Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

British Horseracing Authority Limited

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

Year Ended

31 December 2024

Company Number: 02813358

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

British Horseracing Authority Limited

Company Information

Directors	Lord C Allen D J Armstrong K Halley D S.J Jones C M Parker R Parker T J Warren W T Walsh B S Dunshea P Johnson
Company secretary	C M Beloff
Company number	02813358
Registered office	Holborn Gate 26 Southampton Buildings London WC2A 1AN
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

British Horseracing Authority Limited

Contents

British Horseracing Authority Limited

Strategic Report
For the year ended 31 December 2024

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2024.

Principal activities

The principal activity of British Horseracing Authority Limited (the "Company" or "BHA") is to be the governing and regulatory authority for horseracing in Great Britain.

The principal activities of Great British Racing Limited ("GBR") are the promotion of horseracing in Great Britain and the commercialisation of data to third parties. The principal activity of British Horseracing Database Limited ("BHD") is the maintenance and licensing of the Racing Administration Database.

BHA, GBR and BHD, together form the "Group".

Mission and business model

The BHA's mission is to be responsible for the governance, administration and regulation of horseracing and the wider horseracing industry in Britain. We lead on the development and growth of racing, and prioritise the health and welfare of the sport's participants.

This mission shapes our business model. We do not exist to make a profit, but to serve racing and hence determine the necessary expenditures to support our mission. We continually evaluate, and consider in detail annually through the budget process, what services the sport requires to support our mission. When setting the BHA budget we look to maximise efficiency, ensure value for money, and identify opportunities for efficiencies and operational improvements.

We are conscious of the financial challenges the participants face and that feeds into consideration of the necessary fees to fund our activities, but we start from what does the sport need.

Financial overview

The Group financial overview is set out in the table, and each item is discussed in turn below.

	2024 £'000	2023 £'000
Income	45,448	41,789
Administrative costs	(43,838)	(39,702)
Operating profit	1,610	2,087

Group turnover

Turnover for the year was £45,448k (2023: £41,789k). The increase in turnover was primarily due to fee rises of 6%.

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Racecourses	28,002	25,729	23,603	22,997	21,836
Owners	9,484	9,089	8,333	8,563	7,521
Other participants inc publications	4,755	3,973	3,853	2,947	2,648
Subsidiary turnover	3,207	2,998	3,999	2,390	2,111
Total	45,448	41,789	39,788	36,897	34,116

The racecourses fee shown above are those received by the BHA for fixture fees and represent a contribution to the BHA's regulatory and governance costs. It would be noted that the racecourses receive grants (Raceday Service Grants ("RSGs")) from the Horserace Betting Levy Board ("HBLB") which fund around 80% of racecourse fees, hence the net costs to racecourses is substantially lower. In 2024, racecourses received RSGs of £19.6m hence net costs were £8.4m.

Owners' fees are a combination of entry fees for races and various registration charges (name, colour etc), these are being simplified from October 2025.

Other turnover is made up of participant fees, grants (£2.2m) from the HBLB and Racing Foundation and various sundry income. The increase is primarily due to higher grants as both funders supported more activity and/or roles primarily in horse welfare and industry people areas. These grants are typically for one year and may not be renewed, the BHA has absorbed a number of previous funded roles in 2024 into core activities, which then require funding from fees.

Group administrative expenses

Costs for the Group as a whole, which also include FRS 102 adjustments for pension scheme costs, amount to £43.8m (2023: £39.7m) for the year ended 31 December 2024.

Staff costs were £22.4m (2023: £19.7m), which is higher than in previous years due to small increases in headcount and pay inflation. Other costs increased due to contract inflation on Weatherbys and LGC and expanded activities such as the Industry People Board.

Operating profit

When considering profit in 2024 it is instructive to exclude the statutory adjustments required under Financial Reporting Standard 102 ("FRS 102") for pensions and include the cash contributions instead, together with the removal of some other non cash costs as per table below.

Management use this performance measure as they believe cash contributions paid during the year rather than the FRS102 prescribed accounting treatment provides a better reflection of the costs of running the business.

	Company 2024 £'000	2023 £'000
Statutory profit before taxation and interest	1,453	1,614
Adjustments in respect of FRS102 for pensions – removal of cash contributions	(1,206)	(1,206)
Adjustments in respect of FRS102 for pensions – interest cost	(26)	(29)
Remove impairment of BHD	718	324
Management accounts profit before tax	**939**	**703**

On this basis Company operating profit of £1.5m (2023: £1.6m), declines markedly to £0.9m (2023: £0.7m).

Furthermore, once the impact of Racing Digital Limited is considered (see below), Company operating cash outflow in 2024 is c.£0.7m (2023: outflow £0.7m).

The profit and cash are monitored regularly including the linkage between the two. This overview is important to enable the reader to properly understand why we budget for a profit but essentially have a cash outflow.

Balance sheet

Group and Company

The Group has net current assets of £5.5m (2023: £7.1m) of which £12.6m (2023: £15.2m) is in cash and cash equivalents with a net deficit balance in debtors and creditors.

The BHA collects (assisted by Weatherbys Limited under the Racing Administration agreement) and holds various amounts in ring-fenced accounts for distribution within the industry (for example use for agreed training and education purposes), hence has corresponding creditor balances.

British Horseracing Authority Limited

Strategic Report
For the year ended 31 December 2024 (continued)

Balance sheet (continued)

A breakdown of the cash balances is shown in note 16, and is shown below - together with what management consider operating cash being total cash less ring fencing.

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Cash at bank and in hand	5,360	7,852	3,873	6,118
Cash on deposit	858	825	858	825
Ring fenced cash	6,309	6,554	6,309	6,554
Total cash	12,527	15,231	11,040	13,497
Operating cash - Total cash less ring fenced cash	6,218	8,677	4,731	6,943

The decline in operating cash between 2024 and 2023 primarily reflects the investment in Racing Digital Limited (as below).

Investment in Racing Digital Limited

During the year the Company invested £1.9m (2023: £1.9m) through loans in Racing Digital Limited, a joint venture company. A total of £5.9m (excluding interest) has been loaned as at end of 2024. This money is being invested by Racing Digital Limited in developing a new improved racing administration system, a system whose initial target launch was July 2024 but has been delayed (see risk described on page 7).

The recovery of the loans is assessed against the assets of Racing Digital Limited, for example any capitalised software that has been developed, and any amount not supported by assets is impaired. All accrued loan interest is also fully impaired.

The Company impairment (including impairment of interest) in 2024 was £0.6m, taking total impairments (including for the group share of joint venture losses) to £1.9m and leaving a Group and Company carrying value of £4.6m.

Pension

The Pension scheme is now showing an accounting surplus, however this accounting surplus is only able to be repaid to the Company when the final scheme member dies and with the trustees targeting buy-out as a long term objective the Company's right to a return of this asset is not considered unconditional and therefore an asset ceiling is applied to give a recognised surplus of £Nil (2023: £Nil).

Taxation

BHA remains in a tax neutral position by virtue of its continued investment in eligible research and development ("R&D"), use of brought forward losses and group relief within the wider Group.

Capital spend

The Group spent £247k (2023 - £304k) on capital items (intangible and tangible) in 2024. The largest element was IT equipment.

Key Performance Indicators ("KPIs")

The Company uses various informal KPIs across the business to monitor internal performance. The key financial KPI is performance against budget, the results of which are discussed above. The Company does not currently use formal KPIs to monitor the overall strategic objectives.

Environmental reporting

Effective from 1 April 2019, The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 introduced the requirement for annual energy and carbon reporting. We have applied the financial control method. Greenhouse Gas emissions are set out below.

		2024		2023	
		Units	**tCO2e**	**Units**	**tCO2e**
Electricity	KWh	133,680	27.72	145,730	30.18
Company cars	KWh	2,061,034	493.72	1,676,652	444.39
Non-Company cars	Miles	1,263,011	338.27	1,196,935	320.37
Flights	Miles	212,705	87.5	561,287	74.08
Total		-	947.21	-	**869.02**
Intensity ratio (tCO2e per £m of turnover)		-	22.03	-	**20.79**

*In 2023 Company car units were reported in miles.

Methodology

The following methodology for converting raw data has been applied, using UK Government Conversion Factors for greenhouse gas (GHG) reporting:

- Electricity is measured directly in kWh and converted to kgCO2e using a conversion factor of 0.20705 in 2024.
- The Company car fleet energy use has been calculated by converting mileage data to kWh using conversion factors outlined for SECR reporting. The total emissions for the Company car fleet were calculated based on engine size and fuel type, with the exception of the electric vehicles which were calculated using the average car conversion factor.
- The non-Company car emissions were calculated using mileage data and based on engine size and fuel type, with the exception of the electric vehicles which were calculated using the average car conversion factor.
- Air travel is reported in miles, however, was converted to km for the purpose of applying the conversion factors specific to domestic (0.27257), short-haul (0.18592) and long-haul (0.26128) travel for the average passenger. Please note, this is a change from previous years in which an online calculator was used, and as a result of more accurate data calculations we have seen an increase in emissions reported despite a significant 62% decrease in air miles.

British Horseracing Authority Limited

Strategic Report
For the year ended 31 December 2024 (continued)

Energy efficiency

There has been an 8% decrease in electricity usage in the head office with average daily consumption falling from 399kWh per day in 2023 to 367kWh per day in 2024. An ESOS Phase 3 site audit was completed in July to identify further energy saving opportunities and an action plan has been submitted to the Environment Agency.

Total mileage for both Company and non-Company cars increased from 2023, resulting in increased emissions. However, the Company car fleet is now comprised of 23% hybrid vehicles, up from 18% in 2023. As an organisation we continue to investigate opportunities to shift the Company car fleet to lower emission vehicles and identify travel efficiencies.

However, more accurate emissions calculations used in the 2024 report have resulted in higher recorded emissions. In a bid to reduce air travel, internal targets and staff engagement have been successful, resulting in a significant decrease in air miles of 62%.

The appointment of a Head of Environmental Sustainability in 2024 has increased focus on energy and carbon reduction across the organisation and has seen the creation of an internal Environmental Action Group which is focused on reducing the Company's negative environmental impact and improving the positive contribution.

Principal risks and uncertainties

The Company maintains a risk register which is reviewed by both the Audit Committee and Board. This includes BHA operational risks and industry risks in areas where BHA has leadership responsibilities.

Key risks are detailed below and are a mix of those with immediate impact to the Company and those which negatively impact the Racing industry which in turn risks damaging the BHA including financially (lower revenue, higher costs), operationally, reputationally etc.

Risk identified	Further details and mitigations
Cyber threat	The BHA, like all businesses, is increasingly exposed to cyber threats, including unauthorized access to systems, data breaches, malware, ransomware, phishing, and other forms of cyberattacks. Such threats may result in the theft, loss, or misuse of sensitive data (including financial, customer, or proprietary information), disruption of operations, financial loss, and reputational harm. We experienced a Cyber incident in 2025 and responded immediately, containing the disruption to the BHA and preventing any meaningful impact on the sport. We have further added to our Cyber protection since the incident, and maintain a robust risk control environment.
AI Disruption to BHA Integrity and Oversight	For the British Horseracing Authority, AI presents emerging risks including betting market manipulation that outpaces integrity monitoring, synthetic media that undermines confidence in BHA decisions and the sport’s social licence to operate, unregulated use of AI in training or veterinary care that challenges welfare oversight, and AI-enabled cyber threats such as deepfake phishing or automated attacks; together these could reduce the Authority’s effectiveness as regulator and erode public trust in the sport.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Principal risks and uncertainties (continued)

Risk identified	Further details and mitigations
AI Disruption to BHA Integrity and Oversight (continued)	These risks can be mitigated through structured horizon-scanning (regular monitoring of AI developments in betting, sport integrity, cyber security and veterinary practice), enhanced integrity analytics, stronger cyber defences, clear policy on permissible AI use in racing and veterinary contexts, and proactive public communications to protect confidence in BHA rulings.
Racing Digital project is further delayed, requires additional funding and/or launches with an unsatisfactory product.	The Racing Digital project which started in July 2021 had planned for the original programme to be completed by July 2024 but this has been delayed and costs are significantly higher than budgeted. The Racing Digital Management, working with the joint venture partners – the BHA and Weatherbys, have taken corrective action in 2025 including a new management team and the development of a new operating model, with a focus on internal resources. The BHA have budgeted for the new forecast costs and are working closely with Racing Digital, Weatherbys and engaging with the racing industry to ensure a high quality product is produced and launched when appropriate.
Regulatory or taxation changes damage the attractiveness/sustainability of British Racing as a betting product	British Racing is facing significant challenges from a number of factors that risk substantially reducing the critical revenues generated from betting on British horseracing: • Betting tax increases in the tax rates paid on betting on British horseracing; • Gambling Act related measures, particularly the disproportional use affordability checks restricting betting on British racing and resulting in the growth in the black market betting (with no revenue paid to Racing); and • Failure to reform the Levy. The Gambling Strategy Committee, led by the BHA, was established to respond to these threats and continues to work closely with the Government and betting industry and where appropriate has adopted robust strategies to highlight the threat to the sport from such changes.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Principal risks and uncertainties (continued)

Risk identified	Further details and mitigations
Industry suffers longer term damage and a period of contraction caused by economic factors or lack of interest and engagement in the sport.	The BHA recognises this threat and hence has developed and coordinated the production of the industry strategy framework, which brings together all the work being undertaken collectively by racing, in areas where racing's major stakeholders are working together to advance the sport and ensure its long-term sustainability. This is the first time that racing has developed a strategy for - and by - the whole of the sport. It sets out our main strategic objectives in terms of: • Our audiences and investors – in terms of our principal areas of focus of attending, watching, betting and owning (in 2025 including the sport's largest National Marketing Campaign occurring between May and September 2025), and Project Beacon – the most in-depth piece of consumer research British racing has carried out; • The sport on the track, in terms of its quality and competitiveness (including Racing Product initiatives). Racing's non-commercial sustainability, our operational ability and social licence to operate – looking after our people, our horses (see below), our environment and the communities within which we operate.
Public engagement with the sport damaged as a result of equine welfare concerns as social & political attitudes change (i.e. social licence), impacting racecourse attendance and customer/public engagement.	The threat of horse welfare to British racing is not just about the treatment of the horses, but encompasses public concerns, activist campaigns, and changing social attitudes could erode the sport's legitimacy. The BHA is aware that unless the industry continues to improve welfare standards and communicate them positively and effectively, it risks declining popularity, regulatory restrictions, and long-term existential threats. Horse welfare is a critical foundation of the Industry Strategy Framework with initiatives such as HorsePWR. The Horse Welfare Board continues to provide independent input and challenge for the sport, building on the A Life Well Lived Horse welfare strategy which continues to be implemented and will be updated in due course.

Section 172 statement

After due and careful consideration of the requirements set out in Section 172 of the Companies Act 2006, during the financial year ending 31 December 2024, the directors have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

Examples of how the directors have had regard to each of the requirements is set out below with reference (where relevant) to information found elsewhere in the Industry Strategic Framework.

S172(1)(a) "The likely consequences of any decision in the long-term"

Consideration of the likely long-term consequences of a decision permeates the Board's thinking on all issues, with the overall aim being to secure the long-term sustainability of the sport of horseracing in Great Britain. The Board's agreement to the 2025 Fixture List sees a continuation of the two year trial of various changes designed to deliver more competitive racing and to build the sport's long-term appeal. More information on the industry strategy can be found at https://www.britishhorseracing.com/about/british-horseracings-industry-strategy/.

S172(1)(b) "The interests of the Company's employees"

The directors maintain a close regard for the interests of the BHA's employees, recognising that they are fundamental to the sport and delivery of the BHA's and industry's strategic ambitions. The directors seek to ensure that the BHA remains a responsible employer, including with respect to pay and benefits, fairness (including gender pay gap reporting) and diversity and inclusion. They receive an update from the Head of HR in each Board pack, are kept abreast of the outcome of the BHA's various employee surveys, and all have access to "Workplace", the BHA's employee communications hub. The Board have also designated champions for both diversity and inclusion and safeguarding.

S172(1)(c) "The need to foster the Company's business relationships with suppliers, customers and others"

As with many other sports, horseracing has a complex network of stakeholders. The Board strives to ensure that relations with all stakeholder groups are developed and maintained. Within the industry, stakeholders include the BHA's members, volunteers, funding bodies, racing charities and industry forums and groups, both at international and national level. Outside the industry, stakeholders include the Government (including DCMS, the Gambling Commission, Sport England and individual MPs), horse welfare charities and key suppliers.

Fostering good relations between the BHA and Government became particularly crucial with the change of party in July 2024. Since the election, the BHA appointed a new corporate affairs agency and has engaged regularly with key Labour politicians and advisers as well as maintaining an open dialogue with civil servants in key Government departments. The cross industry Gambling Strategy Committee continues to meet monthly and reports into the Commercial Committee, which in turn reports to the Board.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Section 172 statement (continued)

S172(1)(d) "The impact of the Company's operations on the community and the environment"

Environmental sustainability has been identified as a key pillar within the cross- industry strategy. The Industry Programme Group was tasked with establishing a cross industry Environmental Impact Group to look at developing and implementing actions and initiatives across the industry to reduce the negative impact and improve the positive impact of the sport on the environment.

Through its continued coordination and cooperation with various horseracing industry charities, platforms, initiatives and networks such as Racing to School, Racing Together, National Racehorse Week and Racing with Pride, the BHA engages with the community in both traditional and non-traditional horseracing spheres.

S172(1)(e) "The desirability of the Company maintaining a reputation for high standards of business conduct"

The industry Code of Conduct places high importance on standards of conduct, which apply as much to the Board and BHA employees as those working in the wider sport. The BHA also has a Board Code of Conduct that is tailored more specifically to the role of a BHA Board director. The BHA updated its employee Conflict of Interest Policy in 2024 to bolster its approach in this area and to continue to ensure its workforce acts with the highest standards of integrity.

S172(1)(f) "The need to act fairly between members of the Company"

The BHA's members represent a diverse spectrum of individuals and interests, each of whom/which are inextricably linked. It is paramount for the Board to "hold the ring" to ensure fairness of treatment, even where interests are not fully aligned.

Wherever members are represented within the BHA's governance structure or otherwise engaged/ consulted, member representation is always carefully considered and is mostly balanced evenly between racecourses and horsemen and women. Reporting lines from the various committees and groups are required to record dissenting views for consideration of the Board and there are two member nominated directors from each of the racecourses and the horsemen/women on the Board itself.

All decisions made in 2024 have been made applying the agreed governance framework, there were no key decisions made that require separate disclosure.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Corporate governance

Although neither the Group nor the BHA are listed and do not voluntarily comply with the UK Corporate Governance Code, the directors, mindful of BHA's position as the governing and regulatory body for horseracing in Great Britain, believe in good corporate governance as evidenced by the following:

- 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; and
- 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.

This report was approved by the Board and signed on its behalf by:

DocuSigned by:
Brant Dunshea
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B S Dunshea
Director

Date: 10/27/2025

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Members

The members of the Company are:

- Racecourse Association Limited
- Racehorse Owners Association Limited
- Thoroughbred Breeders Association
- The Licensed Personnel Member ("LPM")

The LPM is jointly the National Trainers Federation, Professional Jockeys Association, and National Association of Racing Staff.

Political contributions

The Group made no political donations and incurred no political expenditure during the year (2023: £Nil).

Directors

The directors, who held office during the year, and up to the date of signature of the financial statements were as follows:

J W Saumarez Smith (resigned 30 January 2025)

D J Armstrong

J P Ferguson (resigned 28 July 2025)

K Halley

J A Harrington (resigned 31 December 2024)

D S.J Jones

C M Parker

R Parker

T J Warren

W T Walsh

Lord C Allen (appointed 1 September 2025)

B S Dunshea (appointed 1 January 2025)

P Johnson (appointed 1 September 2025)

Certain directors benefited from qualifying third party indemnity provisions in place and qualifying pension scheme indemnity provisions during the financial year and at the date of this report.

Dividends and transfers to reserves

The profit for the year of £1.6m (2023: £2.1m) has been transferred to reserves. BHA is not permitted under its Memorandum of Association to pay dividends.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Future developments

Lord Charles Allen joined the BHA as Chair in September 2025. Reform of the governance of the BHA has been agreed in principal by the members, most notably the creation of a fully independent Board which is targeted to be in place by the end of the year.

The BHA published the Industry Strategy Framework in September 2025. The framework was developed and coordinated by the BHA, working principally with the industry CEOs who make up the Commercial Committee. This was particularly important in shaping the more commercially focused aspects of the framework.

The framework is a key part of how the industry is responding to the key risks and opportunities described on above (page 8).

The Company produced a 2025 budget which details a £0.2m pre tax profit and a cash outflow of £0.3m, the main difference between the two being our investment in Racing Digital Limited where only part of this goes through the P&L. The budgeted cash outflow in 2025 can be managed from reserves.

Our 5 year cashflow from 2025-2029 shows how cashflows are stabilised after the initial investment period in Racing Digital Limited and the efficiencies that will be delivered.

Employees

The Group is an equal opportunities employer and is fully committed to treating all employees and applications equally.

The Group will take all reasonable steps to employ, train and promote employees on the basis of their experience, abilities and qualifications, without regard to race, religion, sexual orientation, nationality, belief, gender, age, marital status or disability. We will also take reasonable steps to provide a working environment in which all employees are treated with dignity and respect and that is free from harassment or discrimination.

Further details on employee engagement are set out in the Strategic Report.

Matters covered in the Strategic Report

Financial risk management objectives and policies, employee engagement and engagement with suppliers, customers and others are disclosed in the Strategic Report.

Statement as to disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Auditor

The Company's auditor, BDO LLP, have expressed their willingness to be re-appointed and will be deemed to be re-appointed in accordance with Section 487 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf by:

DocuSigned by:
Brant Dunshea
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B S Dunshea
Director

Date: 10/27/2025

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of British Horseracing Authority Limited (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Company Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and financial statements, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement in respect of the Annual report and financial statements, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtaining an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company. These include, but are not limited to, compliance with the Companies Act, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.
- reviewing minutes of the Board of directors in order to identify any instances of fraud or non-compliance with laws and regulations.
- making enquires of other personnel with roles relevant to compliance with laws and regulations
- making enquiries of management of the Group policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur in the financial statements and any potential indicators of fraud. We identified potential for fraud in the following areas and performed the following procedures:

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Auditor’s responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

- management override of controls: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements. Audit procedures performed included:
  - challenging assumptions made by management in their significant accounting estimates in particular in relation to actuarial assumptions, the recognition of a deferred tax asset, recoverability of receivables, and discount rates used for non-current receivables and payables;
  - identifying and testing journal entries, in particular any journal entries to revenue which are not in line with expectations and reviewing journal entries for journals inconsistent with the usual transactions of the Group.
- revenue recognition: application of cut off at, and measurement of accrued income to, and deferred from, the year-end. We reviewed transactions pre and post year end to check that the associated revenue is reflected in the correct period;
- communicating relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ian Clayden

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Ian Clayden (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 06 November 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

British Horseracing Authority Limited

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Turnover	4	45,448	41,789
Administrative expenses		(43,838)	(39,702)
Operating profit	7	1,610	2,087
Share of losses of joint venture	14	(206)	(514)
Interest on loans receivable	8	35	42
Other interest receivable and similar income	9	177	416
Other finance income	10	26	29
Profit before taxation		1,642	2,060
Taxation on profit	11	-	-
Profit for the financial year		1,642	2,060
Other comprehensive loss			
Remeasurement of the net defined benefit pension scheme	20	(1,233)	(1,235)
Total comprehensive income for the year		409	825

Profit for the financial year is all attributable to the owners of the Company.

Total comprehensive income for the year is all attributable to the owners of the Company.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

British Horseracing Authority Limited

Company Statement of Comprehensive Income
For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Turnover	4	42,909	39,501
Administrative expenses		(41,456)	(37,887)
Operating profit	7	1,453	1,614
Other interest receivable and similar income	9	150	392
Other finance income	10	26	29
Profit before taxation		1,629	2,035
Taxation on profit	11	-	-
Profit for the financial year		1,629	2,035
Other comprehensive loss			
Remeasurement of the net defined benefit pension scheme	20	(1,233)	(1,235)
Total comprehensive income for the year		396	800

The notes on pages 28 to 61 form part of these financial statements.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

British Horseracing Authority Limited

Registered number: 02813358
Consolidated Balance Sheet

As at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	12	112	151
Tangible assets	13	583	551
Investments	14	4,597	2,914
		5,292	3,616
Current assets			
Debtors (including £53,000 (2023: £469,000) due after more than one year)	15	8,647	8,021
Cash and cash equivalents	16	12,527	15,231
		21,174	23,252
Creditors: amounts falling due within one year	17	(15,696)	(16,136)
Net current assets		5,478	7,116
Total assets less current liabilities		10,770	10,732
Creditors: amounts falling due after more than one year	18	(67)	(438)
Provisions for liabilities			
Pension and similar obligations	20	-	-
Net assets		10,703	10,294
Capital and reserves			
Capital reserve	19	19	19
Profit and loss account	19	10,684	10,275
Shareholders' funds		10,703	10,294

These financial statements were approved by the Board of directors and were signed on its behalf by:

DocuSigned by:
Brant Dunshea
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B S Dunshea
Director

Date: 10/27/2025

The notes on pages 28 to 61 form part of these financial statements.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

British Horseracing Authority Limited

Registered number: 02813358
Company Balance Sheet

As at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	12	112	151
Tangible assets	13	580	549
Investments	14	6,355	5,390
		7,047	6,090
Current assets			
Debtors (including £53,000 (2023: £312,000) due after more than one year)	15	8,026	6,822
Cash and cash equivalents	16	11,040	13,497
		19,066	20,319
Creditors: amounts falling due within one year	17	(15,476)	(15,797)
Net current assets		3,590	4,522
Total assets less current liabilities		10,637	10,612
Creditors: amounts falling due after more than one year		(67)	(438)
Provisions for liabilities			
Pension and similar obligations	20	-	-
Net assets		10,570	10,174
Capital and reserves			
Capital reserve	19	19	19
Profit and loss account	19	10,551	10,155
Shareholders' funds		10,570	10,174

These financial statements were approved by the Board of directors and were signed on its behalf by:

DocuSigned by:
Brant Dunshea
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B S Dunshea
Director

Date: 10/27/2025

The notes on pages 28 to 61 form part of these financial statements.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

British Horseracing Authority Limited

Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows for operating activities			
Profit for the financial year		1,642	2,060
Adjustments for:			
Depreciation, amortisation and impairment	7	253	286
Share of losses in fixed asset investment	14	206	780
Interest income receivable and similar income		(177)	(416)
Gain on financial assets at fair value through profit and loss	8	(62)	(71)
Loss on disposal of fixed assets	7	1	22
		1,863	2,661
(Increase)/decrease in trade and other debtors		(1,159)	509
Decrease in trade and other creditors		(811)	(80)
Cash contributions to defined benefit pension scheme	20	(1,206)	(1,206)
Cash (used in)/from operations		(1,313)	1,884
Taxation reclaimed in respect of prior periods		-	13
Net cash (used in)/from operating activities		(1,313)	1,897
Cash flows used in investing activities			
Purchase of tangible fixed assets	13	(231)	(304)
Purchase of intangible assets	12	(16)	-
Loans made to joint ventures	14	(1,889)	(1,920)
Interest received	9	177	150
Net cash used in investing activities		(1,959)	(2,074)
Cash flows from financing activities			
Loans repayments from associated undertakings		568	374
Net cash from financing activities		568	374
Net (decrease)/increase in cash and cash equivalents		(2,704)	197
Cash and cash equivalents at beginning of year		15,231	15,034
Cash and cash equivalents at end of year		12,527	15,231

The notes on pages 28 to 61 form part of these financial statements.

British Horseracing Authority Limited

Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

	Capital reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2023	19	9,450	9,469
Comprehensive income for the year			
Profit for the year	-	2,060	2,060
Other comprehensive loss for the year	-	(1,235)	(1,235)
Total comprehensive income for the year	-	825	825
At 31 December 2023	19	10,275	10,294

	Capital reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2024	19	10,275	10,294
Comprehensive income for the year			
Profit for the year	-	1,642	1,642
Other comprehensive loss for the year	-	(1,233)	(1,233)
Total comprehensive income for the year	-	409	409
At 31 December 2024	19	10,684	10,703

The notes on pages 28 to 61 form part of these financial statements.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

British Horseracing Authority Limited

Company Statement of Changes in Equity
For the year ended 31 December 2024

	Capital reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2023	19	9,355	9,374
Comprehensive income for the year			
Profit for the year	-	2,035	2,035
Other comprehensive loss for the year	-	(1,235)	(1,235)
Total comprehensive income for the year	-	800	800
At 31 December 2023	19	10,155	10,174

	Capital reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2024	19	10,155	10,174
Comprehensive income for the year			
Profit for the year	-	1,629	1,629
Other comprehensive loss for the year	-	(1,233)	(1,233)
Total comprehensive income for the year	-	396	396
At 31 December 2024	19	10,551	10,570

The notes on pages 28 to 61 form part of these financial statements.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

1 General information

Company information

British Horseracing Authority Limited (the "Company") is a private company limited by guarantee and incorporated, registered and domiciled in England and Wales under the Companies Act 2006. The registered number is 02813358 and the registered office is Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

2 Accounting policies

Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The financial statements are presented in Sterling which is the functional currency of the Company and rounded to the nearest £1,000.

The following principal accounting policies have been applied:

FRS 102 amendments

The FRC issued amendments to FRS 102 in March 2024. The principal effective date for these amendments is accounting periods beginning on or after 1 January 2026, with early application permitted provided all amendments are applied at the same time. Earlier effective dates apply to new disclosures about supplier finance arrangements in Section 7 Statement of Cash Flows of FRS 102, which are effective for periods beginning on or after 1 January 2025.

The Company has not early adopted these amendments.

Parent company disclosure exemptions

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement or net debt reconciliation has been presented for the Company.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

2 Accounting policies (continued)

Parent company disclosure exemptions (continued)

- Disclosures in respect of the Company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the Group as a whole.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the totals for the Group as a whole.

Going concern

The directors are required to make an assessment over the appropriateness of using the going concern assumption in preparing these financial statements. The directors have produced cash flow forecasts, looking forward not less than 12 months from the date of approval of the financial statements, to support their conclusions, assessing risks to this assumption, and therefore reasonably plausible downsides, and understanding the mitigation which would be required should these occur. In addition to assessing short term cash flow forecasts required for going concern, the Board considered high level cash flow forecasts for a 5 year period.

The Strategic Report set out details of the Company's business model, including how fees are set at levels to deliver break-even or a moderate surplus (to fund items such as Racing Digital in the short term). This model is important in how the directors make the going concern assessment.

Once fees are set the resulting revenues are very predictable, notably the fixture fees are certain as the level of scheduled fixtures is known and the Company has paid for all such fixtures (including abandonments). Other revenues, such as owners’ fees, have a degree of uncertainty but are forecast based on the latest data and historically have seen only small variances. The majority of the Company's expenditure is salaries being largely a function of headcount and salaries; the resulting forecast people costs are agreed by the Board as part of the budgeting process. Another sizeable proportion of expenditure is the Racing Administration contract with Weatherbys and equine drug testing with LGC; these are based on a fixed price basis with agreed inflation mechanisms. The remaining expenditure largely consists of business overheads including those associated with the London office, which delivered significant savings when the office move occurred in 2023.

The combination of revenue and cost predictability means the Company is able to operate with relatively low levels of cash reserves and has not historically considered external lending.

The directors believe their current assumptions are reasonable and include appropriate contingencies, and that they have taken all reasonable steps to secure the Company's financial position, and enable the Company and Group to realise their assets and discharge their liabilities in their ordinary course of business as they fall due. The directors have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis and have not identified a material uncertainty in this regard.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

2 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (the "Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

A subsidiary is an entity that is controlled by the Company. The results of subsidiary undertakings are included in the Consolidated Statement of Comprehensive Income 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 (`BHD'), 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.

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 jointly controlled entities are included in the Consolidated Statement of Comprehensive Income and its interest in their net assets is recorded in the Consolidated Balance Sheet using the equity method.

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

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 Company's income is invoiced and recognised when these services are delivered to racecourses and other participants.

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.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

2 Accounting policies (continued)

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in profit or loss 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 or 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 profit or loss 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 reporting 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 by a qualified actuary 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 scheme assets and liabilities are recognised in other comprehensive income in the period in which they occur. A defined benefit pension surplus is recognised only to the extent that the entity has an economic right, by reference to the terms and conditions of the plan and relevant statutory requirements, to realise the asset over the course of the expected life of the plan or when the plan is settled.

2 Accounting policies (continued)

Employee benefits (continued)

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, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

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 reporting date and the gains or losses on translation are included in profit or loss.

Interest receivable and interest payable

Other interest receivable and similar income include interest receivable on funds invested. Interest income is recognised in profit or loss as it accrues.

Interest payable and similar expenses include interest payable and net interest expenses in relation to pension scheme assets and liabilities. Interest payable is recognised in profit or loss as it accrues.

Taxation

Tax on profit or loss for the year comprises current tax. Tax is recognised in profit or loss 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 reporting 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 non-taxable 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 reporting 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.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

2 Accounting policies (continued)

Intangible assets

The cost of intangible assets is their purchase cost, together with any incidental costs of acquisition. Internally generated intangible assets relate to computer development on new systems and are capitalised based upon asset cost including the staff costs of the internal development team calculated on an hourly basis.

Intangible assets are also reviewed for impairment and the assets determined to have positive future benefit which is in excess of their net book value.

Amortisation is provided so as to write off the cost of intangible assets on a straight-line basis over the estimated useful economic lives of the assets concerned. The rates of amortisation are as follows:

Computer development	4 years

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 profit or loss as incurred.

Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	lease term, up to and including the break date
Fixtures, fittings and office equipment	3-5 years

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

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

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

2 Accounting policies (continued)

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.

In the consolidated financial statements, interests in joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor’s share of the profit or loss, other comprehensive income and equity of the joint venture. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group.

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 interest 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. Other investments are measured at cost less impairment in profit or loss.

Investments in subsidiaries and jointly controlled entities

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

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

2 Accounting policies (continued)

Basic financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an initial term of less than 3 months. 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.

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 24 to the 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.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determining whether leases are operating or finance leases based upon whether the risks and rewards of ownership have been transferred from the lessor to the lease on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's and Company's assets. Factors taken into consideration include the economic viability and expected future financial performance of the assets and its ability to continue to be of use to the Group's and Company's business activities.

Other key sources of estimation uncertainty

- Intangible assets, tangible fixed assets and investments (notes 12, 13 and 14)

Tangible and intangible fixed assets are depreciated over their useful economic lives taking into account any residual values where appropriate. The useful economic lives are assessed at time brought into use, and reviewed at each year end to determine if these assumptions have changed.

The creation of certain intangible assets is based upon costs of the IT development staff involved, the hours completed on a project and the hourly rate of pay. No additional management time is included in the capitalised costs. Given there is no formal timesheet system, this calculation requires judgement.

The investments in subsidiaries and joint ventures are assessed annually against the assets held by those companies which support the valuation and this process requires judgement over impairment and potential future cashflows.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

3 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Other key sources of estimation uncertainty (continued)

- Defined benefit pension scheme (note 20)

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future levels of inflation, mortality and investment returns. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the liabilities, such estimates are subject to significant uncertainty. The discount rate is determined using appropriate corporate bonds as specified under FRS102, the mortality rates are based upon mortality tables and the future rates of inflation are based upon market conditions and expectations.

- Taxation, including deferred taxation (note 11)

The taxation charge and related provision for corporation tax relies upon a series of estimates and judgements regarding disallowable items and reliefs. It also uses estimates for likely research and development tax credits which are estimated based upon research spend and how these might be used. This is shown as deferred tax.

Deferred tax assets are only recognised to the extent that these are expected to be offset against future taxable profits. Significant management judgement is exercised in determining the level of tax assets that can be recognised, taking into account future forecasts and likely R&D credits, with a prudent approach taken should their existence not be considered probable.

- Debtors, specifically loans (note 15)

The Group holds two loans which require judgement. Their future recoverability is determined through viewing payment compliance versus agreed payment dates and loanees future business model and financial forecasts. Where sufficient uncertainty exists, a provision is made. Judgement is also required in determining the fair value of the loan which is calculated using appropriate assessments of comparable market rates.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

4 Segmental information

	Racing administration 2024 £'000	Commercial 2024 £'000	Total 2024 £'000
Turnover			
United Kingdom and Republic of Ireland	42,241	3,207	45,448
Total sales - Group	42,241	3,207	45,448
Intra group revenue (Company only)	668	-	668
Total sales - Company	42,909	-	42,909
Total operating profit before interest and taxation	1,404	(260)	1,144
Net assets	8,921	1,782	10,703

	Racing administration 2023 £'000	Commercial 2023 £'000	Total 2023 £'000
Turnover			
United Kingdom and Republic of Ireland	38,791	2,998	41,789
Total sales - Group	38,791	2,998	41,789
Intra group revenue (Company only)	710	-	710
Total sales - Company	39,501	-	39,501
Total operating profit before interest and taxation	1,384	189	1,573
Net assets	7,804	2,490	10,294

The Group has two classes of business, commercial (operated via GBR) and racing administration, both of which originate in the UK. It is not possible to split the operating profit before interest and taxation or the net assets by geographical destination.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

5 Directors' remuneration

The remuneration payable to each of the directors of the Company for the year was:

	2024 £'000	2023 £'000
J A Harrington	598	370
D L Whyte*	-	25
J W Saumarez Smith	27	27
R Parker	35	35
D J Armstrong	27	27
K Halley	27	18
T J Warren	27	18
C M Parker	27	27
D S.J Jones	50	44
J P Ferguson	27	27
W T Walsh	27	27
Total	872	645

* D L Whyte resigned as a director on 30 November 2023.

The costs of J A Harrington, who was Chief Executive, are also represented within the costs included in note 6. The cost of employers social security costs for the above directors was £70,000 (2023: £71,000).

Company contributions to retirement benefits amounted to £55,912 (2023: £34,812) in the year. Retirement benefits were accruing to 1 (2023: 1) director in the year.

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £598,000 (2023: £370,000), including a £180,000 (2023: £Nil) ex gratia payment and Company pension contributions of £52,000 (2023: £34,812) were made to a money purchase scheme on their behalf.

Key management personnel includes the Board and the executive team who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was £2,605,000 (2023: £2,341,000).

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

6 Employees

The average number of persons employed by the Group and Company during the year is shown below:

	Group		Company	
	Number 2024	Number 2023	Number 2024	Number 2023
Directors	9	11	9	10
Permanent staff	304	292	281	268
Sessional staff	27	24	26	23
Horse Welfare Board (including paid members)	7	8	7	8
Industry People Board (including paid members)	3	4	3	4
	350	339	326	313

The aggregate payroll costs of these persons were as follows:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Wages and salaries	18,249	16,025	17,121	15,172
Cost of defined contribution scheme	2,123	1,892	2,048	1,836
Social security costs	2,025	1,779	1,902	1,684
	22,397	19,696	21,071	18,692

All staff in the Group are employed by the Company and their costs are allocated between Group companies depending upon the activities they perform. Separately identified in headcount are the staff employed who work on activities for the Horse Welfare Board and Industry People Board as they are employees of the Company and their costs are included in profit or loss.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

7 Operating profit

Group

This is arrived at after charging:

	2024 £'000	2023 £'000
Depreciation of tangible fixed assets	198	201
Amortisation of intangible assets	55	85
Loss on disposal of fixed assets	1	22
Operating leases:		
- Building rentals (including SDLT)	526	743
- Car leases	795	547
Impairment of fixed asset investment in joint venture	346	780
Impairment and write off of debtor balances	-	3
Auditor's remuneration:		
Audit of these financial statements	80	62
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries of the Company	16	16
All other services	13	1

8 Interest on loans receivable

The analysis of the Group's other gains and losses for the year is as follows:

	2024 £'000	2023 £'000
Effective interest on fair value of BCS loan	8	9
Contractual interest on BCS loan	27	33
	35	42

British Horseracing Authority Limited

9 Other interest receivable and similar income

Group

	2024 £'000	2023 £'000
Bank interest	177	150
Interest on loan to related undertakings	347	266
Impairment of interest on loan to related undertakings	(347)	-
	177	416

Company

	2024 £'000	2023 £'000
Bank interest	150	126
Interest on loan to related undertakings	347	266
Impairment of interest on loan to related undertakings	(347)	-
	150	392

10 Other finance income

Group and Company

	2024 £'000	2023 £'000
Interest on assets	2,480	2,649
Interest on liabilities	(2,434)	(2,606)
Interest on effect of asset ceiling	(20)	(14)
Net interest income on net defined benefit liabilities (note 20)	26	29

11 Taxation

Group

	2024 £'000	2023 £'000
Current tax		
Tax on profit for the year	-	-
Adjustment in respect of prior periods	-	-
Total current tax charge	-	-
Deferred tax		
Deferred tax charge for the year	-	-
Total tax charge	-	-

Factors affecting tax charge for the year

On 1 April 2023, the UK Corporation tax rate increased from 19% to 25%. The tax assessed for the period differs from the standard/effective rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are explained below:

	2024 £'000	2023 £'000
Profit on ordinary activities before tax	1,642	2,060
Profit on ordinary activities multiplied by standard/effective rate of corporation tax in the UK of 25% (2023: 23.5%)	411	484
Effects of:		
Expenses not deductible for tax purposes	17	17
Pension costs not immediately deductible	(308)	(290)
R&D tax credits	(138)	(176)
Unused losses created with no future value	18	12
Depreciation in excess of/(less than) capital allowances	-	(47)
Total tax charge	-	-

The Group claims R&D tax credits which reduce the Group's tax liability along with brought forward losses and group relief. The Group will continue to claim R&D tax credits going forward, where appropriate, and will include an appropriate amount in determining the current year tax charge. For the purposes of the calculation, we have used the substantially enacted UK corporation tax rate for the year of 25%.

11 Taxation (continued)

Factors that may affect future tax charges

No deferred tax asset (2023: £Nil) has been recognised on the Group's pension scheme surplus. There are also unrecognised trading losses of £768,390 (2023: £305,000) which again are unrecognised due to likely insufficient forecast taxable profits to use them against.

Deferred tax movements during the year have been measured at 25%, the substantially enacted UK corporation tax rate for the year.

Company

	2024 £'000	2023 £'000
Current tax		
Tax on profit for the year	-	-
Adjustment in respect of prior periods	-	-
Total current tax charge	-	-
Deferred tax		
Deferred tax charge for the year	-	-
Total tax charge	-	-

Factors affecting tax charge for the year

On 1 April 2023, the UK Corporation tax rate increased from 19% to 25%. The tax assessed for the period differs from the standard/effective rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are explained below:

	2024 £'000	2023 £'000
Profit on ordinary activities before tax	1,629	2,035
Profit on ordinary activities multiplied by standard/effective rate of corporation tax in the UK of 25% (2023: 23.5%)	407	478
Effects of:		
Expenses not deductible for tax purposes	195	90
Pension costs not immediately deductible	(308)	(290)
R&D tax credits	(138)	(176)
Brought forward losses and group relief	(128)	(55)
Capital allowances (more) / less than depreciation	(28)	(47)
Total tax charge	-	-

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

11 Taxation (continued)

The Company claims R&D tax credits which reduce the Company's tax liability along with brought forward losses and group relief. The Company will continue to claim R&D tax credits going forward, where appropriate, and will include an appropriate amount in determining the current year tax charge. For the purposes of the calculation, we have used the substantially enacted UK corporation tax rate for the year of 25%.

Factors that may affect future tax charges

No deferred tax asset (2023: £Nil) has been recognised on the Group's pension scheme liability. There are also unrecognised trading losses of £407,237 (2023: £311,000) which again are unrecognised due to likely insufficient taxable profits to use them against.

Deferred tax movements during the year end have been measured at 25%, the substantially enacted UK corporation tax rate for the year.

12 Intangible assets

Group and Company

	Development costs £'000
Cost	
At 1 January 2024	2,485
Additions	16
Disposals	(117)
At 31 December 2024	2,384
Amortisation	
At 1 January 2024	2,334
Charge for the year	55
Disposals	(117)
At 31 December 2024	2,272
Net book value	
At 31 December 2024	112
At 31 December 2023	151

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

12 Intangible assets (continued)

These costs relate to racing specific software and system development commissioned from third parties or developed internally and 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'.

13 Tangible fixed assets

Group

	Leasehold improvements £'000	Fixtures, fittings and office equipment £'000	Total £'000
Cost			
At 1 January 2024	6	1,999	2,005
Additions	-	231	231
Disposals	-	(141)	(141)
At 31 December 2024	6	2,089	2,095
Depreciation			
At 1 January 2024	1	1,453	1,454
Charge for the year	1	197	198
Disposals	-	(140)	(140)
At 31 December 2024	2	1,510	1,512
Net book value			
At 31 December 2024	4	579	583
At 31 December 2023	5	546	551

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

13 Tangible fixed assets (continued)

Company

	Leasehold improvements £'000	Fixtures, fittings and office equipment £'000	Total £'000
Cost			
At 1 January 2024	6	1,949	1,955
Additions	-	228	228
Disposals	-	(141)	(141)
At 31 December 2024	6	2,036	2,042
Depreciation			
At 1 January 2024	1	1,405	1,406
Charge for the year	1	195	196
Disposals	-	(140)	(140)
At 31 December 2024	2	1,460	1,462
Net book value			
At 31 December 2024	4	576	580
At 31 December 2023	5	544	549

British Horseracing Authority Limited

Notes to the Financial Statements
For the year ended 31 December 2024 (continued)

14 Fixed asset investments

Total fixed asset investments comprise:

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Investments in subsidiaries	-	-	1,758	2,476
Investments in joint ventures	4,597	2,914	4,597	2,914
Total	4,597	2,914	6,355	5,390

The Company has the following direct investments:

	Country of incorporation	Number of shares	Class of shares held	Ownership 2024	Ownership 2023
British Horseracing Database Limited	UK	4,003,932	Ordinary	99.99985%	99.99985%
British Horseracing Limited*	UK	2	Ordinary	100%	100%
British Horseracing Board Limited*	UK	2	Ordinary	100%	100%
Racing Digital Limited	UK	1	Ordinary ‘A’	50%	50%
Horseracing Regulatory Authority Limited*	UK	1000	Ordinary	100%	100%

The three companies marked with * are all dormant companies and no longer trade. All of the above companies have their registered office at Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN.

The Company has the following indirect investments through its subsidiaries:

	Country of incorporation	Number of shares	Class of shares held	Ownership 2024	Ownership 2023
Great British Racing Limited	UK	4,003,831	Ordinary	100%	100%
British Champions Series Limited	UK	150	Ordinary	15.0%	15.0%

All of the above companies have their registered office at Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

14 Fixed asset investments (continued)

Company

	Subsidiaries £'000
Cost	
At 1 January 2024	4,004
At 31 December 2024	4,004
Impairment	
At 1 January 2024	(1,528)
Charge for the year	(718)
At 31 December 2024	(2,246)
Net book value	
At 31 December 2024	1,758
At 31 December 2023	2,476

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

14 Fixed asset investments (continued)

	Group Joint ventures £'000	Company Joint ventures £'000
Cost		
At 1 January 2024	4,226	4,226
Loans/investment	1,889	1,889
Capitalised interest	346	346
At 31 December 2024	6,461	6,461
Share of retained profits		
At 1 January 2024	(1,081)	-
Loss for the year	(206)	-
At 31 December 2024	(1,287)	-
Impairment		
At 1 January 2024	(231)	(1,312)
Charge for the year	(346)	(552)
At 31 December 2024	(577)	(1,864)
Net book value		
At 31 December 2024	4,597	4,597
At 31 December 2023	2,914	2,914

Racing Digital Limited was created as a joint venture between the Company and Weatherbys Limited in July 2021. The above represents the long term loans and capitalised interest on those loans. In the Company an impairment is made where the carrying value is not supported by the net assets of the joint venture or by future profits. In the Group, the loans are offset by the share of profits or losses in the year and any impairment or distributions.

15 Debtors

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	3,756	1,730	2,942	1,017
Amounts owed by group undertakings	-	-	602	553
Other debtors	3,742	4,463	3,742	4,463
VAT	14	45	-	-
Loan owed by BCS Limited	-	533	-	-
Prepayments and accrued income	1,135	1,250	740	789
	8,647	8,021	8,026	6,822
Due within one year	8,594	7,552	7,973	6,510
Due after one year	53	469	53	312
	8,647	8,021	8,026	6,822

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The loan owed by BCS Limited was fully repaid, including all accrued interest, in December 2024. The interest rate charged varies according to which element of the loan it relates to and in accordance with FRS102 using the effective interest method, £35,000 is recognised in the year (2023: £42,000).

All other financial instruments are held at amortised cost as they are repayable on demand.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

16 Cash and cash equivalents

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Cash at bank and in hand	5,360	7,852	3,873	6,118
Short term deposit	858	825	858	825
Ring fenced cash	6,309	6,554	6,309	6,554
	12,527	15,231	11,040	13,497

17 Creditors: amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Trade creditors	1,793	1,906	1,553	1,639
Amounts owed to group undertakings	-	-	104	12
Other taxes and social security	1,135	1,125	1,131	1,117
Other creditors	10,694	11,108	10,614	11,032
Accruals and deferred income	2,074	1,997	2,074	1,997
	15,696	16,136	15,476	15,797

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

18 Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Other creditors	67	438	67	438

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

19 Reserves

The Group and Company's reserves are as follows:

Capital reserve

Capital reserve represents the amounts that the members guarantee to contribute towards the debts of the Company.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

20 Pension scheme

Overview

The Company has a Defined Benefit ('DB') pension scheme for past service. This was closed to future accrual on 31 December 2015. This is operated under a trust agreement.

The Company also operates a Defined Contribution ('DC') scheme through the Legal and General ('LGIM') Master Trust. The LGIM Master Trust is also used for the purposes of auto enrolment.

DB Scheme

The latest full actuarial valuation of the DB Scheme was carried out at 31 December 2023 and was updated for FRS 102 purposes to 31 December 2024 by a qualified independent actuary.

The Company will contribute £350,000 as an annual deficit repair payment in 2025 and has a recovery plan agreed with the trustees of the scheme. This recovery plan was agreed as a result of the 2020 triennial valuation.

The trustees of the scheme have a guarantee from the Horserace Betting Levy Board ('HBLB'). This guarantee is effective until 31 December 2032.

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.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

20 Pension scheme (continued)

Net pension liability

	2024 £'000	2023 £'000
Defined benefit obligation	(49,196)	(56,735)
Plan assets	52,883	57,180
Surplus	3,687	445
Effect of asset ceiling	(3,687)	(445)
Net defined pension asset	-	-

Movements in present value of defined benefit obligation:

	2024 £'000	2023 £'000
At start of year	56,735	56,382
Interest cost	2,434	2,606
Actuarial (gains)/losses due to assumption changes	(6,464)	1,991
Experience (gain)/loss	(631)	1
Benefits paid	(2,878)	(4,245)
At end of year	49,196	56,735

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

20 Pension scheme (continued)

Movements in fair value of plan assets:

	2024 £'000	2023 £'000
At start of year	57,180	56,683
Interest on assets	2,480	2,649
Actuarial (loss)/gain on scheme assets	(5,105)	887
Contributions by employer	1,206	1,206
Benefits paid	(2,878)	(4,245)
At end of year	52,883	57,180

Expense recognised in the profit and loss account:

	2024 £'000	2023 £'000
Interest on effect of asset ceiling	20	14
Net interest on net defined benefit liability	(46)	(43)
Total income recognised in profit and loss	(26)	(29)

The total amount recognised in other comprehensive income is a loss of £1,233,000 (2023: loss of £1,235,000).

Cumulative actuarial losses reported in other comprehensive income for accounting periods ending on or after 22 June 2002, are losses of £12,290,000 (2023: £11,057,000).

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:

	2024 £'000	2023 £'000
Equities and other return seeking assets	6,265	5,420
Bonds and other defensive assets	44,917	49,747
Property and infrastructure	1,067	1,295
Cash	634	718
Total market value of assets	52,883	57,180
Actual return on plan assets	(2,625)	3,536

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

20 Pension scheme (continued)

Scheme assets (continued)

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

	2024	2023
Discount rate	5.40%	4.40%
Inflation (Consumer Price Index)	3.00%	2.90%
Inflation (Retail Price Index)	3.50%	3.30%
Pension increase (RPI max 5%)	3.35%	3.05%
Pension increase (RPI max 2.5%)	2.25%	2.15%
Pension increase (CPI max 2.5%)	2.10%	1.95%

In valuing the liabilities of the pension fund at 31 December 2024, 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: 22.1 years (male), 24.6 years (female) (2023: 22.3 years (male), 24.7 years (female)); and
- Future retiree, currently aged 45, upon reaching 65: 23.4 years (male), 26.0 years (female) (2023: 23.6 years (male), 26.1 years (female)).

The discounted value of the liabilities is sensitive to the assumptions applied. For reference:

- A reduction of 0.1% in discount rate would increase liabilities by £0.58m;
- An increase in inflation of 0.1% would increase liabilities by £0.22m; and
- An increase in life expectancy of 1 year would increase liabilities by £2.2m.

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:

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Present value of scheme liabilities	(49,196)	(56,735)	(56,382)	(85,989)	(97,942)
Fair value of scheme assets	52,883	57,180	56,683	85,019	85,322
Effect of asset ceiling	(3,687)	(445)	(301)	-	-
Deficit	-	-	-	(970)	(12,620)

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

20 Pension scheme (continued)

Experience adjustments:

	2024	2023
Difference between the expected and actual return on scheme assets – (loss) / gain:		
Amount (£'000)	(5,105)	887
Percentage of year end scheme assets	10%	2%
Experience gains and (losses) on scheme liabilities:		
Amount (£'000)	631	(1)
Percentage of year end scheme liabilities	1%	-
Total amount recognised in other comprehensive income – (loss) / gain:		
Amount (£'000)	(1,233)	(1,235)
Percentage of year end scheme liabilities	2.3%	2.2%

The DB scheme was closed to future accrual on 31 December 2015 and therefore from 2016 onwards, the only contributions being paid into this section relate to the agreed deficit repair contributions at the rates recommended by the Scheme Actuary. Cash contributions to the DB element amounted to £1,206,000 to the scheme in 2024 (2023: £1,206,000).

Analysis of amount recognised in other comprehensive income ('OCI')

	2024 £'000	2023 £'000
Actuarial (loss) / gain on scheme assets	(5,105)	887
Changes in actuarial assumptions	6,464	(1,991)
Experience gains / (losses)	631	(1)
Losses from change in asset ceiling	(3,223)	(130)
Actuarial (loss) / gain recognised in OCI	(1,233)	(1,235)

The directors are aware of the Virgin Media Limited v NTL Pension Trustees II Limited court case, and its implications for UK defined benefit pension schemes that were contracted out of the additional state pension between April 1997 and April 2016. The Trustees have conducted a legal review of the pension scheme in this regard, and no material issues have been identified but will continue to monitor the position and any developments in this area.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

20 Pension scheme (continued)

Defined contribution scheme

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 was £1,824,371 in 2024 (2023: £1,835,540). The cost for the Group was £2,030,194 in 2024 (2023: £1,892,000).

The Group and Company had no defined contribution scheme balances outstanding at the year end (2023: £Nil).

Year end balances

The amount payable to the DB pension fund for deficit repair contributions as at 31 December 2024 was £29,000 (2023: £100,500). The amount payable to the LGIM Master Trust in respect of DC contributions at 31 December was £199,073 (2023: £177,000).

In addition, the Company paid £8,769 into the personal pension schemes of certain employees (2023: £24,000).

21 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.

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

22 Commitments

Joint venture commitment

The Group has a contract with Weatherbys Limited for the provision of substantial racing and general administration services which commenced 12 July 2021 and operates for 10 years. The Company also signed a joint venture agreement on the same date with Weatherbys Limited for maximum cash commitments to Racing Digital Limited over the same 10 year period of £13.7m.

Commitments under operating leases

At 31 December 2024 the Group and Company had commitments under non-cancellable operating leases as follows:

	2024			2023		
	Land and buildings £'000	Motor cars £'000	Total £'000	Land and buildings £'000	Motor cars £'000	Total £'000
Within one year	527	559	1,086	519	461	980
Between one and five years inclusive	1,238	842	2,080	1,731	803	2,534
Over five years	-	-	-	13	-	13
	1,765	1,401	3,166	2,263	1,264	3,527

Land and buildings includes the lease on 26 Southampton Buildings (Holborn Gate) which took effect from 10 March 2023 and runs for 10 years with a flexible break between years 4 and 5. For the purposes of the above we have assumed costs of 5 years for Holborn Gate. The balance relates to commitments with the British Racing School.

23 Net debt reconciliation

	At 1 January 2024 £'000	Cash flow £'000	At 31 December 2024 £'000
Cash at bank and in hand	7,852	(2,492)	5,360
Ring fenced cash	6,554	(245)	6,309
Short term deposits	825	33	858
Net funds	15,231	(2,704)	12,527

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24 Related party transactions

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 directors being a member of the Board of the Company, or as a member body of the Company. A full list of related parties is shown in our register of director's interests.

- Racecourse Association Limited
- Racecourse Technical Services Limited
- Racehorse Owners Association Limited
- Professional Jockey's Association
- Thoroughbred Breeders Association
- National Trainers Federation
- Horsemen's Group
- British Champions Series Limited
- British Horseracing Database Limited
- Racing Digital Limited
- Great British Racing Limited
- Horserace Betting Levy Board

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

24 Related party transactions (continued)

Other related party transactions

	Sales and recharges to		Administrative expenses incurred from	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Racecourse Association Limited	-	2	-	-
Racecourse Technical Services Limited	-	-	262	262
Racehorse Owners Association Limited	3	2	-	-
Professional Jockeys Association	1	1	-	1
Thoroughbred Breeders Association	-	16	-	-
National Trainers Federation	1	1	-	-
British Champions Series Limited	849	625	-	-
British Horseracing Database Limited	-	151	5,777	5,525
Racing Digital Limited	4	-	-	-
Great British Racing Limited	2,212	1,698	-	-
Horserace Betting Levy Board	1,257	669	-	-
	4,327	3,165	6,039	5,788

Docusign Envelope ID: 6595DF66-9705-43DC-ADDF-29C76EA360B9

24 Related party transactions (continued)

	Receivables outstanding		Creditors outstanding	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Racecourse Association Limited	-	-	-	9
Racecourse Technical Services Limited	-	-	-	40
Racehorse Owners Association Limited	-	-	-	-
Thoroughbred Breeders Association	18	18	-	-
National Trainers Federation	-	-	-	-
Horsemen's Group loan	125	125	-	-
Horsemen's Group loan provision	(125)	(125)	-	-
British Champions Series Limited - loan	-	533	-	-
British Champions Series Limited – trade receivables / payables	(83)	25	-	-
British Horseracing Database Limited	-	-	12	12
Racing Digital Limited – trade receivables	-	-	-	-
Great British Racing Limited	602	553	91	-
Horserace Betting Levy Board	318	219	-	-
	855	1,348	103	61

Key management personnel

Refer to note 5 for details of key management personnel compensation.