standards to reflect their particular individual circumstances, including course characteristics and geographical location
- Clarity regarding roles and responsibilities of medical staff with enhanced registration, training and disciplinary processes
- Revised minimum equipment, drugs and facilities standards
 in line with current medical practice in pre-hospital trauma care
- Working towards all courses having a dedicated physiotherapy provision



Anti-doping

In 2015 we appointed an anti-doping manager to oversee both human and equine anti-doping programmes and to ensure British racing maintains a culture of clean sport. This development has given us new impetus to refresh the approach we take in this important area, to continue to prevent doping and to protect the reputation of the sport. We are also keen to learn from the experiences of other sports.

We undertake breathalyser and urine tests among jockeys and riders at the racecourse and the racings schools. Out-of-competition testing refers to testing undertaken in connection with the reinstatement of licences.

During 2015, we carried out 1,016 breath tests, with one positive result, and 295 urine tests with three positive results, all at the racecourse. A further 34 urine tests were undertaken at the racing schools, with one positive result. Finally, three tests were undertaken in connection with the reinstatement of licences, with no positive results.

On equine anti-doping, a major achievement last year was the release of our leading anti-doping policy. This has the objective of ensuring that British racing remains at the forefront of tackling an issue that ranks amongst the biggest threats faced by any world sport.

The introduction of our new anti-doping policy was the culmination of a huge body of work which commenced in 2013 to establish how British racing would not only adhere to, but exceed where possible, the international minimum standards on anabolic steroid use.

The use of hair sampling is an additional tool in our anti-doping armoury. Although it is not used on its own, it does complement

our current programme of detecting and deterring doping by helping to detect substances that have been used over an extended time frame, and by providing an informed basis for further investigation. We continue to support research into hair testing.

After the announcement of our new antidoping rules, we carried out a programme to contact those affected by the new rules, both domestically and internationally, to ensure that there exists awareness across world racing of the requirements of the rules. This included the publication of a comprehensive guide which explained to those who are responsible for a horse, what they must do to ensure they adhere to the rules.

Concussion

Concussion remains an important topic in sport in general and particularly in racing where we have one of the highest concussion rates per minute of participation of any sport. Historically, we have had a robust protocol for both pre-competition screening and post-concussion testing with clear guidelines on return to sport. To ensure best practice, these protocols are subject to review and we are planning to launch an education programme to remind all members of the racing community of the seriousness of concussion and of our collective responsibility to manage it correctly.

Equine welfare

"The BHA is recognised around the world as having implemented a high standard in equine care." The Environment, Food and Rural Affairs Select committee in Parliament, February 2016

One of the main reasons we have pushed so strongly for the introduction of a new funding mechanism for the sport is to safeguard the vital veterinary research and education funding the industry provides.

1,016

Breath tests were undertaken with one positive result

Equine welfare leadership, improved benchmarking of racehorse welfare information, and improved communication of our work underpinned our activities in 2015.

Our vets were present at every one of the fixtures held in 2015. One of their duties is the recording of all injuries and fatalities that occur on the racecourse. This provides a benchmark from which the industry continually strives to reduce injury rates, while we also publish data on injuries and fatalities as part of our commitment to transparency.

British racing invests considerable resource in ensuring that the high standards of equine welfare it demands from all of its participants are maintained. This includes our requirement within the Rules of Racing for trainers to take all reasonable steps to ensure the safety and welfare of all horses under their care

or control (whether or not they are currently in training), our unannounced stable visits to conduct testing or checks on racehorse welfare, and also being on course each race day to identify horses upon arrival, monitor activity in the stable yard and protect the welfare of horses throughout the day's racing.

Our cross-industry campaign, The Horse
Comes First – supported by racecourses and
horsemen – has been instigated to get the
message out to our industry, our supporters,
the wider equine sector, the general public and
politicians that British racing has a record on
equine welfare to be proud of.

While we are proud of our record on equine welfare, we are far from complacent. See page 64 for further information on The Horse Comes First campaign.

"Over the last 15 years, the equine fatality rate in British racing has fallen by a third. The reduction has been achieved, in part, through the electronic collection of injury data and post-race analysis. This data is widely shared with epidemiological specialists who look at tracks or jumps linked with high incidences of injury and proactively recommend remedial action based on the analysis."

Environment Food and Rural Affairs Select Committee

ON RACEDAY

Our people are vital to the effective and safe running of every race meeting in Britain. Our team of stewards and starters, clerk of the scales, veterinarians, equine welfare officers and judges carry out essential roles to make sure that every race is fair and competitive, the rules are upheld and that the welfare of horses and participants is taken care of.



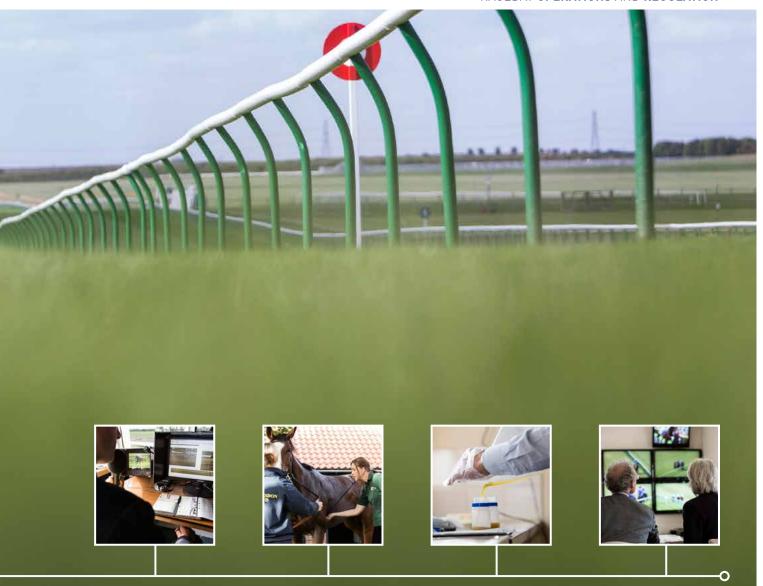






- Our day starts early. As horses arrive at the racecourse, our Equine Welfare Integrity Officer (EWIO) team is on hand to scan each horse's microchip and to check its 'passport' to make sure that the correct horse has been brought to the track, and that vaccinations are up-to-date. EWIOs work with the on-course staff to assign the new arrivals to their stables.
- About 70 minutes before the first race, all BHA raceday officials meet for a briefing, along with the Clerk of the Course. It's here that important information is shared about the runners and riders to make sure the races run smoothly. Factors that might be discussed include whether any horses have a history of causing problems at the start of a race, any welfare issues or recent changes in form, betting markets and first time runners and riders.
- As the horses prepare to enter the pre-parade ring, in the weighing room the Clerk of the Scales weighs out each jockey to ensure they ride at their assigned weight and trainers collect saddles from the jockeys.
- ■While final preparations are being made in the parade ring, stewards and vets are amongst the action, looking over horses, checking that the correct gear is being worn and that horses are fit for racing.

 When the bell rings out, jockeys steer their mounts out onto the course and head for the start.
- At the start, the course's stalls team or handlers will check girths and the starters will help jockeys get their mount ready to start.
- •Once the horses are lined up, or in the stalls, the starter sets the race in action.



- Meanwhile the judge, who has the best view of the racecourse, checks over the runners and riders for distinguishing colours or marks that will help in placing the horses in a close finish. If the race is too close to call by eye, the race judge takes a photo before he calls the finish.
- Once the race is over the horses and jockeys will return either to the winner's enclosure or to the wash down area. Veterinarians will check over horses to ensure all have recovered well and may even test a number from that race. At each meeting, at least five horses, selected by the stewards, are tested by the vets to ensure they have not raced with any prohibited substances in their system.
- Meanwhile, the stewards will assess any issue detected within the race and where necessary,

- bring jockeys or trainers in if they require further information about the run. When a stewards' hearing is called, which could affect the placings or lead to a runner being withdrawn, a bell rings out across the course to signal an inquiry has been called.
- Stewards are looking at whether each horse has been run on its merits, whether any cases of interference might have affected the final positions of the horses and to make sure there have not been any breaches of the rules. They will replay a race several times before satisfying themselves that the race can be cleared or deciding that they do need to call a formal enquiry.
- ■While this is occurring, jockeys are being weighed back in by the Clerk of the Scales to ensure they have not lost or gained any weight.

THE WHIP: A WELFARE ISSUE, NOT A WELFARE PROBLEM

Background: In 2011 we undertook a comprehensive review of the whip rules in consultation with stakeholders, and concluded that the current design, together with effective controls on its use, did not compromise the welfare of horses.

In order to reduce the number of offences, instigate a cultural change in riding style among British riders, promote good horsemanship and safeguard the welfare of horses and public perception of the sport, we:

- Reduced the permitted number of uses seven for flat and eight for jump racing
- •Introduced a new penalty structure
- Provided stewards with the discretion to assess the ride and use of the whip as a whole

Figures for 2015, compared with those in 2010 (the last full year before the introduction of the current rules) show that:

- Despite effectively halving the threshold that triggers the stewards to review a ride for use of the whip, total whip offences have reduced by almost half (48 per cent) since 2010, from 1,029 (out of a total of 92,025 rides) to 538 in 2015 (out of a total of 88,075 rides), continuing a longterm, downward trend
- In 2015, the number of whip offences, expressed as a percentage of total rides, was 0.61 per cent, compared with 1.12 per cent in 2010
- Cases of interference have fallen by 40 per cent since the introduction of the new rules
- In 2015, the number of instances where the use of the whip resulted in jockey suspensions of more than seven days fell by a third to 41, compared to 2014

- Just three horses (or 0.003 per cent of the total number of runners) were wealed as a result of whip use in 2015, compared to an average of 20 a year before the BHA amended the rules. Veterinary officers examine horses after each race and report to the stewards any horse they believe has been wealed as a result of the use of the whip.
- As a percentage of total rides, whip offences are proportionately higher for flat racing (0.41 per cent of all rides) than for jump racing (0.2 per cent of all rides)
- Statistics for the top five jump jockeys in 2015 show that between them they incurred just five offences out of a total of 3,896 rides (0.12 per cent), with two out of the top five jump jockeys not incurring any whip offences at all
- •In 72 Group or Grade 1 races in 2015, six winning rides incurred a whip suspension (2014: 4). Between 2014 and 2015, the total number of whip suspensions in these types of races rose from 13 to 22.

What next?

Our view is that, overall, the new rules and penalty structure have had a significant, positive effect on jockey behaviour, reducing the number of whip offences and safeguarding the welfare of racehorses. We are continuing to monitor the use of the whip with both horse welfare and public perception in mind.





INTEGRITY

An essential part of the work we do is concerned with maintaining high levels of integrity in horseracing. This creates a level playing field for all participants and helps to maintain public confidence in our sport.

Our willingness and ability to investigate issues such as race-fixing, corrupt betting, doping and other serious rule breaches helps to ensure our sport has high levels of integrity.

While it is only a very small minority of people who set out to break the rules deliberately in order to gain an unfair advantage, our message to anyone tempted to break the rules remains clear: it is simply not worth it, as the risks far, far outweigh the potential rewards.

Our work in this area includes:

- Live-time monitoring of racing, the betting markets, and sources of information such as social media
- Licensing and permitting the sport's jockeys and amateurs, trainers, registering owners and members of stable staff, inspecting trainers' premises and assessing them against the required standards. We also licence riders' agents, valets and equine pools.
- Conducting investigations into potential breaches of the Rules of Racing, and subsequent prosecutions
- Reviewing races already run to check for possible breaches of the Rules of Racing, with a view to potentially reopening in front of a disciplinary panel

 Running the sport's anti-doping programmes for horses and professional jockeys and amateurs

In the course of 2015, we took a number of significant steps to ensure that racing remains clean and fair.

We recognise the importance of educating all riders, trainers and owners about the rules and how to comply with them. During the year, our staff gave more than 50 integrity talks to groups of people across the industry. We also rolled out an educational video featuring Fergal Lynch talking about his experience of becoming involved in corrupt activity, what he learned from that and the advice he now gives young jockeys to help them to avoid making similar mistakes.

We have continued to make our collection of intelligence and our investigative processes more effective and efficient, including developing new software for monitoring betting activity, and also a system for secure electronic sharing of information between the Integrity team and the BHA raceday teams.

We have also sought to be more robust and to act swiftly when faced with noncooperation during our investigations. **50**

Industry-wide integrity talks held

The intelligence led risk-based approach to stable inspections has led to a further drop in the number of High Risk inspections which have now reduced by 12 per cent since implementation.

Our team of stable inspectors have consistently contributed to the educational programmes at British Racing School and Northern Racing College, speaking on more than 40 occasions.

Durring 2015, we completed the process of moving our licence and permit applications online. This means that all licensing applications are now made through an online system, with each applicant being able to access their own details securely.

We are currently reviewing the training provided to, and our industry's requirement for jockeys. On current figures, fluctuations in the number of flat and jump jockeys is quite small and we have more now than 10 years ago. We do not consider the decline in apprentice jockeys to be an issue, with the general consensus that current numbers outstrip demand. We are monitoring closely the number of conditionals, although the decrease here is balanced out by the increase in Category B riders, some of whom go on to take out a professional licence.



TRAINERS

	2011	2012	2013	2014	2015
Flat only licences	41	40	41	47	47
Jump only licences	46	49	52	51	52
Combined licences	494	468	465	461	452
All licensed trainers	581	557	558	559	551
Permits to train	136	119	112	101	34
Total	717	676	670	660	585

PROFESSIONAL JOCKEYS

	2011	2012	2013	2014	2015
Flat jockeys	125	123	129	120	122
Apprentice jockeys	133	136	137	139	126
Jump jockeys	99	94	95	97	93
Conditional jockeys	97	110	106	101	100
Total	454	463	467	457	441

AMATEUR RIDERS

	2011	2012	2013	2014	2015
A - Flat only	58	56	51	49	55
A - Jump only	41	29	28	30	55
A - Dual purpose	119	104	94	97	107
Category A - Total	218	189	173	176	217
Category B	153	151	137	131	156
Total	371	340	310	307	373

ALL RIDERS - PROFESSIONAL AND AMATEUR

	2011	2012	2013	2014	2015
Total	825	803	777	764	814

 $Note: These \ figures \ are \ based \ on \ the \ average \ number \ of \ individuals \ licensed \ /permitted \ by \ month, \ which \ differ \ slightly \ from \ the \ number \ of \ licences \ issued.$

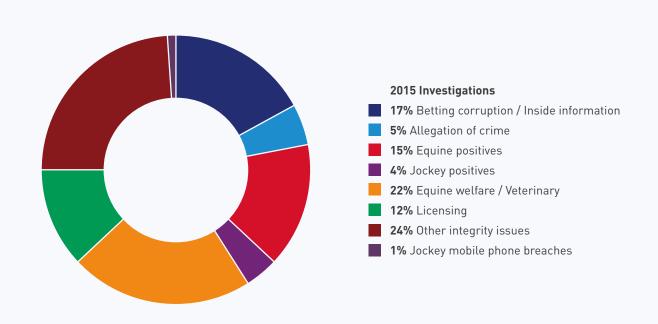
DISCIPLINARY PANEL CASES

	2015
Exclusion order by the disciplinary officer (4 indefinite, 1 until 18 October 2016)	5
Exclusion following disciplinary hearing	3
Disqualification following disciplinary hearings	5
Disqualifications for debts / arrears*	13
Total exclusions / disqualifications	26
Appeals from racecourse**	26
Referrals from racecourse	37
Other disciplinary cases***	7
Compliance cases from integrity	26
_Total	96
Appeal board	2

^{*4} people for unpaid training fees; 9 for arrears to racing. Of the total 13, 7 have subsequently paid. **6 upheld; 5 upheld in part; 15 dismissed (of the 15 dismissed, 11 deposits returned and 4 forfeited). *** Including point-to-point. Note: Not all investigations go to Compliance or become disciplinary cases. Some cases are finalised by warnings together with educational advice, some investigations are a means of assessing a person's suitability to be licensed or registered and some investigations are closed after enquiries with no case to answer or unfounded allegations – this occurred in a number of reported welfare cases.

INVESTIGATIONS

	2014	2015
Intelligence	3,500	3,126
Investigations opened	113	102



ANTI-DOPING

We continue to be intelligence-led in our activities, including our testing programme, and the work of our stable inspecting officers in compiling relevant data has been crucial in helping us to do that even more effectively.

We carried out an extensive programme of equine raceday and out-of-competition testing, the results of which are shown below. We believe this is an important deterrent in our anti-doping work.

The 14 adverse analytical findings were for substances prohibited on raceday, rather than substances prohibited at all times, i.e. those therapeutic substances that can be used legitimately in training but are not permitted to be in the horse's system on raceday.

While we will never be complacent, the figures show that our extensive testing programme did not find any instances of deliberate doping in 2015.

EQUINE PRE- AND POST-RACE TESTING

	2015
Number of races	10,041
Number of runners	88,078
Analysed (pre-race)	195
Analysed (post-race)	8,475
Adverse analytical findings (pre-race)	0
Adverse analytical findings (post-race)*	14
% Adverse analytical findings (pre-race)	0.00%
% Adverse analytical findings (post-race)	0.17%

Note: All adverse analytical findings (post-race) for prohibited on raceday substances. *Figure does not include one adverse analytical finding (post-race) for a prohibited on raceday substance in a point-to-point sample.

EQUINE OUT-OF-COMPETITION TESTING

	2015
Samples analysed in yards	704
International runners and permanent imports	323
Anabolic steroid testing at public auctions in Britain	463
Total	1,490
Adverse Analytical Findings (Prohibited at all times)	0
% Adverse Analytical Findings (Prohibited at all times)	0.00%

The new equine anti-doping rules give us greater powers to access registered horses for testing purposes, and more stringent penalties for people found to have administered prohibited-at-all-times substances, and a stand-down period for the horse concerned.

The Rules apply to:

- Anabolic agents
- Substances not approved for veterinary use
- Peptide hormones, growth factors and related substances
- Hormone and metabolic modulators
- Manipulation of blood and blood components
- Blood transfusions
- •Genetic and cellular manipulation
- Oxygen carriers

We worked extensively to roll out the new rules and accompanying guidance, and to introduce associated initiatives such as anti-doping testing at the sales in Britain and overseas, and testing of international runners and permanent imports. We will continue to work hard in this area to address both current and emerging threats, and to continue to take a leadership role internationally. A good example of cross-border collaboration is our ground-breaking work with Racing Victoria in relation to their cobalt cases.

We tested 59 international runners last year - 33 by regulatory veterinarians in their home country prior to arriving in Britain and 26 by our veterinary surgeons on arrival. In addition, we tested 264 horses for permanent import purposes. This figure excludes horses sampled at Keeneland in the USA, which were counted as the permanent import sample if the horse was imported within 60 days.

In collaboration with the sales houses, we introduced anabolic steroid testing at public auctions in Britain from August, testing 463 horses sold at major British sales.

59

International runners were tested last year

463

Horses sold at public auction in Britain tested for anabolic steroids





Summary of the new anti-doping rules

- A racehorse must not be administered any substance that is prohibited at all times, including anabolic steroids, at any point in its life.
- Any horse administered any substance that is prohibited at all times, including anabolic steroids, will face a mandatory stand down period from training for 12 months and will be ineligible to start in any race in Britain for 14 months.
- •All horses must be available for testing at any time, regardless of physical location and whose care the horse is under, from the time it is first registered with the General Stud Book.
- The Responsible Person will be the trainer while the horse is under their care or control and the owner at all other times. The owner of a horse not yet in training shall be presumed to be the breeder of the horse unless proven otherwise.
- All horses born in Britain must be registered with Weatherbys within 12 months of birth, and from 2017, within six months of birth. Permanently imported horses must be registered with Weatherbys within 90 days of arrival in Britain accompanied by a sample

- that shows no evidence of administration of anabolic steroids or other substances prohibited at all times.
- Due to their like-policies, horses imported from Ireland, France, Germany, Sweden and Hong Kong which have spent 12 months under their equivalent policies will be exempt from this requirement. Likewise, runners from Ireland, France, Germany, Sweden and Hong Kong will be treated as British runners and sampled as per the standard testing policy.
- All other foreign runners must be in Britain (and the BHA notified of their whereabouts) a minimum of 10 business days in advance of their intended race to facilitate post-arrival sampling and analysis, the results of which will be received prior to the horse running. If, in exceptional circumstances, a horse is not able to be present in Britain 10 business days before racing and the BHA has consented to a late arrival, then it must be tested before being imported. The sample must show no evidence of administration of anabolic steroids or other substances banned at all times. When the horse runs, it will also be subject to the standard testing policy.

INTEGRITY REVIEW

During the year we carried out an Integrity Review, a substantial piece of work in which we consulted with more than 100 individuals from racing and the betting public, and subjected our findings to robust, external challenge by a panel of leading experts from the fields of sport, regulation and also our own industry.

The review focused on how we can continue to develop a modern and contemporary approach to integrity; improve efficiency, consistency, and communication; demonstrate greater openness; and show that we are fair, accountable and in tune with our sport's participants.

Key elements covered by the review included the timeliness of investigations, case management and processing of applications; communication; participant engagement and education; internal processes and performance monitoring; and technological threats and opportunities.

Overall, the review confirmed that a good level of integrity exists within British horseracing. It also identified a need for the BHA to review its disciplinary structure and to further improve some aspects of operational delivery in order to maintain and increase the effectiveness of its integrity function and confidence in it.

Integrity recommendations:

- 1. The establishment of a stakeholder integrity forum to act as an advisory group, forming a united front to help keep corruption out of horseracing. Membership will include licensed personnel and other figures who have expertise and insight into this area. They will also hold the BHA to account on the implementation of these recommendations.
- 2. Improvements to be made to the investigation, case management and disciplinary process, including providing a formal investigation charter to everyone involved in an investigation, at the outset, which will clearly set out their rights and obligations and what they can expect from the process, as well as a code of conduct.

We will also develop a fast-track process to deal with minor or admitted offences outside the full disciplinary process, with formal cautions and agreed sanctions. Also it will carry out a review of the level of penalties for minor rule breaches.

- **3.** Formalising a new integrity strategy which has at its core the objective to do more to educate and protect the overwhelming majority of participants who comply or are trying to comply with the rules.
- **4.** Working closely with stakeholders to review the structure, composition and processes of the Disciplinary Panel, Licensing Committee and Appeal Board to make sure that the sport's participants have full confidence in them.
- **5.** Look at what improvements can be made to the way in which the media, racing and betting public and the sport's participants are informed on what the BHA are doing to protect the integrity of the sport.
- **6.** Extend our partnerships with other organisations across the betting industry, other racing jurisdictions, other sports and regulators in order to increase our access to intelligence.





INDUSTRY PEOPLE AND DEVELOPMENT

We recognise that the people within racing are critical to the ongoing success of the sport and we are committed to supporting their needs and also the communities within which they operate.

A sport as diverse and extensive as ours requires a highly-skilled workforce and one with opportunities for further training and progression.

While focusing on growth and expansion opportunities for our participants, it is also important that we help support the welfare requirements of all participants and provide cross-industry support, while encouraging new people into the industry.

Our work in this area includes:

- Implementing and overseeing Racing
 Together, the sport's community
 engagement programme, and its vision of
 being a force for good in local communities
- Working with various welfare charities to ensure the welfare requirements of all racing's participants, including stud and stable staff, jockeys and trainers, are taken care of
- Management of training, development and career progression for jockeys, stud and stable staff
- Running the sport's premier employment hub, careersinracing.com

During 2015 we were involved with, and led a number of significant projects which continue to foster and develop our people and celebrate the excellent work of racing within the community.

Education

Education is a cornerstone of our community engagement, but also our work to foster talent and interest in the sport.

With funding from the Horserace
Betting Levy Board (HBLB) we increased
engagement with equine college students by
delivering careers lectures, reaching more
than 500 students last year. We also formed
partnerships and undertook sponsorship
activity with the Pony Racing Authority
and The Pony Club and careers advice
programmes such as 'Notgoingtouni'.

Training and Development

Training, development and career progression for jockeys, stud and stable staff is at the heart of our vocational and jockey training strategies. At the same time, maintaining a workforce of potential and suitable candidates into the racing industry remains a significant challenge, especially when promoting careers to young people of school age.

500

Students reached through our career lectures

As part of our ongoing commitment to maintaining and growing the industry's workforce, we have:

Continued refinement of the careersinracing website, which provides an ongoing pipeline of potentially suitable candidates, attracting a new workforce and aiding career development. There were 342,000 visits to careersinracing. com in 2015, a rise of 16 per cent on 2014.

careersinracing.com

- Launched a trial of employer-led training in 2015, with a minimum of 20 places available in 2016. This Programme is a gateway for over 19s to enter the industry who are no longer eligible for government funding or through the Apprentice Scheme.
- Undertaken strategic work with Equine Colleges, the Pony Racing Authority and Pony Clubs to engage young people with an interest in horses.
- Expanded the integrated marketing plan under the careersinracing brand, with initiatives supported by and developed with stakeholders.
- Enhanced Jockey training and development through the introduction of personal development planning for apprentice and conditional jockeys, aligning them with other professional sportsmen and women.
- Reviewed racing's well-established and internationally-recognised training programmes, which led to curriculum review, increased access points for new entrants and collaborative training initiatives, with further expansion planned in 2016.
- Ensured that more than 1,000 individuals were able to access industry-specific training in 2015 with almost 800 registering for racingrelated qualifications.

We also worked with the HBLB and the University of Liverpool to create a new MBA qualification designed for individuals wishing to develop their career in the industry. The course is the first of its kind in racing and combines the modules of a world class MBA with the specialist needs of the British and global horseracing industry.

The core elements of the programme include leadership, strategy, managing the environment, innovation, entrepreneurship and managing financial resources. Each candidate will also gain understanding of management of racecourses and training centres, marketing, advertising, sponsorship, bloodstock management and veterinary issues. The course offers vocational training through industry placements and visits to racecourses, studs, training facilities, media companies and companies in the betting industry.

Welfare

The day-to-day welfare of all of racing's participants is of paramount importance to us. As part of our commitment to our people - including stud and stable staff, jockeys and trainers - during the year, we recruited a Welfare Development Manager to provide coordination and strategic oversight of welfare initiatives, creating an enabling link between the BHA and the organisations that provide welfare services to the racing workforce. Further key developments in 2015 included major enhancements to injury rehabilitation and occupational welfare services, an ongoing review of insurance and employee benefits, and a Racing Foundation pledge of £1 million to fund further welfare initiatives until 2017. On top of this, we secured a further £1 million of funding from the Racing Foundation for a People Development Plan for Racing's Workforce which will include enhanced careers marketing, careers advice and training service, personal development planning for jockeys and accessible learning for stud and stable staff.

£1million

Size of Racing
Foundation pledge to
fund welfare initiatives

Community engagement

Through Racing Together, we seek to give something back to the communities in which racing operates and ensure we are delivering on our objective of building a prosperous future for our sport.

In 2015 we partnered with Active
Communities Network, a nationwide group
empowering young people at risk and out of
work or education, to engage with new areas
previously untouched by racing, including the
provision of sports-based social development
programmes and employment pathways
based on key geographic hubs.

We were also involved with a two year pilot programme in which Aintree became the first Beacon Racecourse, a project which aims to build stronger relationships with local children and their communities through initiatives which include educational schemes, hands-on pony days and work experience opportunities.

Racing benefits from a huge amount of volunteer work. To acknowledge this and to give something back to the community, racing donated up to 300 hours of volunteer time across the country as part of the nationwide Give and Gain Day.

"Our vision for British racing is quite simply to be seen as a force for good and recognised as outstanding among sports for our contribution to the communities in which we operate." **Sean O'Connor,** Racing Together's Community Engagement Manager



Racing Together is an initiative designed to enhance and coordinate racing's community engagement. We lead and implement the programme which is defined by four pillars, being: racing, education outreach, local life and helping others.



Tickets for Troops

We have worked with Tickets for Troops since 2010 by arranging free admission to racing for servicemen and women thanks to the generosity of Britain's racecourses.

In 2015, **7,738** tickets were used by members of Tickets for Troops providing servicemen and women the opportunity to enjoy a free raceday, including to some of the sport's premier racing events.

Tickets for Troops is a charity that supports the work of serving military personnel and veterans who have been medically discharged from the Forces since 2001, by offering tickets to some of Britain top sporting and entertainment events.



OUR SPORT

COMMUNICATIONS AND CORPORATE AFFAIRS

As part of our commitment to growing our sport, we represent and advocate on behalf of the whole industry to Government and external organisations in order to ensure that British racing – a major sport and significant employer in the British rural economy – can grow.

2015 was a pivotal year for British racing with regards to its political engagement – with Government committing to the introduction of a replacement funding mechanism for the Horserace Betting Levy in the March Budget.

We co-ordinated development of a cross-industry response, and associated grassroots representations to MPs and the Department for Culture, Media and Sport (DCMS), during the consultation on the proposed Horserace Betting Right, and secured the support of all major political parties in Westminster behind its introduction.

The 2015 General Election, with the Conservative Party's majority victory and the gains of the Scottish National Party, brought significant changes to Britain's political map. This also had a major impact on racing with a quarter of British racecourses having new constituency MPs following the vote.

We led a significant programme of engagement with new and returning MPs across the sport's substantial constituency footprint in the weeks after the General Election, aiming to maintain cross-party support for the industry. This helped secure a further commitment from the Chancellor in his post-election Budget to introduce a Horserace Betting Right.

Aside from the key issue of the funding of the sport, further highlights of 2015 include:

- Participation in a July 2015 European and Mediterranean Horseracing Federation delegation to Brussels, meeting with European Commission Officials and Members of European Parliament
- A November 2015 Parliamentary reception

 attended by representatives from across

 British racing and the major political parties
 in Westminster and other Parliamentary
 briefings and events throughout the year
- Co-ordinating submissions on behalf of the sport to a number of Government and Parliamentary consultations including gambling policy, apprenticeships, the secondary ticketing market,
 BBC Charter renewal, DCMS sport strategy and greyhound welfare
- Assisting trainers and racecourses in local political engagement and representations to planning authorities on a variety of issues



"British racing is a massive success story and I wanted to come and see and hear about it for myself. It's an industry worth over £3 billion, employs well over 100,000 people. It's now the second most popular sport – racing – after football in our country.

"This is a success story ... and we want to make sure it's continued."

Prime Minister, Rt. Hon David Cameron MP, Newmarket Heath – February 2015

Horserace Betting Right

In the 2015 Budget, the Government confirmed its commitment to introduce a Horserace Betting Right which would result in a fair return to racing from all betting operators on their offshore and remote activity, activity which currently falls outside the scope of the current Levy system.

We led racing's engagement with Government and Parliamentarians, with the active support and involvement of the RCA and Horsemen's Group. There has been regular contact since October, including a Parliamentary reception held by racing in November.

The Government has recently announced its intention to introduce a Levy replacement by April 2017.

In partnership, we will continue to represent the importance of the replacement being introduced as soon as possible and work with Government on the detail of the new system.

Godolphin Stud and Stable Staff Awards

We run the Godolphin Stud and Stable Staff Awards annually with support from the Racing Post and thanks to the generous sponsorship of Godolphin.

The awards ceremony has become an increasingly prestigious event which reflects the importance of our stud and stable staff, who make up the backbone of our industry and play an invaluable role in caring for our equine athletes.

Established in Britain in 2005, the awards have gone from strength to strength and have since been rolled out in Ireland, Australia and recently America.

Jessica Fortt, Stud Manager for Dunraven Stud, was named Employee of the Year 2015 and was awarded with the perpetual Godolphin Trophy by presenter Clare Balding and special guest presenter and three-time Champion Flat Jockey Ryan Moore. Jessica was presented with a cheque for £30,000 for being named Employee of the Year, with the money to be split equally between Jessica and Dunraven Stud, plus a further £10,000, again split equally, for winning the Stud Staff Award.

The 2015 Godolphin Stud and Stable Staff winners were:

Employee Of The Year: Jessica Fortt, Stud Manager – Dunraven Stud Rider/Groom Award: Simon Archer.

Groom – Sir Mark Prescott

Stud Staff Award: Jessica Fortt

Leadership Award: Johnson White,

Assistant Trainer – Philip Hobbs

Dedication To Racing Award: Lesley White, Travelling Head Lass – Mick Channon

David Nicholson Newcomer Award:

Tegan Clark, Head Lad – Olly Stevens

Administration Staff Award: Peter Shoemark,

Racing Office Manager - John Gosden



UNDERSTANDING THE AUTHORISED BETTING PARTNER SCHEME

British racing's Authorised Betting Partner (ABP) is a voluntary scheme that aims to reward betting operators who commit to making a contribution on their betting activity to fund British racing. In recognition of their support, betting operators are able to use the ABP logo and become eligible for any additional benefits that supporters of the scheme choose to offer to ABPs.

Why ABP?

British racing, acting through the Members' Committee, announced the ABP scheme in October 2015 in order to address significant falls in Levy funding, and to achieve a level of certainty as to the future funding of British racing.

Whilst the Government has committed to replacing the Levy mechanism by April 2017, ABP contributions are vital to delivering interim funding to our sport.

Under the current Levy arrangements, betting operators pay a percentage of their gross revenues on British racing generated from onshore business - largely bricks and mortar, as most online betting is offshore.

This payment supports many areas of racing, including prize money, integrity and veterinary research. In recent years there has been a significant shift in consumer behaviour with about 50 per cent of betting activity on British racing now taking place through remote channels such as telephone, mobile and the internet. As betting operators have moved

their remote businesses offshore, the income that British racing received from the Levy has fallen significantly. If no action was taken, we estimated the amount of money that British racing received from the Levy would fall from its previous peak of more than £100 million (in 2008) to less than £50 million by 2017. The aim of the ABP scheme is to achieve a level of certainty as to the future funding of British racing, which will enable the sport to deliver a stable and valuable betting product alongside its other strategic objectives, for the benefit of both the betting and racing industries.

If realised, the anticipated fall in Levy income will have a significant negative impact on the following areas:

- Prize money, for the benefit of all participants including owners, trainers, jockeys and stable staff
- Fixture funding and incentives
- Regulation and integrity
- Financial support for British racing
- Veterinary science and education
- Industry education and training



Under the ABP initiative, British racing aims to partly address the forecast Levy shortfall, protecting these areas and encouraging investment across the sport. It is, however, an interim initiative only, with the voluntary payments achieving rates that would not be sustainable in the longer term.

Who can become an ABP?

All betting operators (both onshore and offshore) who accept bets on British racing from UK customers are able to qualify for ABP status.

How can a betting operator become an ABP?

Offshore remote betting operators can become an ABP of British racing if they agree to pay a fair and proportionate contribution to British racing.

Onshore betting operators can become an ABP if they confirm to British racing that they pay Levy on all British horseracing business and agree to pay the contribution rates set out in the rate card if they move their business offshore before March 2019, until the end of the ABP term.

What do ABPs contribute to British racing?

From April 2016, ABPs have agreed to make a fair and proportionate contribution to British racing.

ABPs' commitments to British racing span three years and they pay their contributions quarterly in arrears to the Horserace Betting Levy Board.

How does the industry support ABP?

Supporters of ABP, including racecourses, may, acting independently, and at their absolute discretion, negotiate with those betting operators which have satisfied the ABP qualifying criteria on a preferential basis. The individual ABP arrangements put in place between each ABP and relevant commercial entity is a matter for individual, bilateral negotiation.

The individual ABP arrangements for supportive racecourses may include the following:

- Sponsorship and commercial marketing rights at racecourses
- Access to on-course wifi services
- Co-operative marketing to support ABPs
- Preferential pricing structure with media rights holders for ABPs
- Use of internal assets to promote ABPs

Find out more

British racing has a dedicated ABP webpage which may be viewed at:

http://www.britishhorseracing.com/bha/ authorised-betting-partners/ ABPs OF BRITISH RACING AS AT 12.04.2016





















THE HORSE COMES FIRST



The Horse Comes First aims to increase awareness of the high standards of equine welfare in British racing. The initiative is helping improve the understanding of the care given to our horses throughout and after their careers in racing.

The campaign is financially supported and endorsed by a broad cross-section of British racing's representative bodies.

Did you know?

- Among a population estimated to be around
 1 million, racehorses in Britain are among
 the healthiest and best looked after two
 per cent of horses in the country
- The sport employs over 6,000 people to provide constant care and attention for the 14,000 horses in training, providing them with a level of care and a quality of life that is virtually unsurpassed by any other domesticated animal
- British racing is committed to providing the best possible standards of veterinary care for its horses and has invested, via the HBLB, over £32 million since 2000 in veterinary research and education
- British racing is open and transparent about the risks involved. Over the last 20 years, the equine fatality rate in British racing has fallen by one third (from 0.3 per cent to 0.2 per cent of runners). 2015 saw the lowest fatality rate on record at 0.18 per cent of all runners.

The Horse Comes First campaign undertakes a year-round programme of activity at racing

and wider industry events to promote the high standards of equine welfare in the sport, with year-round online content for those interested in finding out more provided at the dedicated campaign microsite, www.thehorsecomesfirst.com.

A highlight of 2015's activity was The Horse Comes First Racedays across Newmarket, Nottingham and Newcastle racecourses on 25 June, with horse welfare-themed content at each racecourse. This included a 'painted horse' demonstration to more than 150 local schoolchildren at Newmarket, with equine vets explaining how a thoroughbred racehorse's organs operate to provide the power for it to run at speed over sustained distances, and a Prince's Trust behind the scenes tour of the stables at Nottingham.



RETRAINING OF RACEHORSES



Retraining of Racehorses (RoR) is British racing's official charity for the welfare of horses who have retired from racing.

The BHA provides administrative support to the charity, financial management support and company secretarial services and legal advice.

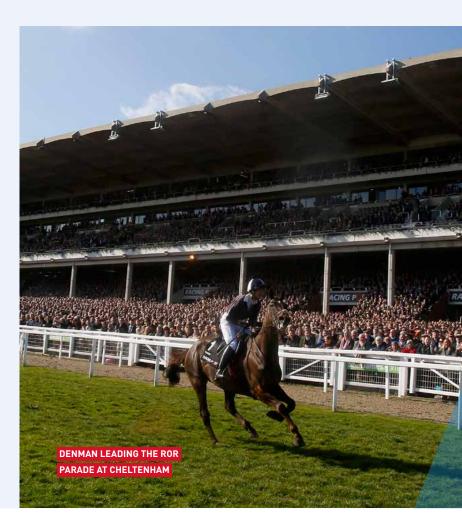
The charity:

- Raises funds from within the racing industry for the retraining and rehoming of former racehorses
- Provides a safety net for vulnerable former racehorses
- Promotes the adaptability and versatility of racehorses to other equestrian activities
- Runs and funds a well-established programme of competitions and educational events across the country
- Provides information for owners and trainers in both the racing and equine industries to assist with the rehoming and retraining of their former racehorses

2015 was a progressive year for RoR, with highlights including:

- Registered the 11,000th horse to the charity in October
- Appointment of leading jockeys Richard Johnson and Frankie Dettori as RoR Ambassadors. The two jockeys have firsthand experience of rehoming former racehorses, including horses that played a pivotal role in their respective careers
- Staged the RoR Awards, hosted by Clare Balding OBE

- Held the inaugural RoR National Championship Show exclusively for former racehorses at the Aintree Equestrian Centre, with the show attracting 464 entries
- Held a public auction aimed specifically at horses leaving racing in conjunction with Brightwells
- Released the I Can Change film which can be viewed at www.ror.org.uk



GREAT BRITISH RACING

Racing Enterprises Limited (REL) is a subsidiary of the BHA, owned and operated as a joint commercial venture between the Horsemen's Group and Britain's racecourses. Its leading role is the promotion and marketing of British horseracing.

REL has an operating budget of £1.8 million per annum derived from the sale of Pre-Race Data rights revenue currently contracted with the Racecourse Data Company for a term of five years.

REL is a 13.9 per cent equity stakeholder in British Champions Series Limited.

REL also contributes financially towards
Great British Racing International (GBRI),
which was set up to facilitate and grow
international investment into the British
racing and breeding industries. It provides a
bespoke service for those seeking to invest
in the highest levels of thoroughbred racing
in Britain, as well as marketing British
racing to a wider international audience.

REL's operating arm, GBR, is the sport's central marketing and public relations organisation, whose aim is to broaden the appeal and raise the profile of British racing. Each of GBR's objectives is connected to the overarching aim of growing the number of people who engage with horseracing, whilst helping to grow the sport's commercial revenues – which should benefit all participants.

GBR objectives:

- Grow racing's audiences and fan engagement (attendances, viewing, betting)
- Attract new and retain existing owners within Britain
- Support racing's exploitation of its commercial values and sponsorship opportunities via wider industry initiatives
- Support racecourses and the RCA in the development of consistently good customer experiences across racing

2015 highlights

Sir Anthony McCoy's announcement of his retirement in February 2015, provided racing with the chance to celebrate a living legend. GBR co-ordinated all national public relations activity, including social and digital media campaigns. By the day of his retirement on 25 April, the #ThanksAP hashtag had achieved 80 million timeline deliveries, reaching over 23 million Twitter users, was the number one trend in Britain and the raceday at Sandown was a sell-out. This demonstrates the benefit of a co-ordinated approach to racing's major public relations stories.

The launch of the new Stobart Flat Jockeys' Championship enabled the sport to promote its stars in a more dynamic way. The giant **23**m

Twitter users reached by the hashtag #ThanksAP

1m

Views of Frankie Dettori 'Day in the Life' video in first week



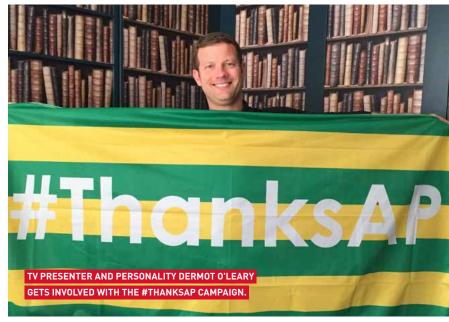
jockeys on the Stobart trailers provided a permanent and powerful advertisement for the sport on the nation's motorways throughout the summer.

The year marked significant growth in social and digital media, with GBR's use of these mediums enabling the sport to reach existing and new fans in interesting and relevant formats. Video content led the way in engaging audiences and the most popular piece of film in 2015 was the Frankie Dettori 'Day in the Life' video, which was viewed a million times within a week of its release.

GBR also led an audit of the racecourses' social and digital media capabilities which focused on how racing could reach more people, spend its marketing budgets effectively and leverage its platforms to make more of our big moments.

The promotion of racing's biggest occasions remains an effective way to secure editorial space in print, broadcast and digital media. By leading with QIPCO British Champions Series to highlight the finest moments on the flat, or by developing content around jumps racing via the Cheltenham Festival and Crabbie's Grand National, GBR was able to complement the excellent work of the racecourses and maximise exposure.

On a daily basis GBR continued to react to news opportunities big and small. As an example, GBR is the organiser of the daily Talksport interviews, arranging interviews with horsemen giving racing a permanent presence during a prime-time slot.





GBR, in conjunction with the RCA, also led racing's biggest ever piece of consumer research in 2015, entitled Insight = Growth. A summary of the project can be downloaded from the media section of the Great British Racing website, www.greatbritishracing.com

Looking ahead

2016 will be about strengthening this integrated approach to public relations and marketing and further refinement of GBR's activity. Where possible GBR will measure the success of its campaigns and share best practice with the industry.

GBR will continue to act as the vehicle for trial and innovation (JockeyCam and live televised stewards' enquiries were initially trialled by GBR) and best practice, such as the Insight = Growth project and social and digital media audit.

In terms of specific areas of focus:

Digital growth

GBR's and racing's digital channels offer sizeable opportunities to reach more people with diverse content. The sport is making great progress in this sphere but the potential is greater. With social media and video dominating the ways in which people communicate and consume information, this will continue to be an area of focus as will video content. 63 per cent (24 million) of Facebook's 38 million British users have expressed an interest in sport and GBR wants that sport to be horseracing.

Ownership - national campaign

A national campaign to promote the thrill of ownership through clubs or syndicates and further development of the ownership information website. This supports the broader Industry Strategy ownership pillar.

Come Racing - national campaign

Based on the recent consumer insight, GBR will act upon the opportunity provided by reaching a proportion of the 34 million people aware of but not currently considering racing, with a national campaign over the summer.

Under 18s/Kids Go Free - national campaign

Unlike the majority of other leading sports, most racecourses offer free admission to Under 18s, which is a powerful tool to engage with the younger generation and makes a day at the races great value for families.

Championships

Racing's flat, jump and all weather jockeys', trainers' and owners' championships provide the basis for many storylines. Across all sports, people are interested in the best. GBR's improved, better-structured and sponsored formats provide the chance to do more to promote the stars of racing.

British Champions Series

British Champions Series will continue to be an important vehicle to drive wider audience engagement through promoting the premier flat racing season highlights.

Natural racing highlights

GBR will continue to maximise major public relations opportunities as they arise and co-ordinate activity to generate wider exposure for the sport.

Her Majesty's 90th Birthday celebrations

This important occasion provides numerous opportunities to engage with the public through HM The Queen's deep connection with horseracing.

Insight = Growth

GBR will continue to work with the RCA in ensuring insight informs our communication and sales strategy.

#ThanksAP



Broken Cheekbones Chipped teeth

Broken collarbones
Both shoulder blades

Broken ribs

Broken arm

Dislocated thumb

Broken vertebrae

1,000+ falls

The equivalent of falling from the world's tallest building, the Burj Khalifa.

Twice!

Broken leg

Broken ankle

GREAT BRITISH RACING



BHA ADMINISTRATION

Our administration function oversees and enables BHA's operations and comprises finance, office services, IT and programme management.

Financial management

Our financial strategy is to break even over the medium term and in the main, we are achieving this objective. Having made a surplus in 2012 and 2013, we took the opportunity to support the sport's participants by holding fees in 2014 while delivering significant increases in activity. These two factors combined meant we made a financial loss of £1.36 million and had a cash outflow of £2.25 million, equal to the cash inflow between 2010 and 2013.

In 2015, we budgeted a financial deficit of £0.14m and cash outflow of £0.46 million in order to deliver increased output as the BHA took a leading role in the sport's wider industry strategy. However to fund this growth, fees on participants were increased for the first time since the beginning of 2012.

Operating a financially-viable budget remains one of our key objectives, and through careful financial management and the delivery of efficiencies across the business, we achieved this in 2015.

A detailed financial summary appears earlier within the Strategic Report from page 14 to 23, and audited accounts within the Financial Statements from page 105 to 138.

Projects and programme management

Our programme office tracks and supports projects and programmes, all of which are sharply focused on meeting our nine key strategic goals. With a strict budget and limited resource, the work to meet these goals must be carefully planned, managed and prioritised.

Projects are delivered by our internal development team using a modern and innovative approach to software development and process design.

Our IT and programme teams aim to provide the organisation with solutions that will provide maximum value now and in the future.

A significant area has been the delivery, with Weatherbys, of a new, upgraded set of systems for racing administration. This programme of development work, due to be fully delivered by the end of 2016, will provide a new racing administration website, a new facility for online management of owner's accounts and fully automated online owner registration. Our financial commitment to this programme is £0.8 million over 2015 and 2016 as well as supplying dedicated project management resource.

£800,000

Commitment to upgrading racing administration site



DIRECTORS' REPORT AND GOVERNANCE STATEMENT

Although neither the Group* nor the BHA are listed, the directors, mindful of BHA's position as the governing and regulatory body for horseracing in Britain, have sought to comply in all material respects with the applicable principles of good corporate governance, having regard to the nature of the Board's activities and its constitution.

Examples of the Board's corporate governance include:

- A separate Chairman and Chief Executive
- Laid down procedures
- Nominations and Remuneration
 Committees
- An Audit Committee
- The use of clearly defined authorities for all expenditure
- Adherence to the principles of better regulation and regular independent scrutiny of compliance
- Formal consultation processes with stakeholders on all matters of regulation and governance
- A directors' code of practice adopted by the Board
- Regular monitoring by the Board of directors

In particular, the directors have developed and maintained an effective system of internal control over the financial management of the Group, to provide reasonable assurance that its assets are safeguarded and that proper accounting records are kept. The systems, which are kept under review, include comprehensive budgeting systems with an annual budget approved by the Board and the regular consideration of actual results compared with budgets and forecasts.

Members

The members of the Company are:

- RCA
- ROA
- TBA
- Licensed Personnel Members
- *The Group comprises:

British Horseracing Authority Limited,
Racing Enterprises Limited (REL) and British
Horseracing Database Limited (BHD). BHD is
responsible for the maintenance and licensing
of the racing administration database.

12

Number of board members





DIRECTORS

Steve Harman	Chairman	Appointed 1 Jul 2013
Nick Rust	Chief Executive	Appointed 19 Jan 2015
Laura Whyte		Appointed 1 Dec 2014
Joe Saumarez Smith		Appointed 1 Dec 2014
Andrew Merriam	Independent Regulatory Director	Appointed 1 Sep 2012
Atholl Duncan		Appointed 1 Dec 2014
Eamonn Wilmott		Appointed 1 Dec 2014
Rupert Arnold		Appointed 19 Jan 2015
Sir Paul Stephenson	Independent Regulatory Director	Appointed 1 Jul 2015
Vivien Kyles		Appointed 1 Jan 2016
Julie Harrington		Appointed 1 Dec 2014
Nöel Harwerth		Appointed 1 Dec 2014

THE BHA EXECUTIVE TEAM

Nick Rust	Chief Executive
Adam Brickell	Director of Integrity, Legal and Risk
Carole Goldsmith	Director of People and Development
Gavin Jefferies	Director of Communications (with effect from Jan 2016)
Will Lambe	Director of Corporate Affairs
Ruth Quinn	Director of International Racing and Racing Development
Jamie Stier	Director of Raceday Operations and Regulation
Richard Wayman	Chief Operating Officer (with effect from Jan 2016)

BOARD MEMBERS

Steve Harman

Chairman

July 2013-present

Steve Harman became Chairman of the British Horseracing Authority in July 2013, having previously served as a Vice President at Royal Dutch Shell. Born and raised in Durham, Steve was educated at Durham University (BA Hons) and Warwick. From 1980 onwards, Steve worked for Royal Dutch Shell in positions across Europe, Asia and the Americas. Between 1999 and 2004 he was CEO of Shell Marine before becoming CEO of Pennzoil between 2005 and 2009. Latterly he ran Shell's Global Downstream Joint ventures. He has extensive experience of dealing with multiple stakeholders and government organisations, and has sat on various corporate boards whilst holding a variety of executive and non-executive positions in the UK, America and Asia. Steve is also a Director and Trustee of Help for Heroes, a Member of Durham University Council, a non-executive with two private equity firms, and a supporter and mentor to a number of small business start-ups. Steve has been a keen racehorse owner for over 20 years – both on the flat and over jumps – mostly in small partnerships with a variety of trainers. He currently has horses in training with Martin Keighley and Philip Hobbs, plus shares in various flat horses with Richard Fahey, Andrew Balding, Simon Crisford and Jeremy Gask.

Nick Rust

Chief Executive

January 2015-present

Nick Rust has over 27 years of experience in the betting and gaming industry, and joined the BHA from Ladbrokes PLC, where he was Managing Director, Retail, in January 2015. In his previous role he had oversight of around 2,500 betting shops and 13,000 staff. He re-joined Ladbrokes in 2011, having started at the firm as a cashier in 1987, and held roles at BskyB between 2002 and 2007, including as Managing Director of SkyBet, and at Gala Coral from 2007 to 2010, including as Managing Director, Remote Gambling and Coral Retail. He has extensive experience in industry and corporate affairs, having managed key relationships

with Government and regulators, and has excellent relationships across British racing. Nick has been an owner since 2005, and currently has horses in training with Micky Hammond in Middleham, North Yorkshire, for whose training business he has also served as a Director.

Andrew Merriam

Independent Regulatory Director

September 2012-present

Andrew Merriam is a chairman and a director with a number of other companies, including a director of Fakenham Racecourse. Currently Chairman of the BHA's Rules Committee, the Stewarding and Disciplinary Policy Committee and the Audit Committee, he was previously Chairman of the Disciplinary Panel and a member of the Regulatory Committee. He has acted as a racecourse steward at Newmarket, Cheltenham, Fakenham, Southwell and Yarmouth. Andrew Merriam was elected to The Jockey Club in 1997. He is Chairman of Jockey Club Estates and was appointed a Steward, for the second time, in 2008. Andrew owns and breeds national hunt horses to race under rules and in point-to-points.

Sir Paul Stephenson

Independent Regulatory Director

July 2015-present

Sir Paul had a highly distinguished career as a police officer over more than 35 years, holding senior command positions in Merseyside, Lancashire and London. In his roles with the Metropolitan Police Service – where as Commissioner he was the most senior officer in the UK – he advised governments on issues ranging from counter terrorism to serious organised crime and national police improvements, with a focus on modern, transparent and collaborative policing. He has served as trustee for a number of charities, and is currently a trustee of Crimestoppers UK. He leads the BHA board's efforts in its priority areas, ensuring that British racing is regulated to high standards, and seen by all to be fair and clean.

Atholl Duncan

December 2014-present

An experienced non-executive director in sports organisations, Atholl spent nearly 25 years with the BBC, initially as a journalist and TV news and sports producer, before rising to be Head of News and Current Affairs for the BBC in Scotland. He spent four years as Director of Corporate Affairs with Scottish Water and since 2011 has been Executive Director of ICAS, the professional body of Chartered Accountants. Atholl sits on numerous advisory boards, has worked with the Government on various business issues and has good knowledge of sports administration and governance. He was a non-executive director of Sportscotland for nine years, sat on the Scottish Sports Council Trust and currently sits on the board of the Hibernian Football Club Community Foundation. Atholl has been a regular race goer for more than 35 years and is a member of the Caledonian Racing Society, which has had various horses in training with Hughie Morrison.

Julie Harrington

December 2014-present

Julie Harrington has considerable knowledge and experience in British horseracing as a result of her eight year career with Northern Racing. Her final appointment was as Operations Director and prior to that she was Managing Director of Uttoxeter Racecourse. Julie's early career was with Whitbread Inns as Regional Marketing Director and then with British Airways as Retail Sector Director. Previously St George's Park Managing Director, Julie is now Operations Director across the FA's sites in Burton-upon-Trent and at Wembley Stadium. In addition to her extensive racecourse experience, Julie is also an owner.

Nöel Harwerth

December 2014-present

Nöel Harwerth and her husband are former breeders who now buy yearlings in Britain and Ireland and race in Britain. Nöel is active in both British and US racing and is involved with the National Museum of Racing and Hall of Fame. She was previously a Government appointee on the Board of the Tote and is currently non-executive director on a number of high profile financial services organisations, including Standard Life plc, GE Capital Bank Limited and London Metal Exchange. From 1998 to 2003 Nöel was the Chief Operating Officer of Citibank International and prior to that served as the Chief Tax Officer of Citigroup, Dun & Bradstreet Corporation and Kennecott Copper Corporation. She is also a qualified solicitor.

Joe Saumarez Smith

December 2014-present

As the CEO of Sports Gaming Limited, a London-based management consultancy to the gaming industry, Joe has for the past 15 years advised and worked closely with lotteries, governments, investment banks and operating companies on strategy, operational restructuring, finance and merger and acquisition. He continues to work with the Ontario Lottery as a Internet Gaming Expert, helping them move their land-based operations online. In 2012 Joe co-founded Bede Gaming Ltd, a provider of technology to the online casino and bingo industries, and one of the fastest growing companies in the north-east. Bede Gaming is licensed by the UK Gambling Commission and other international regulatory bodies. Joe has an MBA from the Wharton School of Finance, University of Pennsylvania, where he was a Thouron scholar. Joe has a deep rooted passion and understanding of horseracing, having been an avid follower of the industry since the age of eight. He was on the Jockey Club Graduate Programme and worked at the Racing Post. Over the past 20 years he has been a regular race goer and has been to more than 200 tracks around the world. He has written extensively about horseracing and gambling for a variety of publications, including the Financial Times, The Times, The Telegraph, and Bloomberg.

Laura Whyte

December 2014-present

Laura has had a highly successful career with the John Lewis Partnership. She was on the John Lewis Management Board for 10 years during which she saw the business grow from 22,000 to 34,000 employees and a turnover of £4.1 billion, most recently in the role of Human Resources Director. Prior to taking the role of Human Resources Director Laura also took on the role of Divisional Registrar; a board role unique to the Partnership, with the aim of delivering an objective, independent view and providing assurance to the Partnership Board that employees were appropriately supported, that their views were reflected in decision-making and that governance within John Lewis was correctly exercised. Laura has considerable non-executive director experience, she sits on the Defence People and Training Board within the Ministry of Defence and is a Trustee of Women in Retail. Laura is a keen horsewoman, and has owned her own horses for fifteen years. Her two pro bono activities are equine related – the British Equestrian Federation and Ebony Horse Club in Brixton - giving her experience of a wide range of equine issues and understanding of related governance in charitable and governing body sectors.

Eamonn Wilmott

December 2014-present

Eamonn Wilmott is a highly successful entrepreneur, with a record of considerable success in Britain and the US. Eamonn is the Founder and Managing Director of Horses First Racing, a state of the art training yard, in partnership with trainer Jeremy Gask. Having had experience in the training yard, and as a racehorse owner for many years. Eamonn has a strong background and understanding in various aspects of the racing world. Eamonn was previously Chairman of the Thoroughbred Owner & Breeder Magazine and co-founded Total Performance Data Limited with ROA Council Member Will Duff Gordon, to develop cutting-edge equine monitoring systems. Eamonn's early career was as a leader in the development of the internet. He was the Founder and Managing Director of an award-winning digital agency and between 1997 and 2003 he was Chairman of agency.com, a leading worldwide digital agency.

Rupert Arnold

December 2014-present

Rupert Arnold has been the Chief Executive of the National Trainers Federation, the representative body for licensed racehorse trainers in Great Britain, since 2000. During this time he has also been a director of the BHA, Horsemen's Group and the British Horseracing Education and Standards Trust. Earlier in his career, after employment as assistant trainer to Jeremy Hindley, John Winter and Paul Cole, Rupert held a trainer's licence for six years, training in Upper Lambourn, Berkshire.

Vivien Kyles

January 2016-present

Vivien Kyles is Chief Executive of Hamilton Park Racecourse, where she took up appointment in June 2008. She is also a member of the Development Board of the Marie Curie Hospice in Glasgow and Vice Chairman of the RCA. Prior to this she was part owner of and Chief Executive of Livingston Football Club having bought the club and taken it out of Administration. She also sat on the Scottish Football League Management Committee where she was the first female to hold such an appointment in its over 100 year existence. Qualifying as a Chartered Accountant with Ernst & Young, Vivien worked in London, Australia and Glasgow, including a period advising technology start-ups, before joining telecoms business Damovo. Starting as Director of Strategy she was responsible for the integration of the group's 18 countries' sales forces before becoming head of Global Sales and Solutions. Vivien does a variety of public speaking sharing her life and work experiences of adapting her business skills to different industries.



KEY STATISTICS

Data around field sizes, competitiveness of racing and the numbers of horses in training are important measures of the success of the sport.

For a number of years we have witnessed decline, but in 2015 we have seen those trends reversed and growth witnessed in almost every area.

While the growth figures are relatively modest, the reversal of the trend towards decline is, in itself, an encouraging result.

Fixtures	82 - 85
Races	86 - 93
Horses in training	94 - 97
Ownership figures	98
Foal crop	99
Other KPIs	100 - 104

FIXTURESYEAR TO DATE

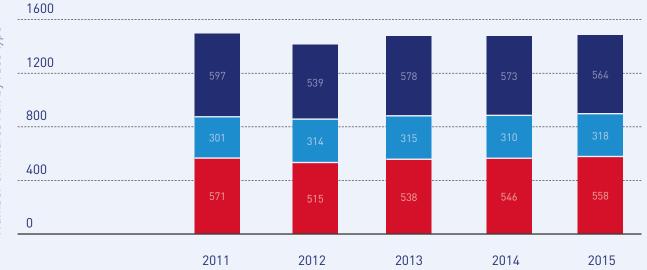
FIXTURES SCHEDULED

	2011	2012	2013	2014	2015
Flat turf	599	583	588	578	569
Flat all weather	300	319	320	311	317
Jump	591	594	587	586	591
Total	1,490	1,496	1,495	1,475	1,477

Note: Flat includes mixed meetings.

FIXTURES RUN

	2011	2012	2013	2014	2015
■ Flat turf	597	539	578	573	564
■ Flat all weather	301	314	315	310	318
■ Jump	571	515	538	546	558
Total	1,469	1,368	1,431	1,429	1,440



Note: includes additional, rescheduled and partially abandoned fixtures. Flat includes mixed.

ABANDONMENTS

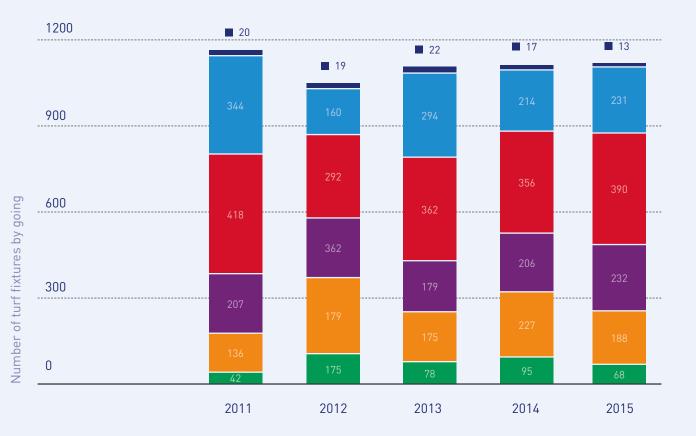
	2011	2012	2013	2014	2015
Flat turf	0	41	7	4	3
Flat all weather	0	7	6	1	0
Jump	21	81	52	41	34
■ Total	21	129	65	46	37



Note: Flat includes mixed meetings.

TURF FIXTURES BY GOING

	2011	2012	2013	2014	2015
■ Firm	20	19	22	17	13
■ Good to firm	344	160	294	214	231
Good	418	292	362	356	390
■ Good to soft	207	362	179	206	232
■ Soft	136	179	175	227	188
■ Heavy	42	175	78	95	68
Total	1,167	1,187	1,110	1,115	1,122



TOTAL PRIZE MONEY (£'000)

	2011	2012	2013	2014	2015
■ Flat	62,413	66,022	75,903	82,380	89,736
Jump	31,480	31,757	38,320	40,609	42,415
Total	93,893	97,778	114,223	122,989	132,152

140 million



AVERAGE PRIZE MONEY (£) (BY RACE)

	2011	2012	2013	2014	2015
Flat	9,954	10,811	11,867	13,060	14,342
Jump	8,120	8,971	10,219	10,695	11,209
Total	9,253	10,136	11,258	12,171	13,161

RACES YEAR TO DATE

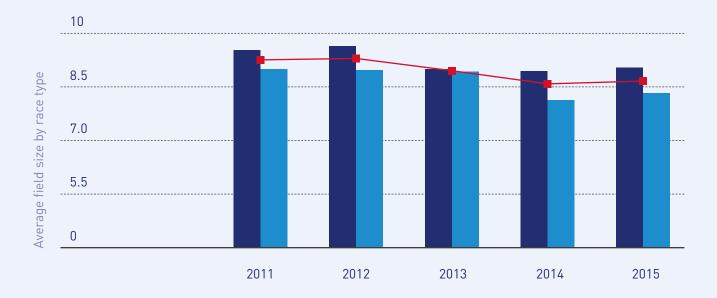
RACES RUN

	2011	2012	2013	2014	2015
Flat turf	4,022	3,374	4,002	3,979	3,947
Flat all weather	2,248	2,373	2,394	2,329	2,310
Steeple chase	1,451	1,310	1,387	1,402	1,361
Hurdle	2,010	1,826	1,899	1,968	2,034
NHF	306	305	357	333	295
Hunter chase	110	99	107	94	94
Total	10,147	9,647	10,146	10,105	10,041
■ Flat turf	39.6%	38.7%	39.4%	39.4%	39.3%
■ Flat all weather	22.2%	24.6%	23.6%	23.0%	23.0%
■ Steeple chase	14.3%	13.6%	13.7%	13.9%	13.6%
■ Hurdle	19.8%	18.9%	18.7%	19.5%	20.3%
■ NHF	3.0%	3.2%	3.5%	3.3%	2.9%
■ Hunter chase	1.1%	1.0%	1.1%	0.9%	0.9%



AVERAGE FIELD SIZE

	2011	2012	2013	2014	2015
■ Flat	9.50	9.59	8.99	8.93	9.02
■ Jump	8.97	8.92	8.88	8.22	8.35
■ All	9.30	9.35	8.95	8.66	8.77



ENTRIES

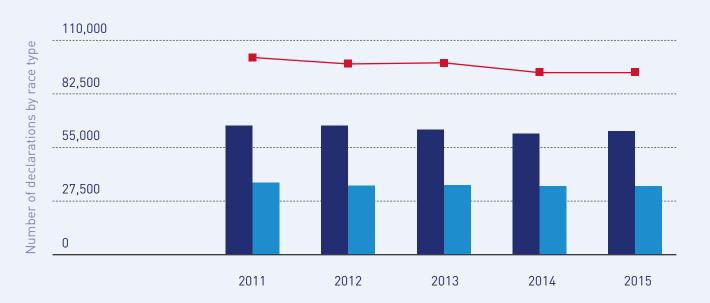
	2011	2012	2013	2014	2015
■ Flat	144,185	147,554	136,611	128,350	128,675
Jump	86,982	78,500	80,270	72,475	73,094
■ Total	231,167	226,054	216,881	200,825	201,769





DECLARATIONS

	2011	2012	2013	2014	2015
■ Flat	65,291	65,102	63,570	62,278	62,055
Jump	37,130	34,140	35,957	33,469	33,811
■ Total	102,421	99,242	99,527	95,747	95,866





ELIMINATIONS

	2011	2012	2013	2014	2015
■ Flat	6,658	8,148	5,723	4,766	4,603
■ Jump	1,776	1,500	1,546	874	920
■ Total	8,434	9,648	7,269	5,640	5,523



RUNNERS

	2011	2012	2013	2014	2015
Flat	59,592	58,593	57,526	56,309	56,463
Jump	34,748	31,581	33,310	31,222	31,612
Total	94,376	90,174	90,836	87,531	88,075



INDIVIDUAL RUNNERS

	2011	2012	2013	2014	2015
Flat	9,806	9,614	9,588	9,580	9,726
Jump	8,138	7,673	7,702	7,393	7,542
Dual	1,385	1,263	1,216	1,104	1,047
Total	19,329	18,550	18,506	18,077	18,315



AVERAGE NUMBER OF RUNS PER HORSE

	2011	2012	2013	2014	2015
■ Flat	5.3	5.4	5.3	5.3	5.2
Jump	3.7	3.5	3.7	3.7	3.7
■ Total	4.9	4.9	4.9	4.8	4.8



NON-RUNNERS

	2011	2012	2013	2014	2015
Flat	5,699	6,509	6,044	5,969	5,592
Jump	2,346	2,559	2,647	2,247	2,199
Total	8,045	9,068	8,691	8,216	7,791

AVERAGE FIELD SIZE

	2011	2012	2013	2014	2015
■ Flat	9.50	9.59	8.99	8.93	9.02
Pattern/listed	9.23	9.07	8.98	9.11	9.21
Handicap	10.03	10.18	9.40	9.21	9.33
WFA conditions	6.71	6.55	6.33	6.65	6.50
Maiden	9.55	9.58	8.90	8.89	8.81
Novice	4.93	4.65	4.69	4.94	4.93
Sellers/claimers	7.30	7.28	6.81	7.09	7.17
Auction races	8.78	8.30	8.20	8.20	8.24
Sales races	17.00	15.64	17.40	15.50	16.10
■ Steeple Chase	7.25	7.51	7.53	7.03	7.31
Pattern/listed	11.14	10.41	10.84	10.45	10.21
Handicap	7.68	7.76	7.72	7.11	7.41
Maiden/novice	5.15	5.89	5.79	4.80	4.92
WFA conditions	5.38	6.62	5.58	5.31	6.21
■ Hurdle	9.96	9.76	9.75	8.86	8.91
Pattern/listed	11.58	10.65	9.87	10.02	10.01
Handicap	10.09	10.10	10.17	9.01	9.19
Maiden/novice	10.03	9.60	9.58	8.68	8.46
WFA conditions	7.78	8.02	7.25	6.13	7.11
Sellers/claimers	8.50	7.83	7.98	7.45	7.94
■ National Hunt Flat	10.75	10.09	9.62	9.28	9.16
Hunter Chases	8.75	8.65	8.56	8.97	9.02

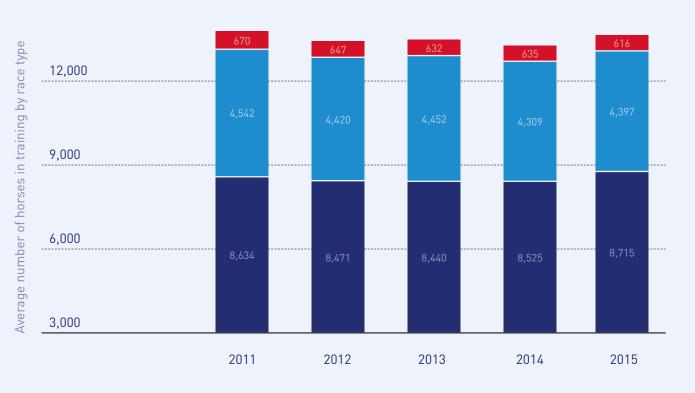


HORSES IN TRAINING MONTHLY AVERAGE

ALL

	2011	2012	2013	2014	2015
■ Flat	8,634	8,471	8,440	8,525	8,715
Jump	4,542	4,420	4,452	4,309	4,397
■ Dual	670	647	632	635	616
All	14,055	13,716	13,703	13,528	13,886

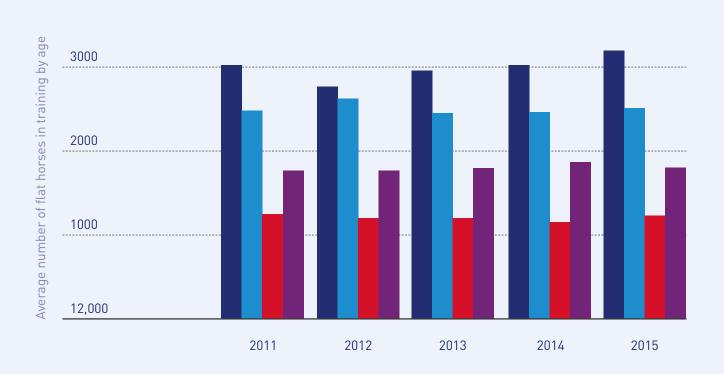
15,000



FLAT

	2011	2012	2013	2014	2015
■ 2YO	3,042	2,849	2,966	3,044	3,214
■ 3YO	2,586	2,652	2,482	2,495	2,545
■ 4YO	1,264	1,229	1,230	1,161	1,174
■ 5Y0+	1,741	1,741	1,763	1,824	1,782
Total	8,634	8,471	8,440	8,525	8,715

4000



JUMP

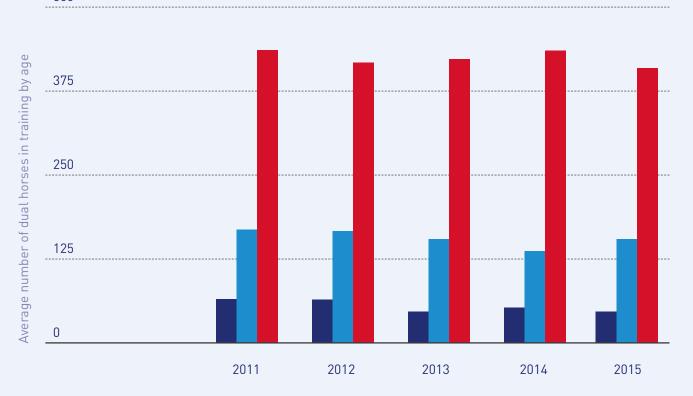
	2011	2012	2013	2014	2015
■ 3YO	110	94	111	122	120
■ 4YO	587	566	528	537	583
■ 5YO+	3,845	3,760	3,814	3,650	3,695
Total	4,542	4,420	4,452	4,309	4,397



DUAL

	2011	2012	2013	2014	2015
■ 3YO	62	64	50	58	52
4 Y0	169	164	154	138	158
■ 5YO+	439	419	428	439	406
Total	670	647	632	635	616

500



OWNERSHIP FIGURES

NUMBER OF OWNERS

	2011	2012	2013	2014	2015
■ Sole owners	2,238	2,142	2,024	1,937	1,852
■ Partnership	5,006	4,924	4,814	4,859	4,922
Company	224	221	223	220	213
■ Other	957	928	907	937	905
Total	8,425	8,215	7,968	7,931	7,892



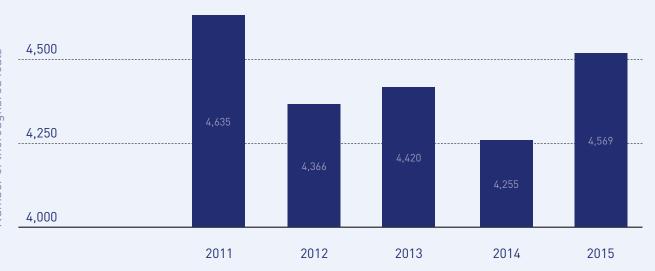
FOAL CROP

NUMBER OF THOROUGHBRED FOALS

	2011	2012	2013	2014	2015
■ Foals	4,635	4,366	4,420	4,255	4,569

5,000

4,750



OTHER KPIS YEAR TO DATE

7 RACE CARDS

	2011	2012	2013	2014	2015
■ < 7 Races	25.2%	18.1%	13.4%	11.8%	21.2%
■ 7+ Races	74.8%	81.9%	86.6%	88.2%	78.8%



RACES WITH FEWER THAN 6 RUNNERS

	2011	2012	2013	2014	2015
■ Flat	10.1%	9.8%	13.3%	12.3%	10.9%
Jump	17.4%	16.5%	15.9%	20.5%	16.3%
■ Total	12.9%	12.2%	14.3%	15.4%	12.9%

30.0%



RACES WITH 8 (OR MORE) RUNNERS

	2011	2012	2013	2014	2015
■ Flat	69.9%	71.9%	64.8%	63.9%	65.9%
Jump	60.1%	61.0%	60.3%	51.3%	54.8%
■ Total	66.1%	67.9%	63.1%	59.2%	61.7%



RACES WITH ODDS ON FAVOURITES

	2011	2012	2013	2014	2015
■ Flat	13.1%	11.2%	13.7%	13.7%	12.7%
■ Jump	19.8%	16.9%	17.8%	18.6%	17.8%
Total	15.7%	13.3%	15.2%	15.6%	14.6%



Percentage of races with odds on favourites by race type



TERRESTRIALLY TELEVISED RACES

	2011	2012	2013	2014	2015
■ Flat	272	342	323	332	340
Jump	255	195	186	205	216
Total	527	537	509	537	556

600

Number of terrestrially televised races by race type







FINANCIAL STATEMENTS

Profit and toss	100 - 107
Balance sheet	108 - 109
Cash flow	110
Equity changes	111
Notes	112 - 138

PROFIT AND LOSS

CONSOLIDATED PROFIT AND LOSS ACCOUNT (for the year ended 31 December 2015)

	Note	2015	(restated) 2014
		£'000	£,000
Group turnover	2	32,453	30,502
Administrative expenses		(31,346)	30,836
Operating profit / (loss)		1,107	(334)
Other interest receivable and similar income	6	34	73
Interest payable and similar charges	7	(377)	(479)
Profit / (loss) on ordinary activities before taxation	5	764	(740)
Taxation on profit / (loss) on ordinary activities	8	537	44
Profit / (loss) for the financial year	16	1,301	(696)

The profit / (loss) in the above profit and loss account relate entirely to continuing operations. The notes on pages 112 to 138 form part of these financial statements.

CONSOLIDATED OTHER COMPREHENSIVE INCOME / (LOSS) (for the year ended 31 December 2015)

	Note	2015 £'000	(restated) 2014 £'000
Profit / (loss) for the financial year		1,301	(696)
Other comprehensive income			
Remeasurement of the net defined benefit liability	16	(1,785)	(1,281)
Total comprehensive loss for the year		(484)	(1,977)

COMPANY PROFIT AND LOSS ACCOUNT (for the year ended 31 December 2015)

	Note	2015	(restated) 2014
		€,000	£,000
Turnover	2	31,124	29,141
Administrative expenses		(30,015)	(29,467)
Operating profit / (loss)		1,109	(326)
Other interest receivable and similar income	6	27	60
Interest payable and similar charges	7	(377)	(479)
Profit / (loss) on ordinary activities before taxation	5	759	(745)
Taxation on profit / (loss) on ordinary activities	8	530	67
Profit / (loss) for the financial year	16	1,289	(678)

The profit / (loss) in the above profit and loss account relate entirely to continuing operations. The notes on pages 112 to 138 form part of these financial statements.

OTHER COMPREHENSIVE INCOME / (LOSS) (for the year ended 31 December 2015)

	Note	2015 £'000	(restated) 2014 £'000
Profit / (loss) for the financial year		1,289	(678)
Other comprehensive income			
Remeasurement of the net defined benefit liability	16	(1,785)	(1,281)
Total comprehensive loss for the year		(496)	(1,959)

BALANCE SHEET

CONSOLIDATED BALANCE SHEET (at 31 December 2015)

	Note	2015	(restated) 2014
		£'000	£'000
Fixed assets			
Intangible assets	9	1,195	1,000
Tangible assets	10	572	621
		1,767	1,621
Current assets			
Debtors (including £2,211,000 (2014: £2,291,000) due after more than one year)	12	10,813	8,687
Cash at bank and in hand	13	12,731	11,933
		23,544	20,620
Creditors: amounts falling due within one year	14	(16,411)	[14,043]
Net current assets		7,133	6,577
Total assets less current liabilities		8,900	8,198
Provisions for liabilities			
Pension and similar obligations	17	(12,801)	(11,615)
Net liabilities		(3,901)	(3,417)
Capital and reserves			
Capital reserve	16	19	19
Profit and loss account	16	(3,920)	(3,436)
Shareholders' deficit		(3,901)	(3,417)

These financial statements were approved by the board of directors on 28 April 2016 and were signed on its behalf by: S Harman, Chairman.

COMPANY BALANCE SHEET (at 31 December 2015)

	Note	2015	(restated) 2014
		£'000	£'000
Fixed assets			
Intangible assets	9	1,195	1,000
Tangible assets	10	572	621
Investments	11	3,604	3,604
		5,371	5,225
Current assets			
Debtors	12	8,401	5,955
Cash at bank and in hand	13	11,407	10,627
		19,808	16,582
Creditors: amounts falling due within one year	14	(16,326)	[13,644]
Net current assets		3,482	2,938
Total assets less current liabilities		8,853	8,163
Provisions for liabilities			
Pension and similar obligations	17	(12,801)	(11,615)
Net liabilities		(3,948)	(3,452)
Capital and reserves			
Capital reserve	16	19	19
Profit and loss account	16	(3,967)	(3,471)
Shareholders' deficit		(3,948)	(3,452)

 $These \ financial \ statements \ were \ approved \ by \ the \ board \ of \ directors \ on \ 28 \ April \ 2016 \ and \ were \ signed \ on \ its \ behalf \ by: \ S \ Harman, \ Chairman.$

CASH FLOW

CONSOLIDATED CASH FLOW STATEMENT (for the year ended 31 December 2015)

	Note	2015	(restated) 2014
		£'000	£'000
Cash flows for operating activities			
Operating profit / (loss)		1,107	(334)
Adjustments for			
Depreciation, amortisation and impairment		531	530
Interest received		34	73
Loss on sale of fixed asset		1	-
Corporation tax paid		-	(113)
Corporation tax reclaimed in respect of prior periods		429	65
		2,102	221
Increase in debtors		(2,282)	(364)
Increase in creditors		2,368	2,113
Difference between cash contributions and pension charge		(2,162)	(1,760)
Increase in pension liability		1,186	663
Net cash from operating activities		1,212	873
Cash flows from investing activities			
Capitalised development expenditure		(419)	(874)
Acquisition of tangible fixed assets		(259)	(336)
Net cash from investing activities		(678)	(1,210)
Cash flows from financing activities			
New loans made to associated undertakings		-	(53)
Loans received from associated undertakings		264	-
Net cash from financing activities		264	(53)
Increase / (decrease) in cash and cash equivalents	20	798	(390)

EQUITY CHANGES

STATEMENT OF CHANGES IN EQUITY

	•	Profit and loss account	Total Equity
	£'000	£'000	£'000
Balance at 1 January 2014	19	(1,459)	1,440
Effect of change in accounting policy	-	-	-
Balance at 1 January 2014 (restated)	19	(1,459)	1,440
Total comprehensive income for the period			
Profit or loss	-	(696)	(696)
Other comprehensive income	-	(1,281)	(1,281)
Balance at 31 December 2014	19	(3,436)	(3,417)

	Capital reserve	Profit and loss account	Total Equity
	£'000	€'000	£'000
Balance at 1 January 2015	19	(3,436)	3,417
Total comprehensive income for the period			
Profit or loss	-	1,289	1,289
Other comprehensive income	_	(1.785)	(1,785)
other comprehensive income		(.,,,	(.,,,

As a result of adopting FRS102 and restating opening balances an amount of £50,000 was reclassified as having gone through other comprehensive income rather than the profit and loss account. For the purposes of changes in equity these two amounts offset and the opening amount in the profit and loss account before and after restatement are the same. The reclassification arises due to different treatment of interest cost in FRS102 compared to FRS17.

NOTES (FORMING PART OF THE FINANCIAL STATEMENTS)

1 ACCOUNTING POLICIES

British Horseracing Authority Limited (the Company) is a company limited by guarantee and incorporated and domiciled in the UK.

The Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as issued in August 2014. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Group has made one adjustment. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Group is provided in note 22.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102.

The following exemptions have been taken in these financial statements:

 Lease incentives – for leases commenced before 1
 January 2016 the Group and Company continued to account for lease incentives under previous UK GAAP.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12.

The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

 The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;

- No separate parent company Cash Flow
 Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time;
- Separate financial instrument disclosure is not made for the Company only.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 15 in relation to the fair value assessment of financial instruments.

Measurement convention

The financial statements are prepared on the historical cost basis with the exception of certain financial instruments which have been measured at fair value.

Going concern

The directors believe that the Company and Group are well placed to manage their business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2015.

A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Company does not own all the shares in its subsidiary, British Horseracing Database Limited, with the minority shareholders holding 3 'B' and 3 'C' shares each, compared to the Company's holding of 4,003,932 'A' shares. No minority interests are shown in the consolidated accounts of the Company as (i) under the provisions contained within the Articles of BHD the 'A' shareholder is the only shareholder entitled to a distribution, if and when a distribution is declared by the Board and (ii) on a winding up the assets are distributed in accordance with the number of shares held in all classes.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significance influence is presumed to exists when the investors holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

In the parent financial statements, investments are carried at cost less impairment.

Intangible and tangible fixed assets

The cost of intangible and tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Assets under construction relates to work in progress on computer related development. This will be amortised/depreciated once it comes into use on the basis set out below.

Depreciation/amortisation is provided so as to write off the cost of tangible and intangible fixed assets on a straight line basis over the estimated useful economic lives of the assets concerned.

The rates of depreciation / amortisation are as follows:

Leasehold improvements: 3-5 years or lease

term, if shorter

Contract computer development: 7 years
Other computer development: 4 years
Fixtures fittings and office equipment: 3-5 years

Intangible assets

The Company holds a licence for use of the Database of pre-race data for governance and regulatory purposes. In accordance with FRS 102, no amounts have been capitalised in the balance sheet in respect of these rights. The cost of acquiring this asset is written off to the profit and loss account as incurred.

Fixed asset investments

Fixed asset investments in joint ventures and subsidiaries are held at cost less any provision for impairment in the financial statements of the Company.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price.

Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Turnover

Turnover, which excludes value added tax ('VAT'), represents the invoiced value of goods and services supplied in connection with the administration of horseracing in Great Britain. The Group recognises income and costs upon transfer of title of goods or performance of services and income is recognised in the financial statements of the Company when earned.

In addition, included within Group turnover are amounts (excluding VAT) derived from income from signed licence agreements with third parties. The licence income streams derived by the Group are recognised in the period they relate to.

Related party disclosure

Related Party Disclosures requires the disclosure of the details of material transactions between the Group and any related parties, as defined. Details of material related party transactions are included in note 21 to the financial statements.

The Directors consider that to publish related party disclosures, of the transactions and year end balances between the Company and entities which form part of the British Horseracing Authority Limited group would be disproportionately onerous and would serve little purpose given the information is available to the members in the ordinary course of business. Accordingly, they have decided not to disclose such information in these financial statements.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are nontaxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed triennially by a qualified actuary and the position updated annually using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/ asset is recognised in other comprehensive income in the period in which it occurs.

Termination benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date.

2 SEGMENTAL INFORMATION – GROUP AND COMPANY

Racing	administration	Data licensing	Total
	2015	2015	2015
	£'000	€'000	£'000
Turnover			
United Kingdom and Republic of Ireland	30,672	1,781	32,453
Overseas	-	-	-
Total sales - Group	30,672	1,781	32,453
Intra group revenue (Company only)	452		
Total sales - Company	31,124		
Total operating profit / (loss) before interest and taxat	ion 1,108	(1)	1,107
Net liabilities	(3,474)	(427)	(3,901)
	(3,474)	(427) Data licensing	
			Total
	administration	Data licensing	Total 2014
	administration 2014	Data licensing 2014	Total 2014
Racing	administration 2014	Data licensing 2014	Total 2014 £'000
Racing	administration 2014 £'000	Data licensing 2014 £'000	Total 2014 £'000 30,501
Racing Turnover United Kingdom and Republic of Ireland	administration 2014 £'000	Data licensing 2014 £'000	(3,901) Total 2014 £'000 30,501 1 30,502
Racing Turnover United Kingdom and Republic of Ireland Overseas	administration 2014 £'000 28,751	Data licensing 2014 £'000 1,750 1	Total 2014 £'000 30,501
Racing Turnover United Kingdom and Republic of Ireland Overseas Total sales	administration 2014 £'000 28,751 - 28,751	Data licensing 2014 £'000 1,750 1	Total 2014 £'000 30,501
Turnover United Kingdom and Republic of Ireland Overseas Total sales Intra group revenue (Company only)	administration 2014 £'000 28,751 - 28,751	Data licensing 2014 £'000 1,750 1	Total 2014 £'000 30,501

The Group has two classes of business, data licensing and racing administration, both of which originate in the UK. Turnover is divided between two geographical destinations, and is all generated through third parties. It is not possible to split the (loss) / profit before interest and taxation or the net liabilities by geographical destination.

3 REMUNERATION OF DIRECTORS AND KEY MANAGEMENT

The remuneration payable to each of the directors of British Horseracing Authority Limited for the year was:

	2015	
	£'000	£'000
PA Bittar	-	443
NJ Rust	406	-
SR Harman	100	100
AWK Merriam	22	20
MG Gray	-	18
DG Gunn	18	35
WG Farnsworth	-	12
JJW Wadham	-	18
MS Johnston	-	12
DL Whyte	22	2
JW Saumarez Smith	22	2
A Duncan	22	2
E Wilmott	22	2
JA Harrington	22	2
EN Harwerth	22	2
DA Thorpe	20	1
JR Arnold	19	-
Sir PR Stevenson	18	-
NMH Jones	-	5
Total	735	676

The above includes amounts of £nil (2014: £30,000) paid to third parties in respect of them making available the services of MG Gray and WG Farnsworth. The costs of N Rust for 2015 and P Bittar for 2014, who was Chief Executive, are also represented within the costs included in note 4.

	2015	2014
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £406,000 (2014: £443,000), and Company pension contributions of £24,000 (2014: £43,500) were made to a money purchase scheme on his behalf.

4 STAFF NUMBERS AND COSTS

The average number of persons employed by the Company during the year was 211 (2014: 202).

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£'000	£'000
Wages and salaries	9,283	8,941
Pension costs	1,241	1,193
Social security costs (restated)	956	913
	11,480	11,047

Social security costs have been restated to accurately reflect the National Insurance contributions payable by the Company. The 2014 reported figure including other amounts not related to National Insurance.

The Company operates HMRC approved salary sacrifice schemes for making pension contributions and for mileage claims.

5 EXPENSES AND AUDITOR'S REMUNERATION

Included in profit/loss are the following: Depreciation/amortisation charge for the year: Tangible owned fixed assets 1 307 436 Intangible owned fixed assets 224 94 Loss on disposal of fixed assets 1 Operating leases: Building rentals 777 620 Car leases 350 345 Photocopier leases Auditor's remuneration: Audit of these financial statements Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13			
Depreciation/amortisation charge for the year: Tangible owned fixed assets Intangible owned fixed assets 224 94 Loss on disposal of fixed assets 1 Operating leases: Building rentals 777 620 Car leases 350 Additor's remuneration: Audit of these financial statements Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13		2015	2014
Tangible owned fixed assets Intangible owned fixed assets 224 94 Loss on disposal of fixed assets 1 Operating leases: Building rentals 777 620 Car leases 350 345 Photocopier leases Auditor's remuneration: Audit of these financial statements 41 41 Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13	Included in profit/loss are the following:	£'000	£'000
Intangible owned fixed assets Loss on disposal of fixed assets 1 Operating leases: Building rentals Car leases 777 620 Car leases 780 Auditor's remuneration: Audit of these financial statements Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13	Depreciation/amortisation charge for the year:		
Loss on disposal of fixed assets 1 Operating leases: Building rentals 777 620 Car leases 350 345 Photocopier leases 37 56 Auditor's remuneration: Audit of these financial statements 41 41 Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13	Tangible owned fixed assets	307	436
Operating leases: Building rentals 777 620 Car leases 350 345 Photocopier leases 37 56 Auditor's remuneration: Audit of these financial statements 41 41 Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13	Intangible owned fixed assets	224	94
Building rentals 777 620 Car leases 350 345 Photocopier leases 37 56 Auditor's remuneration: Audit of these financial statements 41 41 Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13	Loss on disposal of fixed assets	1	-
Car leases 350 345 Photocopier leases 37 56 Auditor's remuneration: Audit of these financial statements 41 41 Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13	Operating leases:		
Photocopier leases 37 56 Auditor's remuneration: Audit of these financial statements 41 41 Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13	Building rentals	777	620
Audit of these financial statements 41 41 Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13	Car leases	350	345
Audit of these financial statements 41 41 Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13	Photocopier leases	37	56
Amounts receivable by auditors and their associates in respect of: Audit of financial statements of subsidiaries of the company 13 13	Auditor's remuneration:		
Audit of financial statements of subsidiaries of the company 13 13	Audit of these financial statements	41	41
	Amounts receivable by auditors and their associates in respect of:		
	Audit of financial statements of subsidiaries of the company	13	13
Taxation compliance services 22 25	Taxation compliance services	22	25
Other tax advisory services 12 38	Other tax advisory services	12	38
All other services 1 1	All other services	1	1

6 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME - GROUP

	2015	2014
	£'000	£'000
Bank interest	34	72
Loan interest	-	1
	34	73

Other interest receivable and similar income - Company	2015	2014
	£'000	£'000
Bank interest	27	60
	27	60

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£'000	£'000
Interest on assets	2,094	2,295
Interest on liabilities	(2,471)	(2,774)
Net interest expense on net defined benefit liabilities	(377)	[479]

8 TAXATION - GROUP

	2015	2014
	£'000	£'000
Analysis of current tax recognised in profit and loss		
UK corporation tax at 20.25% (2014: 21.5%)		
Tax on income for the period	(1)	(114)
Adjustment in respect of prior periods	(536)	70
Total tax credit	(537)	(44)
Reconciliation of effective tax rate	2015	2014
	£'000	£'000
Profit / (loss) excluding taxation	764	(740)
Tax using the UK corporation tax rate of 20.25% (2014: 21.5%)	155	(159)
Effects of:		
Expenses not deductible for tax purposes	60	75
Pension costs not immediately deductible	(121)	(144)
Unrecognised losses carried forward	-	142
Tax impact of prior year adjustment	-	11
R&D tax credits to offset trading profits	(25)	-
R&D tax credits exchanged for cash	(288)	-
(over) / under provided in prior year	(248)	70
Capital allowances in excess of depreciation	(70)	(39)
Total current tax credit (see above)	(537)	(44)

The Company has claimed R&D tax credits for years 2012, 2013 and 2014. A proportion of these have been used to offset previous payments of corporation tax and a reclaim has been processed by HMRC. This element is included in the over provision of prior years. A further element has been exchanged for cash as there are no losses to use these credits against, this amount of £288,000 is shown separately. The Company will continue to seek to claim these going forward, where appropriate, and will only include an amount in respect of the current year such that it offsets any likely tax charge on trading profits. The full amount will be included only once claimed and received from HMRC.

The implementation of FRS102 and related restatements have not required any change to the above tax calculation for current or prior year.

Factors that may affect future tax charges:

A deferred tax asset of £2,592,000 (2014: £2,497,000) has not been recognised on either the Group's pension scheme liability, the pension payments are not deductible until future years. This is due to the uncertainty of there being sufficient taxable profits in future years to enable such tax deductions to be claimed.

Taxation Comany	2015	2014
	€'000	£'000
Analysis of current tax recognised in profit and loss		
UK corporation tax at 20.25% (2014: 21.5%)		
Tax on income for the period	-	(120)
Adjustment in respect of prior periods	(530)	53
Total current tax credit	(530)	(67)
Reconciliation of effective tax rate	2015	2014
	£'000	£'000
Profit / (loss) excluding taxation	759	(745)
Current tax at 20.25% (2014: 21.5%)	154	(160)
Effects of:		
Expenses not deductible for tax purposes	55	62
Pension costs not immediately deductible	(121)	(144)
Unrecognised losses carried forward	-	146
Tax impact of prior year adjustment	-	11
R&D tax credits to offset trading profits	(20)	-
R&D tax credits exchanged for cash	(288)	-
(over) / under provided in prior year	(242)	53
Capital allowances in excess of depreciation	(68)	(35)
Total current tax credit (see above)	(530)	(67)

The Company has claimed R&D tax credits for years 2012, 2013 and 2014. A proportion of these have been used to offset previous payments of corporation tax and a reclaim has been processed by HMRC. This element is included in the over provision of prior years. A further element has been exchanged for cash as there are no losses to use these credits against, this amount of £288,000 is shown separately. The Company will continue to seek to claim these going forward, where appropriate, and will only include an amount in respect of the current year such that it offsets any likely tax charge on trading profits. The full amount will be included only once claimed and received from HMRC.

The implementation of FRS102 and related restatements have not required any change to the above tax calculation for current or prior year.

Factors that may affect future tax charges:

A deferred tax asset of £2,592,000 (2014: £2,497,000) has not been recognised on either the Company's pension scheme liability, the pension payments are not deductible until future years. This is due to the uncertainty of there being sufficient taxable profits in future years to enable such tax deductions to be claimed.

9 INTANGIBLE FIXED ASSETS - GROUP AND COMPANY (RESTATED)

		Assets under	
	Development Costs	Construction	Total
	£'000	£'000	£'000
Cost			
At 1 January 2015	752	344	1,096
Additions	331	88	419
Transfers	344	(344)	-
Disposals	-	-	-
At 31 December 2015	1,427	88	1,515
Amortisation			
At 1 January 2015	96	-	96
Charge for the year	224	-	224
Disposals	-	-	-
At 31 December 2015	320	-	320
Net book value			
At 31 December 2015	1,107	88	1,195
At 1 January 2015	656	344	1,000

In line with the provisions of FRS102, the above balances were included in tangible fixed assets previously and have now been reclassified as intangible fixed assets as they relate to computer development costs.

These costs are either amortised over 4 years for external development or over the remaining life of the contract to which the development relates. This method of amortisation is believed to be fair and appropriate and represent the useful economic life of the asset in the most appropriate manner. The amortisation charge is included with administrative expenses.

10 TANGIBLE FIXED ASSETS - GROUP AND COMPANY (RESTATED)

Leasehold	Fixtrues, fittings	
improvements	and office equipment	Total
€'000	£'000	£'000
1,146	2,916	4,062
4	255	259
-	-	-
-	(181)	(181)
1,150	2,990	4,140
974	2,467	3,441
82	225	307
-	(180)	(180)
1,056	2,512	3,568
94	478	572
172	449	621
	improvements £'000 1,146 4 1,150 974 82 - 1,056	improvements and office equipment £'000 1,146 2,916 4 255 (181) 1,150 2,990 974 2,467 82 225 - (180) 1,056 2,512

In line with the provisions of FRS102, the above balances previously included £1,000,000 which has now been reclassified as intangible fixed assets as they relate to computer development costs. This is shown in note 9.

11 FIXED ASSET INVESTMENTS - COMPANY

	Shares in Group		
	Undertakings	Total	
	€'000	£'000	
Cost			
At 1 January and 31 December 2015	4,004	4,004	
Provision			
At 1 January and 31 December 2015	[400]	(400)	
Net book value			
At 1 January and 31 December 2015	3,604	3,604	

The Company has the following direct investments:

Country of	Number of	Class of	Ownership 2015	Ownership 2014
incorporation	shares	shares held	%	%
UK	4,003,932	Ordinary	100	100
UK	2	Ordinary	100	100
UK	2	Ordinary	100	100
UK	1,000	Ordinary	100	100
	incorporation UK UK UK	incorporation shares UK 4,003,932 UK 2 UK 2	incorporation shares shares held UK 4,003,932 Ordinary UK 2 Ordinary UK 2 Ordinary	incorporation shares shares held % UK 4,003,932 Ordinary 100 UK 2 Ordinary 100 UK 2 Ordinary 100

The three companies marked with $\mbox{*}$ are all dormant companies and no longer trade.

$\label{thm:company} \textbf{The Company has the following indirect investments through its subsidiaries:}$

	Country of	Number of	Class of	Ownership 2015	Ownership 2014
in	corporation	shares	shares held	%	%
Racing Enterprises Limited	UK	4,003,932	Ordinary	99.99985	99.99985
British Champions Series Limited	d UK	132	Ordinary	13.9	13.9

12 DEBTORS

	Group		Company
2015	2014	2015	2014
£'000	£'000	£'000	£'000
4,002	3,819	3,463	3,162
-	-	466	335
267	159	246	145
3,560	1,638	3,550	1,638
2,302	2,391	-	-
682	680	676	675
10,813	8,687	8,401	5,955
0.700	/ 20/	0.704	F 0FF
8,602	6,376	8,401	5,955
2,211	2,291	-	-
10,813	8,687	8,401	5,955
	£'000 4,002 - 267 3,560 2,302 682 10,813 8,602 2,211	2015 2014 £'000 £'000 4,002 3,819 - - 267 159 3,560 1,638 2,302 2,391 682 680 10,813 8,687 8,602 6,396 2,211 2,291	2015 2014 2015 £'000 £'000 £'000 4,002 3,819 3,463 - - 466 267 159 246 3,560 1,638 3,550 2,302 2,391 - 682 680 676 10,813 8,687 8,401 8,602 6,396 8,401 2,211 2,291 -

Included within other debtors is a balance of £325,000 (2014: £500,000) which has been fully provided for and therefore has a net carrying value of £nil (2014: £nil). A repayment of £175,000 was received during the year in relation to this balance.

The above loan balance of £2,302,000 represents an amount drawn down by BCS. This loan will be repaid between 1 January 2016 and 31 December 2025 over which time interest of £486,000 will have been earned. The interest rate charged varies according to which element of the loan it relates to. The first repayment of £91,000 is scheduled for 2016.

The loan to BCS Limited is stated at fair value calculated using an interest rate which the directors believe accurately represents a market rate. All other financial instruments are held at fair value as they are repayable on demand.

13 CASH

Included within the cash balance are the following ring fenced balances:

Early Closing monies 522 Development Fund 191 On Course physios 15 British Owners and Breeders Incentive Scheme 506 Plus 10 bonus scheme 2,631 2, BHA Grant Scheme 520 Trainers benevolent fund 20 Industry recruitment and training grant fund 420 Prize money due for distribution 1,522 1,		Group and Company	
Early Closing monies 522 Development Fund 191 On Course physios 15 British Owners and Breeders Incentive Scheme 506 Plus 10 bonus scheme 2,631 2, BHA Grant Scheme 520 Trainers benevolent fund 20 Industry recruitment and training grant fund 420 Prize money due for distribution 1,522 1,		2015	2014
Development Fund 191 On Course physios 15 British Owners and Breeders Incentive Scheme 506 Plus 10 bonus scheme 2,631 2, BHA Grant Scheme 520 Trainers benevolent fund 20 Industry recruitment and training grant fund 420 Prize money due for distribution 1,522 1,		£'000	£'000
On Course physios 15 British Owners and Breeders Incentive Scheme 506 Plus 10 bonus scheme 2,631 2, BHA Grant Scheme 520 Trainers benevolent fund 20 Industry recruitment and training grant fund 420 Prize money due for distribution 1,522 1,	Early Closing monies	522	483
British Owners and Breeders Incentive Scheme 506 Plus 10 bonus scheme 2,631 2, BHA Grant Scheme 520 Trainers benevolent fund 20 Industry recruitment and training grant fund 420 Prize money due for distribution 1,522 1,	Development Fund	191	291
Plus 10 bonus scheme2,6312,BHA Grant Scheme520Trainers benevolent fund20Industry recruitment and training grant fund420Prize money due for distribution1,5221,	On Course physios	15	12
BHA Grant Scheme 520 Trainers benevolent fund 20 Industry recruitment and training grant fund 420 Prize money due for distribution 1,522 1,	British Owners and Breeders Incentive Scheme	506	677
Trainers benevolent fund Industry recruitment and training grant fund Prize money due for distribution 20 1,522 1,	Plus 10 bonus scheme	2,631	2,187
Industry recruitment and training grant fund 420 Prize money due for distribution 1,522 1,	BHA Grant Scheme	520	28
Prize money due for distribution 1,522 1,	Trainers benevolent fund	20	-
	Industry recruitment and training grant fund	420	-
4.2/7 5	Prize money due for distribution	1,522	1,380
0,34 / 5,		6,347	5,058

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		Group		Company
		Group		Company
	2015	2014	2015	2014
	£'000	£,000	£,000	£,000
Trade creditors	3,153	2,651	2,906	2,305
Amounts owed to group				
undertakings	-	-	239	20
Ring fenced funds (note 13)	6,347	5,058	6,347	5,058
Corporation tax	-	68	-	68
Other taxes and social security	277	587	277	577
Other creditors	5,402	4,296	5,325	4,243
Accruals and deferred income	1,232	1,383	1,232	1,373
	16,411	14,043	16,326	13,644

All financial instruments are held at fair value and are payable on demand.

15 CARRYING AMOUNT OF FINANCIAL INSTRUMENTS - GROUP

The carrying amounts of the financial assets and liabilities include:

	2015	2014
	£'000	£'000
Assets measured at fair value through profit or loss	10,546	8,528
Liabilities measured at fair value through profit or loss	10,262	8,330

All of the Group's assets and liabilities are held at fair value. In the case of debtors this is the same as book value as the debts, with the exception of the loan from REL to BCS, are repayable on demand. Similarly all liabilities are held at fair value as they are payable on demand.

In relation to the loan from REL to BCS the fair value has been determined by reviewing an appropriate rate of borrowing available both at the time of the initial loan being granted in 2011 and when the loan was extended and renegotiated in 2013. Given that BCS is jointly owned by a combination of the group (who own 13.9%) and other larger racecourses and racecourse groups, it is reasonable in determining an appropriate discount rate to review the major shareholders ability to borrow as a way of assessing how to value the loan. Using a variety of indicators including LIBOR plus 0.8%, LIBOR plus 2.5% and the interest rate on loan available from within the Racing industry, averaging these sources gives a rate of 3.25% which has been applied. Using this rate to discount the loans gives a fair value in line with the amount shown in note 12.

The group believes that there is minimal credit risk given the success of BCS since inception and unless the first repayment due in 2016 is not made in accordance with the repayment plan then it will continue to take a positive view of the recoverability and therefore fair value of this loan going forward.

16 RESERVES - GROUP

	Profit and		
	Capital reserve	loss account	Total
	£'000	£'000	£'000
At 1 January 2015	19	(3,436)	(3,417)
Profit for the financial year	-	1,301	1,301
Remeasurement of the net defined benefit liability	-	(1,785)	(1,785)
At 31 December 2015	19	(3,920)	(3,901)

Reserves - Company			
	Capital reserve	loss account	Total
	£'000	£'000	£'000
At 1 January 2015	19	(3,471)	(3,452)
Profit for the financial year	-	1,289	1,289
Remeasurement of the net defined benefit liability	-	(1,785)	(1,785)
At 31 December 2015	19	(3,967)	(3,948)

17 PENSION SCHEME

Overview

The Company operates a pension scheme for its employees, the British Horseracing Authority Pension Scheme ('the Scheme'). The Scheme has two sections, a defined benefit section which closed to future accrual on 31 December 2015 and a defined contribution section into which all employees are now members. The defined contribution section is also used for the purposes of auto enrolment.

Defined benefit section

The defined benefit section was closed to future accrual on 31 December 2015. Prior to this, the defined benefit section has been based upon career average revalued earnings.

The latest full actuarial valuation of the defined benefit section of the Scheme was carried out at 31 December 2014 and was updated for FRS 17 purposes to 31 December 2015 by a qualified independent actuary.

The company will contribute £1,158,000 as an annual deficit repair payment in 2016 and has a recovery plan agreed with the trustees of the Scheme that is in place until September 2024.

The trustees of the Scheme have a guarantee from the Horserace Betting Levy Board (HBLB) that if the BHA does not make its annual payments for either the annual deficit payment or its ongoing services contributions then the HBLB will make these payments. This guarantee is effective until the earlier of 30 September 2024 or the date at which the Scheme deficit using the 2007 actuarial assumptions has been fully paid off.

In addition the Employer meets the costs of administering the Scheme, the cost of lump sum death in service insurance premiums and Levies payable by the Scheme.

Net pension liability:

	Value at 31	Value at 31
	December 2015	December 2014
	£'000	£'000
Defined benefit obligation	(72,126)	(71,668)
Plan assets	59,325	60,053
Deficit	(12,801)	(11,615)
Related deferred tax asset	-	-
Net pension liability	(12,801)	(11,615)

Movements in present value of defined benefit obligation:

	Value at 31	Value at 31
	December 2015	December 2014
	€'000	£,000
At start of year	71,668	61,083
Current service cost	725	627
Interest cost	2,471	2,774
Actuarial losses / (gains) due to assumption changes	(3,758)	9,371
Experience (gain) / loss	3,147	-
Contributions by members	14	13
Benefits paid	(2,141)	(2,200)
At end of year	72,126	71,668

Movements in fair value of plan assets:

	Value at 31	Value at 31
	December 2015	December 2014
	£'000	£'000
At start of year	60,053	50,131
Interest on assets	2,094	2,295
Actuarial gain / (loss) on scheme assets	(2,396)	8,040
Contributions by employer	1,701	1,724
Contributions by members	14	13
Benefits paid	(2,141)	(2,200)
At end of year	59,325	60,053

Expense recognised in the profit and loss account:

	31 December 2015	31 December 2014
	€'000	£'000
Current service cost	(725)	(627)
Net interest on net defined benefit liability	(377)	(479)
Total expense recognised in profit and loss	(1,102)	(1,106)

The total amount recognised in other comprehensive income is a loss of £1,785,000 (2014: loss of £1,281,000). Cumulative actuarial losses reported in other comprehensive income for accounting periods ending on or after 22 June 2002, are losses of £15,860,000 (2014: £14,075,000).

Scheme assets:

The fair value of the Scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, were:

	Value at 31	Value at 31
	December 2015	December 2014
	€,000	£'000
Equities and other return seeking assets	18,120	20,049
Bonds and other defensive assets	39,902	38,808
Property	1,166	1,084
Cash	137	112
Total market value of assets	59,325	60,053
Actual return on plan assets	(302)	10,385

The expected rates of return on the assets in the Scheme were:

	Long term rate of return Long term rate of return	
	31 December 2015 31 December 20	
	%	%
Equities and other return seeking assets	6.50	6.50
Bonds and other defensive assets	3.50	3.50
Property	6.50	6.50
Cash	N/A	N/A

The weighted average expected long term return on plan assets is 3.5% (2014: 3.5%).

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

The major assumptions used in this valuation by the actuary were (in normal terms):

	31 December 2015	31 December 2014
	%	£'000
Rate of increase in salaries	3.30	3.30
Inflation (Consumer Price Index)	2.50	2.50
Inflation (Retail Price Index)	3.30	3.30
Rate of increase in pensions in payment	2.50 - 5.00	2.50 - 5.00
Discount rate applied to scheme liabilities	3.80	3.50

In valuing the liabilities of the pension fund at 31 December 2015, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity.

The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 22.8 years (male), 24.9 years (female).
- Future retiree, currently aged 45, upon reaching 65: 24.1 years (male), 26.4 years (female).

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The history of the plans for the current and prior periods is as follows:

	2015	2014	2013	2012	2011
	€,000	€'000	£'000	€'000	£'000
Present value of scheme liabilities	(72,126)	(71,668)	(61,083)	(61,689)	(52,655)
Fair value of scheme assets	59,325	60,053	50,131	49,125	45,555
Deficit	(12,801)	(11,615)	(10,952)	(12,564)	(7,100)

Experience adjustments:

	Year ending	Year ending	Year ending
	31 December 2015	31 December 2014	31 December 2013
Difference between the expected and actual return	on scheme assets:		
Amount (£'000)	(2,396)	8,090	(599)
Percentage of year end scheme assets	4%	13%	1%
Experience (gains) and losses on scheme liabilities:			
Amount (£'000)	3,147	-	(11)
Percentage of year end scheme liabilities	4%	-	0%
Total amount recognised in other comprehensive in	come:		
Amount (£'000)	(1,785)	(1,281)	911
Percentage of year end scheme liabilities	2%	2%	1%

The Company and employees are paying contributions to the defined benefit element of the scheme at the rates recommended by the Scheme Actuary. Cash contributions to the defined benefit element amounted to £1,706,461 to the Scheme in 2015 (2014: £1,695,851).

Analysis of amount recognised in other comprehensive income:

,	Year ending	Year ending	Year ending
31 Deco	ember 2015	31 December 2014	31 December 2013
	£'000	£,000	£'000
Actuarial gain on scheme assets	(2,396)	8,090	(599)
Changes in actuarial assumptions	3,758	(9,371)	1,499
Experience gains / (losses)	(3,147)	-	11
Actuarial gain / (loss) recognised in other comprehensive inco	me (1,785)	(1,331)	911

Analysis of amount recognised in other comprehensive income (continued):

	Year ending	Year ending	
	31 December 2012	31 December 2011	
	£'000	£'000	
Actuarial gain on scheme assets	1,599	1,696	
Changes in actuarial assumptions	(7,100)	(2,544)	
Experience gains / (losses)	(527)	-	
Actuarial gain / (loss) recognised in other comprehensive income	(6,028)	(848)	

Defined contribution section

The Company's contribution to the defined contribution scheme is charged to the profit and loss account in the period in which they are paid and amounted to £692,486 in 2015 (2014: £661,325).

In addition the Company paid £nil into the personal pension schemes of certain employees (2014: £nil).

18 LIABILITY OF MEMBERS

The four members of the Company have undertaken to contribute a sum not exceeding £1 each to meet the liabilities of the Company in the event that it is wound up.

19 COMMITMENTS

The Group has a contract with Weatherbys Thoroughbred Limited for the provision of substantial racing and general administration services which expires at the end of 2020.

At 31 December 2015 the Group and Company had annual commitments under non-cancellable operating leases as follows:

	2015	2015 Other	2014	2014 Other
	Land and Buildings £'000	£'000	Land and Buildings £'000	f'000
Expiring within one year	-	30	-	43
Expiring between one				
and five years inclusive	850	284	-	304
Over five years	-	-	772	-
	850	314	772	343

In 2015, the lease commitments included in other relate to motor cars. In 2014, the lease commitments in other relate to motor cars and photocopiers.

20 ANALYSIS OF NET FUNDS

	At 1 January 2015	Cash Flow	At 31 Decembeer 2015	
	€'000	£,000	£'000	
Cash at bank and in hand	9,933	2,028	11,961	
Short term deposits	2,000	(1,230)	770	
Total	11,933	798	12,731	

21 RELATED PARTY TRANSACTIONS

The directors consider that the disclosures required by FRS102 of the transactions and year end balances between the Company and entities which form part of the British Horseracing Authority Limited group would be disproportionately onerous and would serve little purpose given the information is available to the members in the ordinary course of business. Accordingly, they have decided not to disclose such information in these accounts.

Identity of related parties with which the Company has transacted

The company has transacted with the following related parties, all of which are related by virtue of one of their employees being a member of the Board of the Company.

- Racecourse Association Limited
- Racehorse Owners Association Limited
- Thoroughbred Breeders Association
- Fakenham Racecourse Limited
- National Trainers Federation from 19 January 2015
- ■Horsemen's Group
- British Champions Series Limited

Other related party transactions:

		Sales to	Administrative expense	es incurred from
	2015	2014	2015	2014
	£'000	£'000	£'000	£,000
Racecourse Association Limited	42	39	7	19
Racehorse Owners Association Limited	140	80	-	2
Thoroughbred Breeders Association	19	2	-	-
Fakenham Racecourse Limited	178	131	-	-
National Trainers Federation	3	N/A	-	N/A
Horsemen's Group	-	-	(175)	-
British Champions Series Limited	-	-	-	-
	421	267	168	21

	Receivables outstanding			Creditors outstanding	
	2015	2014	2015	2014	
	£'000	£'000	£'000	£,000	
Racecourse Association Limited	11	8	-	-	
Racehorse Owners Association Limited	28	32	-	-	
Thoroughbred Breeders Association	-	-	-	-	
Fakenham Racecourse Limited	-	-	-	-	
National Trainers Federation	-	-	-	-	
Horsemen's Group	-	-	-	-	
British Champions Series Limited	2,302	2,391	-	-	
	2,379	2,445	-	-	

22 EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP

As stated in note 1, these are the Group's first financial statements prepared in accordance with FRS 102. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing its FRS 102 balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of any changes arising due to the change from UK GAAP to FRS102 is set out below. There have been no changes to any other areas.

Balance sheet:

			2014			2015	
			Effect of			Effect of	
			transition to			transition to	
		UK GAAP	FRS 102	FRS 102	UK GAAP	FRS 102	FRS 102
	Note	£'000	£,000	£'000	£'000	£'000	£'000
Fixed assets							
Intangible assets	9	-	1,000	1,000	-	1,195	1,195
Tangible assets	10	1,621	(1,000)	621	1,767	(1,195)	572
Debtors falling due							
after more than one year	12	2,291	(2,291)	-	2,211	(2,211)	
Current assets							
Debtors	12	-	2,291	2,291	-	2,211	2,211
Net assets		3,912	-	3,912	3,978	-	3,978

Capital and reserves

Due to differences between FRS 102 and FRS17 - Retirement Benefits, there has been a prior year adjustment to the brought forward profit and loss account with £50,000 being reclassified as distributable which have previously passed through the Statement of Total Recognised Gains and Losses.





An electronic version of this booklet is available in PDF format on our website.

British Horseracing Authority 75 High Holborn, London, WC1V 6LS

Switchboard: **020 7152 0000**Media enquiries: **020 7152 0166**

www.british horser a cing.com

