



Horserace Betting Levy Board Annual report and accounts 2023-2024

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Horserace Betting Levy Board Annual report and accounts 2023-2024

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to Section 31 of the Betting,
Gaming and Lotteries Act 1963.

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Front cover:

Shaquille winning the Commonwealth Cup at Royal Ascot in June 2023



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CHIEF EXECUTIVE'S STATEMENT

The Board's year culminated with Levy income having reached £105m, the highest since the reforms in 2017 that brought offshore betting within the scope of Levy collection. Taking into account investment income, the Board achieved a surplus of £13.7m, the first significant surplus of the post-Covid period. This followed operating deficits in the wake of Covid.

The year had begun with bookmakers' collective forecasts of Levy yield being lower than the £100m in 2022/23. In the event, there was a continuation of the recent years' trend with turnover falling but being mitigated by an increase in operators' margin and consequential gross profit. By around Christmas 2023, the Board had anticipated that, all things being equal, Levy yield would be in the region of £100m to £105m, and so it proved.

With investment income increasing to £3.4m, in large part a consequence of higher interest rates, total income for the year reached £108.7m, with end of year reserves of £44.4m. The cash position remained healthy at £73.5m, a combination of cash allocated for existing commitments and free cash for as yet uncommitted purposes.

It remained the case that the Board required an appropriate level of cash to meet anticipated demand for loans to racecourses for their redevelopments of weighing rooms. This programme of work had been identified as a major industry priority and the Board had set aside £12.5m of its own funds and added to this with its own loan of £7.5m from the Racing Foundation.

Fewer than expected applications emerged during the year but it remains anticipated by Racing that demand will pick up during 2024/25. During the course of the year, the Board extended the application deadline to

31 March 2026. By that date, it is expected that all the applications that might come forward will have done so.

Cash was also required to facilitate the Board's first repayment of the loan taken from the Government in 2021 that was used to assist Racing's recovery from the economic effects of Covid. Including interest, the Board will repay £24m to Government in eight years, in two instalments per year, to 2030.

It may prove to be particularly welcome that the Board achieved a significant surplus in 2023/24 as Levy income is considered unlikely to reach the heights of £105m in 2024/25. The trend of a decline in turnover has continued. The Board has previously noted that a continued increase in margin is required if gross win is to be maintained when turnover is falling and that this may not be sustainable in the medium-term.

The Board is itself not privy to the commercial information around individual bookmakers' businesses. However, it is clear that there has been a material change in the industry environment with turnover down by around 20% in two years. There is bound to be an interplay of factors causing this, including the impacts of risk-based financial checks by operators, in particular on higher-staking customers, and changes to certain turnover-based commercial rights deals. The Board has also observed changes in the types and frequency of promotions of betting on British racing, also likely to have had a downward effect on turnover levels.

While the Board has been able to consider judicious increases in expenditure as a result of the Levy yield of 2023/24, there must remain a concern about whether income in the £100m to £105m range can be considered a reasonable benchmark for the future. Until the Board sees evidence of some stabilisation in

turnover, it will necessarily have to pay regard to the turnover trends in considering additional spending applications.

Government's review of the Levy rate during 2023/24 took place in accordance with the 2017 legislation that introduced the current Levy charging structure. The calling of the General Election in summer 2024 complicated the conclusion of this process and the issues dealt with as part of that review will be considered further by Government in due course.

The Board's biggest area of expenditure in the year was on prize money, with the specific allocations covered later in this annual report. There was a further development of a key theme in recent years, which has been the Board's desire to have a more dynamic and targeted mechanism for the allocation of these funds.

The largest element of the prize money budget is via the Ratecard. The advantage of this system compared to its predecessors is that its published calculation processes give immediate certainty to racecourses as to how much the Board will pay in any given race in response to a particular contribution from the racecourse.

The Board also continued to be the substantive funder of the Great British Bonus (GBB) prize money scheme. This targeted scheme, with clear objectives and regular monitoring, continued to be perceived as meeting its aims overall.

A different prize money scheme was introduced for 2024 in the form of Programme Protection Payments (PPP). This scheme was designed to ensure that those fixtures moving from established Saturday afternoons to new slots continued to offer an appropriate level of prize money. Again, this was a scheme with a carefully designed purpose capable of being monitored.

The PPPs were considered by Racing to be an integral necessity to facilitate the changes made to the fixture list and race programme in 2024, including the delineation of Premier and Core fixtures. These changes will be covered in more detail in the 2024/25 report once the full calendar year programme has completed in 2024.

After a prolonged period of consideration and evaluation, the Board agreed to provide funding in support of the initiatives but on a one year basis before a formal review. In addition, the Board required the early publication of targets and regular published updates through 2024.

The Board did not find itself able to support a request for funds for a comprehensive marketing programme for Premier fixtures as part of a wider national campaign. The Board agreed that while it was fully supportive of a national campaign and was prepared to consider funding, it required more assurance on the strategy to be employed, on the coordination and buy-in from industry and some additional matched funding from other stakeholders. In the event, Racing agreed not to seek funding from the Board other than in more limited areas, and the Board will instead look to focus on an approach for 2025.

2025 should also see the implementation of two significant pieces of work either initiated or progressed in 2023/24. One is a review of the Board's funding for regulation and integrity of around £19m annually, and the other is the People Strategy for the sport's recruitment, retention and training being developed by the Horseracing Industry People Board, which the Board had been instrumental in setting up.

This annual report sets out later the grants given to various non racing fixture activities. These cover a wide range of important work in the sport, reflecting that Levy funds are spread across racing including in some less high-

profile ways than the well-known areas of prize money and regulation and integrity.

The commitment to equine welfare remained strong, with over £2m invested in disease surveillance, veterinary science and education. In addition, the Board made significant grants to the Horse Welfare Board, Retraining of Racehorses and towards equine welfare communications.

The Board also produced a progress update on its three-year Business Plan (2022-2025) in January 2024. This showed that overall work was regarded as on track albeit that inevitably some items were more advanced than others.

It was pleasing to make further enhancements in the procedures for inviting grant applications, assessing them and providing monitoring and evaluation. This included the development of an online application portal, which will be improved further for future rounds in light of feedback received from applicants.

In the governance area, the Board held its annual strategy day; it implemented the code of conduct for Board members and staff agreed in the previous year; and concluded a new Framework Document with DCMS. Staff engagement surveys continued to be held regularly as was a survey of stakeholders around trust in HBLB. The responses in both areas were highly encouraging with findings kept under review.

The events of the Board's 2023/24 year were overshadowed by the death of our Chairman, Paul Darling, in August 2024. Paul was on the interview panel that offered me my first role at the Board, in 2009, and he was supportive of my becoming Chief Executive in 2013 when Douglas Erskine-Crum moved to Juddmonte. When I took on this role, he phoned me every day for my first two weeks to offer encouragement and advice, an act of kindness typical of him then and again from 2020 onwards when he became Chairman. I, along with everyone at the Board, will continue to miss him but will always think of his unfailing camaraderie, warmth and commitment to the Board and to the sport.

Alan Delmonte
Chief Executive

Paul Darling OBE KC

Paul Darling's sudden and unexpected death in August 2024 deprived the sport of one of its best known and most influential industry figures.

Paul gave ten years of service to the Board, six as a Board member from 2008 to 2014 and a further four as Chair after his appointment in 2020. He had been reappointed for a further four years to 2028 and had been much looking forward to continuing in the role.

His colleagues miss him greatly. He embodied a rare combination of intelligence, drive and fun, and was always great company socially while commanding the respect of those with whom he dealt professionally.

Over many years he made a major contribution to the Board as well as to racing and betting more widely. He was awarded an OBE in 2015 for services to safety at sports grounds and to horseracing, in the light of his service over the years on the Board and the Tote Board and as chair of the Association of British Bookmakers and the Sports Grounds Safety Authority. Our thoughts remain with his family and in particular his wife Camilla.

Interim Chair's Statement

Paul Darling was Chair of the Board up to and beyond the end of the financial year for these accounts. Following his tragic and untimely death, DCMS sought to put in place an Interim Chair and I was appointed to the role on 16 September 2024. The term runs to the sooner of 15 June 2025 or the date of the appointment of a substantive Chair.

I was a Member of the Board for the whole period of the Accounts and I commend this report.

Anne Lambert CMG

Interim Chair

Overview

This overview sets out statutory objectives, the main purpose, vision and goals of the Horserace Betting Levy Board, the key strategic risks that the Board has identified and its performance measures for the year.

About HBLB

The Horserace Betting Levy Board is a statutory body established by the Betting Levy Act 1961 and operates in accordance with the provisions of the Betting, Gaming and Lotteries Act 1963 (as amended).

Unlike the majority of other Government non-departmental public bodies, the Board receives no central Government grant-in-aid and no National Lottery funding. Instead, section 24(1) of the Betting, Gaming and Lotteries Act 1963 requires the Horserace Betting Levy Board to assess and collect monetary contributions from bookmakers and betting exchange providers and to apply them for purposes conducive to any one or more of:

- The improvement of breeds of horses
- The advancement or encouragement of veterinary science or veterinary education
- The improvement of horseracing

HBLB Board & Staff

Board

Paul Darling OBE KC – Chair*

Lord Risby*

Anne Lambert CMG*

David Armstrong**

Julie Harrington**

Julian Richmond-Watson**

Mike O’Kane***

*Appointed by the Secretary of State for Culture, Media and Sport

**Appointed by the Jockey Club

***Appointed by the Betting and Gaming Council

Executive

Alan Delmonte – Chief Executive & Accounting Officer

Craig Pemberton – Chief Finance Officer

Grants & Racing

Head of Grants

Grants Manager – Equine Veterinary Science and Education

Racing & Betting Manager

Racing & Betting Data Analyst

Grants & Racing Officer

Finance

Financial Controller

Finance Manager

Levy Collections Officer

Racecourse Finance Officer

Governance & Digital

Head of Governance & Digital

Board Secretary & Compliance Officer

Systems Administrator

Web Developer

Junior Web Developer

Business Plan

In January 2023 the Board published its first three-year Business Plan. This covered planned activity from 2022 to 31 March 2025.

The Business Plan was a result of the Board considering afresh HBLB’s Purpose and Vision, in conjunction with its statutory objectives; its strategic goals for the sport – and how to measure progress against those and so forming a set of 13 Racing Outcomes; its strategic risks and their mitigation; a first set of HBLB internal Key Performance Indicators; HBLB’s approach to collection, funding and decision-making; and a summation of key projects to be undertaken during the three-year period. There are 26 Key Projects comprised of 36 deliverables.

In January 2024 the Board published a Business Plan Progress Report. This gave an update on Racing Outcomes, KPIs and Key Projects

as well as an updated overall financial view. The Progress Report can be found on the HBLB website.

In summary, the status of the Key Projects as at 31 March 2024 was as follows and is compared to the same position as at 31 March 2023:

	All 36	% of total	By year		
			2022/23	2023/24	2024/25
Complete	17 (+5)	47 (+14)	15 (+3)	2 (+2)	
Green	14 (-2)	39 (-6)	1 (-2)	8 (-)	5 (-)
Amber	4 (+1)	11 (+3)	3 (+1)	1 (-)	
Red	1 (-4)	3 (-1)	1 (-2)	0 (-2)	

At the end of the second year of the three-year Business Plan there was only one deliverable which was Red. This was for the implementation of a Government Functional Standard in the Finance area. This was on hold pending the appointment of a new Financial Controller, which took place in 2024/25.

Purpose

Collect and allocate Levy funds effectively and transparently to sustain and improve British horseracing, breeding and veterinary science or education research for the benefit of the sport.

Vision

Trusted as a key contributor to British horseracing being the best in the world by driving:

- Evidence-based decisions
- Efficient delivery
- Forward-thinking outcomes

Goals measured by Racing Outcomes

In accordance with its purpose and vision, the Board agreed a set of 13 Racing Outcomes as measures for the four goals it set.

These Racing Outcomes are the Board’s ambitions for achievement by Racing. The Board’s grants and loans are designed to support these outcomes over a multi-year

period. They will be aligned to Racing strategies where those exist and will be evidence-based. When Racing publishes an overall strategy, or strategies for a particular area in the sport, HBLB will endeavour to align its approach to that.

The 13 Racing Outcomes act as measures against four grouped goals: generate interest in Racing; sustain valued employment in racing; drive high quality care and support for the horse in Racing; and continually enhance the reputation of Racing.

HBLB published an external update on the progress against its Business Plan in early 2024 which is available on the HBLB website.

Generate interest in Racing

As demonstrated by an increase in:

- 1) Horserace betting turnover from UK regulated bookmakers
- 2) Crowd numbers at racecourses & TV viewing numbers
- 3) Number of owners
- 4) Number of horses in training

Sustain valued employment in Racing

As demonstrated by an increase in:

- 5) Number of British-bred foals
- 6) Number of vacancies filled in Racing’s key roles
- 7) Racing’s diversity and inclusion
- 8) People wellbeing

Drive high quality care and support for the horse in Racing

As demonstrated by an increase in:

- 9) Horse welfare perception rating
- 10) Impact of investment in research

Continually enhance the reputation of Racing

As demonstrated by an increase in:

- 11) Racing’s integrity perception rating
- 12) Racing’s contribution to reduced negative environmental impacts
- 13) Racing’s favourability perception rating

Strategic risks and risk management

The Board has identified and evaluated strategic level risks as an essential part of the Board’s risk management framework. These risks are regularly reviewed by the Audit & Risk Assurance Committee and by the Board. The Board review them for updating as part of their annual strategy session.

Each of the three strategic risks identified (Income, Organisation and Stakeholders) were assessed for current score and the tolerance

level which the Board had for each risk and an individual risk gap was calculated.

These three risk gaps were to be mitigated by the agreement of 72 specific risk mitigations (some of these mitigations aligned to more than one risk or cause). The mitigations have been progressively implemented in order to reduce each risk gap and bring scores down to the Board’s tolerance levels.

The implementation of these mitigations is managed and monitored through the Board’s Strategic Risk Framework by the Executive on a monthly basis and reported to the Audit & Risk Assurance Committee quarterly and to the Board twice-yearly. The risks, together with a summary of the key mitigations, are summarised below.

Good progress has been made during the year on implementing planned mitigations. Overall, 59 (82%) of planned mitigations to reach tolerance levels for the three risks have been implemented. There are no red (delayed or major issues) mitigations. Of the 11 amber risks (minor delays or issues), these relate to the stakeholder risk: internal post-implementation reviews of projects and two separate exercises due to be carried out on deeper understanding of stakeholders in both Racing and Betting.

	By risk				
	All 72	% of total	Income	Organisation	Stakeholders
Complete	59 (+0)	82 (+0)	4 (+0)	23 (+2)	32 (+1)
Green	2 (-0)	3 (-0)		0 (-1)	2 (-)
Amber	11 (+0)	15 (+0)		0 (-1)	11 (+10)
Red	0 (-0)	0 (-0)			0 (-11)

Risk 1 – Income

There is a risk that Levy income is not in line with expectations and affects HBLB’s ability to achieve its reserves targets or fund plans with confidence thus putting fixture funding and/or non-fixture projects at risk.

Risk mitigations

By March 2024 all four of the planned mitigations were completed.

Risk classification	Mitigations	% of total
Completed	4	100%
Green	0	–
Amber	0	–
Red	0	–

Residual risk remains around general economic conditions in the macro economy heightened in the year ahead by the as yet, unknown impacts of the Financial Risk Checks being implemented by betting operators and the ongoing consideration by Government of a review of the Levy rate.

Risk 2 – Organisation

There is a risk that HBLB operates in a way where outcomes delivered are sub-optimal leading to poor value for money, ineffective control, missed opportunities or unintended consequences.

Risk mitigations

By March 2024, all 23 of the planned mitigations were completed.

Risk classification	Mitigations	% of total
Completed	23	100%
Green	0	0%
Amber	0	0%
Red	0	0%

Residual risk remains around the fact that, as a consequence of HBLB seeking to operate in a very efficient way, it has a relatively small staffing level. Of a total of 16 permanent roles there are risks around the incapacitation or departures of specialist individuals and also the risk of vacancies arising due to natural staff movements which then take time to recruit to.

Risk 3 – Stakeholders

There is a risk that relationships are not effective, or that HBLB funds are used in an unintended way, which results in the Board not achieving its agreed business plan outcomes or adverse reputational impacts.

Risk mitigations

By March 2024, of the 45 mitigations agreed, 32 were completed, compared to 31 being completed as at March 2023. Of the outstanding 13 planned mitigations, 2 were Green and 11 were Amber. Plans were underway for these to be completed during 2024. These were related to post implementation reviews of projects and conducting customer relationship reviews with both Racing and Betting.

The risk was assessed as having reduced the gap to tolerance as at March 2024 by the Audit & Risk Assurance Committee with the remaining mitigations to be implemented during 2024 which would fully close the gap to the Board's tolerance level.

Risk classification	Mitigations	% of total
Completed	32	71%
Green	2	4%
Amber	11	25%
Red	0	0%

During the year, HBLB ran, for the first time, a high-level external Trust Survey inviting 180 stakeholders to give their views on HBLB. This resulted in a headline rating of 86% for very high or quite high trust in HBLB. The professional pollsters who carried out the survey fed back that this was a very positive outcome when benchmarked against others. No stakeholders gave a negative rating. The survey will be run again intermittently with results and actions discussed by the Board as appropriate.

Going concern

International Accounting Standard 1 and the FReM 2023/24 require HBLB to make an assessment of HBLB's ability to continue as a going concern. In order to do this, management is required to make a judgment, at a particular point in time, about inherently uncertain future outcomes of events or conditions.

The Board, in considering going concern, took into account the financial projections for the twelve-month period from the date of approving the accounts and referenced the strategic risks that the Board is exposed to, as set out on page 9 to 11, and how these are managed.

At the date of the statement of financial position, the Board's reserves totalled £44.3m with cash at the bank of £73.5m.

Budgeted Levy income for the 12 months to 31 March 2025 was £98.8m based on the cumulative Notice of Determination values agreed with bookmakers at the start of the Levy year. The full year forecast Levy will continue to be updated each month and a range will be determined based on the latest available data.

Assuming a Levy forecast of £98.8m in 2024/25 this would result in a deficit for the year of £3.5m when taking account of budgeted expenditure. This would result in reserves of £41m and a forecast cash balance exceeding £60m at 31 March 2025.

The Board's process for Levy income forecasting adopts a range, rather than a spot figure, in order to provide higher levels of confidence for the Board when making financial decisions. This forecast takes into account current data from bookmakers and has been used for the past three years and has proved reliable. The Levy forecast is reviewed and updated each month, taking account of new actual data and agreed with the Board as the year proceeds. However, Levy income is based on bookmakers' gross win and therefore is variable.

The Board has concluded that it has a reasonable expectation that the Board will continue to operate and meet its liabilities, as they fall due, for the next twelve months from the date of this report. Accordingly, the Board continues to adopt and considers appropriate the going concern basis in preparing the 2023/24 Annual Report and Accounts.

Financial summary

For the year ended 31 March 2024 total income was £108.7m (2022/23: £104.9m). Levy receipts were £4.6m higher than the previous year. The remainder of total income was due to interest on deposits.

The 2023/24 surplus of £13.7m (2022/23: £1.9m surplus) resulted in the Board's reserves increasing from £31.4m on 31 March 2023 to £44.4m at 31 March 2024. The surplus was caused by an increased Levy yield against the original budget, whilst interest rates rose sharply throughout the year resulting in higher than expected interest received. The Board was able to maintain expenditure levels overall, and in some cases, increase them.

Detailed commentary on expenditure is outlined in more detail in the improvement of horseracing report on the next page.

Cashflow

During the year, the Board incurred a positive cash flow of £2.3m (2022/23: negative cash flow of £16.1m).

As at 31 March 2024, HBLB had cash and cash equivalents of £47m (2022/23: £44.7m) and a further £26.4m in notice deposit accounts.

Improvement of horseracing

In deciding the prize money allocation for calendar year 2023, a key consideration for the Board was the events of 2022. The direction of travel regarding race field sizes and betting turnover was unfavourable, while the introduction of the Ratecard Plus mechanism, featuring a sliding scale of payments, initially appeared likely to lead to an overspend versus budget. As such, while the Board was able to agree in September 2022 the full year budget for 2023, it did so on the proviso of fully

funding the first two Programme Books (1 January – 31 August) and undertaking an in-year review of both income and expenditure prior to confirming full funding for Programme Book 3 (1 September – 31 December) in June 2023. Both elements of the review provided reassurance to the Board and full funding for the rest of the year was confirmed.

Table 1 shows budgeted and actual prize money spend, including the Great British Bonus scheme; while Table 2 sets out other Fixture-related expenditure.

Table 1

Prize Money	2023 Calendar Year Budget	2023 Calendar Year Actual
	£'000	£'000
Ratecard Plus	56,800	56,103
Appearance Money Scheme	900	648
Incremental Prize Money	4,000	3,970
Great British Bonus	3,500	3,850
Divided Races	800	873
Total	66,000	65,444

Table 2

Annual fixture related expenditure	2023 Calendar Year Budget	2023 Calendar Year Actual
	£'000	£'000
Raceday Services Grants (RSGs)	18,200	18,323
Winter Jump Fund	1,300	1,343
Total	19,500	19,666

Fixture related expenditure

Prize Money

The Board's budgeted allocation to prize money in 2023, including the Great British Bonus scheme, was £66.0m (2022 actual £69.9m). The reduced level of support was, firstly, reflective of the falling due of the initial repayment instalment (£2.3m) of the Board's £21.5m Sport Survival Package loan from Government. Secondly, it represented the continuation of a return to more typical levels of expenditure, following a period of much-increased prize money spend in support of Racing's recovery from Covid; this additional spend led to significant calls on the Board's reserves. Finally, it reflected the ability of racecourses, as that recovery continued, to provide increased Executive Contribution (EC) relative to the recent past. Actual prize money expenditure in 2023 was £65.5m, primarily due to lower than budgeted spend on the Ratecard Plus scheme, which was caused by the increased number of partial or full abandonments (100) in 2023.

For 2023, the Board agreed to continue with the per-race Ratecard Plus funding mechanism introduced at the start of 2022. The benefits of increased visibility and measurability of where Levy funding was directed, as well as the ability for racecourses to calculate HBLB contributions while devising their race programmes, were recognised alongside the sliding scale nature of the mechanism. From this, the approved Ratecard Plus budget, as per 2022, included contingency to allow for higher than anticipated EC from racecourses. Reflecting the ability to target funding using the mechanism, the base budget of £56.8m included £3m specifically aimed towards Pattern, Class 2 and Class 3 races.

In the event, there was an underspend of around £700,000 on Ratecard Plus; this was driven by abandonments, particularly in the last quarter of 2023. Prior to this, spend had been

tracking slightly above budget, though within the requested contingency. This underspend was the largest variance among the expenditure lines and the major contributory factor to total expenditure finishing £0.6m below budget.

The ratecard was the primary method, and largest component, of prize money allocation. The other direct schemes in operation in 2023 were the Appearance Money Scheme (AMS, £0.9m), Incremental Prize Money (IPM, £4.0m) and the Divided Race Fund (£0.8m). The AMS budget was reduced significantly relative to 2022 as the scheme's nature was changed: previously, any horse finishing down to 8th place in an eligible race would receive a minimum of £300 (Flat) and £350 (Jump); in 2023, the scheme moved to a flat payment of £100 per runner in all races taking place on Sundays only. At the same time a new scheme, IPM, was introduced. This was a guaranteed fixed payment of £400 (Flat) and £650 (Jump) paid directly to prize money for all eligible races, which were largely the same as those which previously qualified for AMS. IPM could thus be considered a partial replacement for AMS, while additional targeted ratecard support was also applied to this area of the race programme.

Historically, the Board has attempted to allocate budgeted prize money between the Flat and Jump codes in proportion to the share of betting turnover generated by each code in the most recent calendar year. This split was set for 2023 at 60% Flat and 40% Jump. With part of the Board's prize money expenditure dependent on racecourses' own contributions and affected by scheduled fixtures that are not then staged, it is not possible to adhere to this split through the year, however the final allocation was indeed 60%/40%.

Raceday Services Grants

For 2023, the Board agreed a net budget of £18.2m. While Raceday Services Grants (RSGs)

were still used for the purpose of providing integrity services to all fixtures, a new tiered payment structure was introduced which factored in the increased costs of these services at specific higher-profile fixtures. Actual spend amounted to £18.3m across 1,481 fixtures.

Schemes to benefit British breeding

In 2023, the Board continued as the majority funder of the Great British Bonus (GBB) scheme, with an initial budget of £3.5m (including the Elite Mares Scheme), rising to £3.85m after an additional in-year request from the scheme's management group in light of higher than anticipated race victories by scheme-qualified horses. GBB is an industry-wide prize scheme for breeders and owners of British-bred Flat and Jump fillies. Owners, breeders and winning connections of each horse could win up to £20,000 per eligible race in 2023.

The scheme is intended to incentivise owners to invest in British-bred fillies and supports both codes of the British racing programme. It also aims to improve the demand for British-bred fillies at the sales and ensure that more fillies are tested as racehorses, thus underpinning selection for breeding based on proven racing ability. The final spend in 2023 was £3.74m.

Winter Jump Fund

The Board also offered Fixture Incentive payments to racecourses to ensure that the Fixture Criteria was achieved. In 2023 a revised scheme, the Winter Jump Fund, was introduced, limiting payments to Jump fixtures only, though with payments having the same purpose as before: to encourage racecourses to stage fixtures on days which may be unattractive to racegoers but are important to both the generation of off-course betting turnover and the provision of opportunities for the horse population. Given the reduced scope of the new fund, budgeted and actual spend

(£1.3m) in 2023 was around £0.5m lower than in 2022.

Non-fixture Related expenditure

For the 2023/24 non-fixture related grant application round, the Grants Team built on the adjustments that had been introduced to the system in the previous financial year and were designed to improve the effectiveness of spend and enable meaningful comparison of the various applications. Each application was subject to two rounds of assessment with an initial appraisal by the Grants Team, the Financial Controller and an external expert which examined funding plans and proposed programmes, taking particular note of the extent to which the proposals aligned with the agreed Racing Outcomes in terms of both objectives and deliverability. This was followed up with a second detailed review including the Chief Executive, Chief Finance Officer and a Board member.

In total, the non-fixture related expenditure budget for 2023/24, excluding veterinary science and education and rare breed societies, totalled £5.2m.

Industry Recruitment, Training and Retention

Following extensive consultation, the new Horseracing Industry People Board was launched in Spring 2023 with the remit to lead the development of Racing's long-term plan for its workforce.

The Board played a significant role in the development of this new People Board including through funding, assisting with the appointment of key individuals and initially setting the priorities for the People Board before it took on its own duties and responsibilities. The main initial responsibility for the People Board is the development and agreement of a comprehensive strategy. This is now due for completion before the end of 2024.

While this work continued, the Board agreed to award funding at similar levels to 2022/23 at £3.1m with an additional £200,000 awarded to support the recruitment of the Horseracing Industry People's own resourcing. The recruitment, training and retention programme funded by the Board covers a range of activities across the racing and breeding industries, including stable staff NVQ training and functional skills instruction; the successful pony racing initiative that serves to introduce young people to race riding; support for the National Stud diploma course and the TBA's education and employment initiatives; and careers marketing and recruitment promotion.

Other training streams included jockey coaching and continuation tuition; nutritional education; and courses aimed at developing the expertise of amateur riders, assistant trainers, and senior staff. Towards the end of 2023 the Racing Schools submitted a supplementary application resulting from the increased overhead costs in the year. The Board agreed to award an extra £301,044 to support both schools to the end of the financial year.

Racing to School continued to expand and strengthen its schedule and the Board approved a small increase in funding for the popular series of National Curriculum-compliant educational events staged at racecourses and other racing related venues for school pupils.

The Board continued to recognise the role of Racing Together in the promotion and facilitation of community engagement within the industry in partnership with various charities and the racecourses. Racing Together staged a successful Industry Day at Chester racecourse in February 2024, bringing together over 120 speakers and industry representatives to consider the importance and relevance of community engagement, and looking at the experiences of other sports. The funding for

both initiatives in 2023/24 totalled £421,330 (2022/23: £400,000).

Following the review of the Thoroughbred Horseracing Industries MBA at Liverpool in 2023, the course was discontinued for new recruits. The Board had been instrumental in setting up this course around ten years earlier. This MBA had filled an identified gap in the higher education provision in the sport. The Board is very pleased to have provided bursaries for a number of people on the course over the past decade.

Point-to-Point

HBLB's commitment to Point-to-Point rests on the sport's role in developing the skills of riders, as a nursery for young horses and as a useful second career opportunity for retired racehorses.

The total award for 2023/24 was £383,250, a small increase on the £373,850 awarded in 2022/23. Part of the award was designated for the building of a new website which was delivered within budget. The funding contributes towards fixture costs, including medical provision and stewards' instruction, fixture abandonment costs and the continuing drug and alcohol testing protocol for participants plus some central Point-to-Point Authority projects.

Horse Welfare Board/Equine Welfare

In the year to March 2024, HBLB's provision to the Horse Welfare Board (HWB) was £583,673. This supported the operation of the HWB including the Board, programme manager and funding of the equine welfare communications team and activity. It also supported the appointment of a data analyst to coordinate all relevant industry data sources.

The Board has continued to maintain a close, positive working relationship with the HWB team, and with other funders in equine welfare area in support of the delivery of the objectives

outlined in 'A Life Well Lived' strategy, published in early 2020.

Retraining of Racehorses (RoR)

The Board paused funding for RoR in 2022/23 while the charity underwent a reorganisation of the executive team and the appointment of a new Chief Executive. The Board remained supportive of RoR's activity as the organisation best placed to provide overarching leadership in promoting the health and welfare of horses bred for racing once they have retired from the track. The changes being implemented were recognised and funding resumed with an award of £172,000 in 2023/24. This supported the appointment of a Fundraising Manager and their Education Programme.

Racing Welfare – Workforce Wellbeing Programme

The Board awarded £212,500 towards Racing Welfare's Workforce Wellbeing Programme in 2023/24. The Programme had been supported in the initial years by the Racing Foundation with the aspiration for industry funding to maintain it on a long-term basis. The Board agreed to provide interim funding while the industry and the newly created Horseracing Industry People Board worked up a suitable support plan.

Betting Industry Partnership

The Betting Liaison Group (BLG) is an industry-wide body chaired by HBLB and attended by representatives of betting operators, racecourses, the Thoroughbred Group, the Betting and Gaming Council and the BHA. In 2023, the Board made £150,000 available to fund the collection and analysis of race-by-race betting data voluntarily provided by Bet365, Betfred, Entain, Flutter and William Hill.

Betting data was provided monthly by contributing bookmakers to the Board's then data collection partner, PwC. The 2023 data reflected a period of continued volatility and, as the year went on, a clear divergence from

the usual scenario of Levy income largely following movements in turnover. In this context, the data has remained essential in allowing the Executive to analyse, in detail, betting performance. The Executive also contributed analysis to Racing's Strategy Review and undertook reviews of all major festivals for their host racecourses. Betting data was also used to assist race times and fixture scheduling, race series performance assessment and income forecasting. With the consent of the bookmakers, indexed betting turnover was shared with all racecourses and racecourse groups following the completion of each Programme Book.

In August 2023, the role of data collection partner was put out to tender, with a number of responses received. The contract was won by Deloitte, making 2023/24 the final year of PwC's work as data collection partner. The Board wishes to place on record its thanks to PwC for the excellent work produced in a five-year period as partner to HBLB, noting in particular the flexibility shown by PwC during Covid and in the early period of racing's resumption.

Advancement of veterinary science and education

The Board's decision to invest £2.5m in its 2023/24 disease surveillance, veterinary science and education programme (2022/23: £2.6m) was widely welcomed, not only by HBLB's own Veterinary Advisory Committee (VAC) but by the Racing Industry and by the scientific and academic community. This award effectively advertised the commitment towards further advances in research and veterinary training and reiterated the importance to the industry of the health and welfare of the Thoroughbred.

The continued backing for the programme from The Racing Foundation and from the British European Breeders' Fund (BEBF), the Gerald Leigh Charitable Trust and the Thoroughbred Breeders' Association (TBA)

was very welcome and underlined the collective responsibility of the whole of Racing to the horse.

The new initiatives launched in 2023 included seven major research projects, six small projects and three scholarships.

All veterinary science applications to the Board are subject to a rigorous appraisal process involving external peer review as well as the detailed examination by the Board's eminent VAC. The dominant principles are that the work must be scientifically robust and have direct relevance to the Thoroughbred. Reflecting the themes of Racing's Equine Welfare Strategy, the guiding priorities are:

- Best possible quality of life, which include all aspects of healthcare, husbandry and disease control (e.g. improved methods of disease diagnosis, more effective vaccines, biosecurity and disease prevention strategies, antimicrobial and anthelmintic resistance)
- Best possible safety and well-being during breeding, training and racing (e.g. enhancement of diagnostic methods and restoration techniques after musculo-skeletal disease and injury, safer training and racing practices, minimisation of fatal and non-fatal injury)
- Lifetime responsibility for equine health (e.g. optimal health of breeding Thoroughbreds and youngstock, reproductive efficiency, evaluation of factors affecting transition to post-racing careers)

At 31 March 2024, the Veterinary Advisory Committee comprised:

Professor Matthew Allen MA Vet MB PhD (Chair)

Dr Emma Adam BVetMed, PhD, MRCVS

Professor Mark Bowen BVSc, PhD, MMS, FRCVS

Professor John Burford MA, VetMB, PhD, FRCVS

Professor Gary Entrican BSc, PhD

Miss Caroline George BVMS, MRCVS

Professor Lutz Goehring DVM, MS, PhD

Patrick Sells BVSc, BSc, MRCVS

Dr Ellen Singer BA, DVM, DVSc, MRCVS

Dr Katherine Staines BSc, PhD

Professor Tom Stout MA Vet MB, PhD, MRCVS, Dipl, ECAR, KNMvD

Equine Infectious Disease

Amongst the most important threats to the industry is infectious disease, which, besides the obvious impact on horse health and welfare, has the capacity to cause a temporary suspension of racing. Effectively monitoring and managing the risks is a primary concern of HBLB. Disease is no respecter of breeds, so collaboration with the non-Thoroughbred sport and leisure sector continues to be integral to the effective surveillance and reactive capability essential for maintaining high quality health and welfare amongst Britain's equines.

Operating through the Equine Infectious Disease Surveillance Oversight Committee, chaired by Anne Lambert (one of the Board's Government Appointed Members), the monitoring function has continued to be provided by a unit based at the Department of Veterinary Medicine, University of Cambridge, with Rosssdales and Partners maintaining the key microbiology testing facility, providing a flow of information on disease incidence. The Cambridge unit is the key facility for advice on disease identification, risks and management, and is consulted by Government departments, overseas authorities and individuals.

Significant progress has been made by the expert Committee towards a practical and cost-effective surveillance programme that will stand the test of time and benefit the entire national equine herd. In 2023/24 HBLB's

financial commitment was £357,000 (2022/23: £357,000) backed up with further funding input from racehorse owners and the TBA. The overall approach to disease monitoring and management is supported by the HBLB's International Board's Codes of Practice on infectious disease that are recognised worldwide as the gold standard source of information and advice.

Improvement of breeds of horses

In accordance with its statutory objective to support breeds of horse, the Board continued to provide grants to 12 British native breed societies from a total allocation of £182,500 (2022/23: £165,000). The increased funds enabled HBLB to recognise the individual societies in their work to conserve vulnerable breeds and the improvement of pure-breeding quality. HBLB is grateful for the assistance and advice of the Rare Breeds Survival Trust in understanding the wider picture in this important area for national heritage.

The Board is not overly prescriptive in how its funds are used – breed societies are able to choose from amongst a broad range of options to use their grants to best support their particular breed. Examples include stallion and mare premiums, youngstock awards, DNA testing or blood typing, and artificial insemination or semen storage schemes. HBLB is keen to help societies showcase the attractions of Britain's endangered breeds to potential buyers at national and specific breed events. Breed societies are expected to promote the highest standards of disease prevention and management partly in their own interests, and also to reduce risk to the British Thoroughbred herd.

2023/24 was the second year of a three-year, two-part research project being conducted by the Rare Breeds Survival Trust that aims to improve the conservation status of native equine breeds. Regular monitoring of the project is showing significant progress in

identifying breed specific issues, allowing for the design of differing approaches to breeding and reproductive technologies. The second part of the work will be focusing on what the different breeds are used for, on raising their profile and, eventually, increasing their numbers.

The Board approved second year expenditure of £34,323, with agreement on funding the final year dependent on progress.

Administration costs

The Board strives to provide a highly cost-effective service to its stakeholders. The Board's administration costs in 2023/24 were £2.2m (2022/23: £2.1m), which were higher than the previous year predominantly due to the filling of vacancies.

Compliance with public sector payment policy

The Board's policy is to pay all invoices within 30 days of receipt unless a longer payment period has been agreed or the amount billed is in dispute.

The Levy Board and the Environment

The Board is committed to minimising its environmental impact within reasonable financial and other resource limits. A full sustainability report has not been included, as organisations occupying less than a total of 500m² of floor area or with fewer than 50 FTE staff are exempt from providing this information.

Sustainability is considered important across the organisation and the Board's move in 2022 to a shared Government building has reduced its footprint. In addition, environmental sustainability considerations are included within Racing Outcomes which help guide the Board's strategy and decisions.

The Board chose to make a carbon offsetting payment in January 2024 based upon its calculated carbon footprint.

Information Technology

The Board has remained proactive in the improvement of its digital systems and the use of technology to improve business effectiveness. In the past year the organisation has increased its use of cloud services and will continue to move away from the maintenance of legacy physical systems. In addition, the organisation has continued to increase its range of web services to support interaction with its stakeholders. As a result, public web enquiries have been improved and new types of grant application can be made.

Whilst improving its digital effectiveness the organisation has also been mindful to maintain good cyber security and to this end maintained its Cyber Essentials Plus certification which requires that HBLB's systems and services are well maintained and securely configured.

Horserace Betting Levy Regulations 2017

The Horserace Betting Levy Regulations 2017 came into force on 25 April 2017, with the seventh period of assessment under the Regulations running from 1 April 2023 to 31 March 2024 inclusive. These Regulations apply to all bookmakers and betting exchange providers who offer bets on horseracing in Great Britain, including operators required to hold a remote operating licence (within the meaning of the Gambling Act 2005). The basis on which the Levy is calculated is at a fixed rate. That rate is 10% of the amount by which an operator's profits on bets that relate to horseracing in Great Britain made by a person in Great Britain exceed £500,000 in each 12-month period.

Alan Delmonte

Chief Executive and Accounting Officer
Horserace Betting Levy Board

10 December 2024

Overview

The accountability report is divided into three sections: the corporate governance report, the remuneration and staff report, and the Parliamentary accountability and audit report. The corporate governance report provides information on the governance of the Horserace Betting Levy Board. The remuneration and staff report provides information on the remuneration of those charged with governance of the Horserace Betting Levy Board, and other relevant information on staff costs. The disclosure of this information complies with best practice standards of corporate governance and contributes to the Horserace Betting Levy Board’s accountability to Parliament by virtue of providing a transparent and full account.

Board Members and Officers

The Board Members and Board Executives are as follows. Full details of Board Members who served during the year or were in post at date of signing are shown on page 28.

Board Members

Paul Darling OBE KC*

Chair

Lord Risby*

Anne Lambert CMG*

David Armstrong**

Julie Harrington**

Julian Richmond-Watson**

Mike O’Kane***

Offices

10 South Colonnade
Canary Wharf
London
E14 4PU

*Appointed by the Secretary of State for Culture, Media and Sport

** Appointed by the Jockey Club

***Appointed by the Betting and Gaming Council.

Subsequent to the year end, Paul Darling died on 2 August 2024. Anne Lambert was appointed by the Secretary of State as Interim Chair on 16 September 2024. Mike O’Kane resigned on 23 September 2024. Simon Clare was appointed as his successor on 7 October 2024.

A Register of Board Members’ Interests is available online (www.hblb.org.uk) and note 11 on page 58 provides details of transactions during the year in which there was a related interest.

Board Executives

Alan Delmonte

Chief Executive & Accounting Officer

Craig Pemberton

Chief Finance Officer

Statement of Responsibilities of the Board and Accounting Officer of the Horserace Betting Levy Board

Under the Betting, Gaming and Lotteries Act 1963 (as amended), the Horserace Betting Levy Board has prepared for each financial year a statement of accounts. The accounts are prepared on an accruals basis to show a true and fair view of the state of affairs of the Horserace Betting Levy Board and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer complies with the requirements of the Government Financial Reporting Manual and in particular to:

- Make judgements and estimates on a reasonable basis;
- Apply suitable accounting policies on a consistent basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Board will continue in operation.
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of the Department for Culture, Media and Sport has designated the Chief Executive as Accounting Officer of the Horserace Betting Levy Board.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Horserace Betting Levy Board's assets, are set out in Managing Public Money issued by HM Treasury.

Information given to auditors

The Accounting Officer and each of the Members of the Board have confirmed that, so far as they are aware, there is no relevant information of which the Board's auditors are unaware and that they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant information and to establish that the Board's auditors are aware of that information.

As Accounting Officer, I take personal responsibility for the annual report and accounts and confirm that they are, as a whole, fair, balanced and understandable, as are any judgements used to determine this view.

Alan Delmonte

Chief Executive and Accounting Officer
Horserace Betting Levy Board

10 December 2024

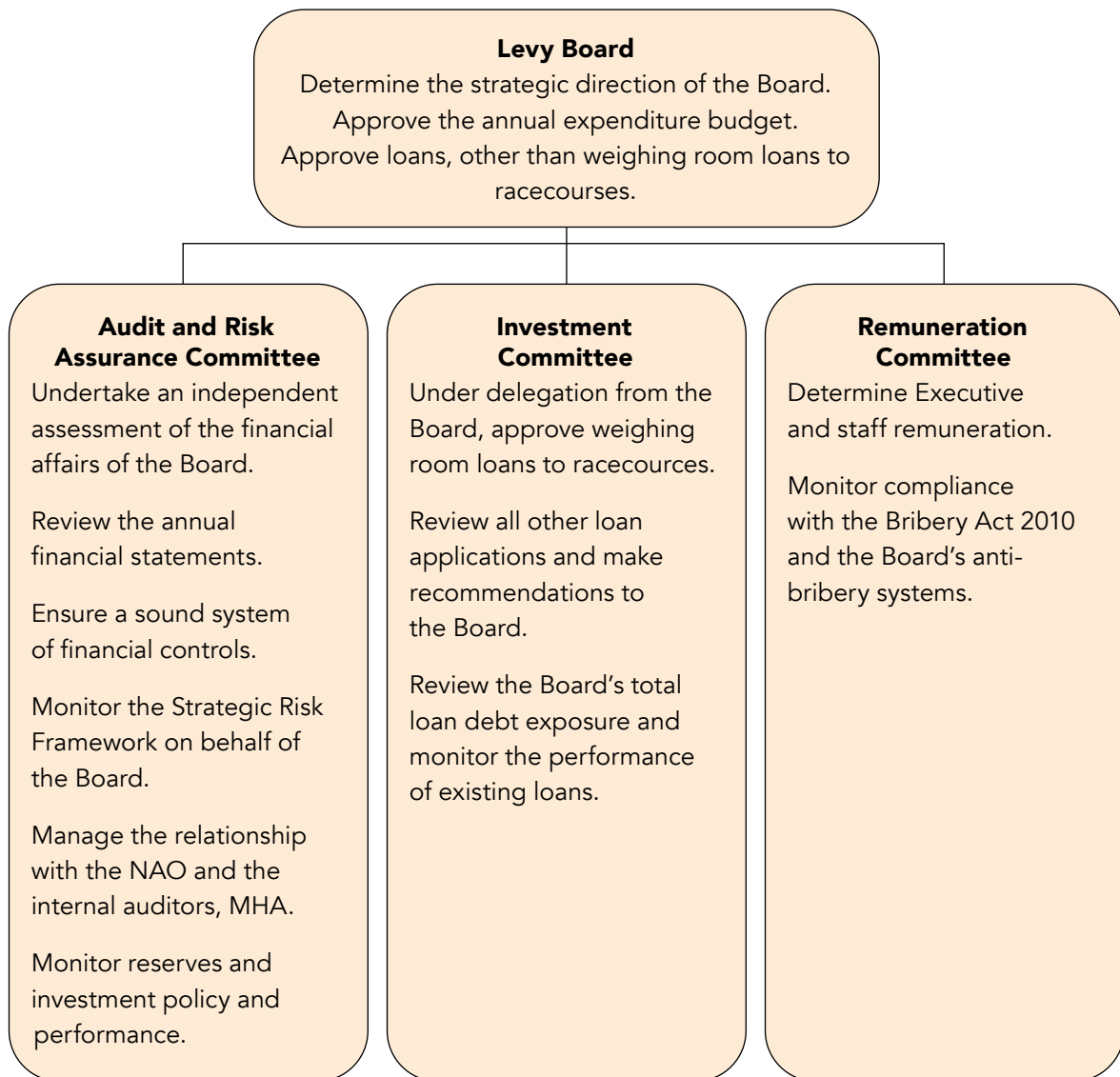
Governance statement

The Accounting Officer's fundamental responsibility is to manage and control the resources of the Horserace Betting Levy Board and to ensure that an appropriate corporate governance framework is in place that supports the achievement of the Board's purpose and objectives, which are in accordance with the Betting, Gaming and Lotteries Act 1963 (as amended). This statement explains the key features of the Board's governance structure and how it has complied with the relevant principles and provisions of HM Treasury's recommended Corporate Governance in Central Government Departments: Code of Good Practice ('the Code'), where they are relevant to the Board, including 'Managing Public Money', the Sponsorship Code of Good Practice and the 'Nolan Principles', the seven principles of public life. There were no departures from the Code in 2023/24.

The Board is now achieving a cycle of external review for Board Effectiveness (BER) every third year which is the recommended frequency. As such, an external review was conducted in 2023 by MHA, which was chosen by the Board after a tender process. The review focused on the Board's effectiveness in the areas of strategy, organisational culture, risk management, performance management and value for money, stakeholder relationships, Board operations and the work of its standing committees in supporting the Board's functions. In discussing the 2023 report the Board also reviewed the progress made and current status of previous recommendations which had been agreed made from earlier reviews. The Board agreed upon further recommendations from the 2023 report, noting the series of strengths which were also highlighted, and these will be tracked for implementation.

Governance framework

The Horserace Betting Levy Board’s governance framework consists of the Levy Board, led by the Chair, and a number of sub-committees as shown below. The Chief Executive and Accounting Officer manages the day-to-day activity of the Board and is responsible for the performance of the Board’s staff.



The Levy Board

As at 31 March 2024, the Board was comprised of the Chair and two other Government Appointed Members appointed by the Secretary of State for Culture, Media and Sport; three Board Members appointed by the Jockey Club; and one Board Member appointed by the Betting and Gaming Council.

Appointments by the Secretary of State are on fixed term contracts for a period of up to four years. The terms of appointment of other Board Members are as proposed by their appointing bodies.

The Board Members who are appointed by the Jockey Club and the Betting and Gaming Council are permitted to appoint an alternate in the event that they are unable to attend a Board meeting, whilst a Government Appointed Member may give another Government Appointed Member a proxy to vote on his or her behalf.

The Board's performance, including its effectiveness, is reviewed externally by subject matter experts every third year. In the intervening two years an internal review is held. Recommendations made are presented to the Board and any approved action points agreed for implementation by the Executive. The Board receive regular updates on the progress of implementation. The Board commissioned an external performance review, undertaken by MHA, in 2023. The recommendations arising from the review will be tracked and implemented in 2024/25.

The Members of the Board have made a declaration of their personal interests relevant to their responsibilities as Members of the Board. The register of Members' interests is available on the Board's website, www.hblb.org.uk.

The Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee is an advisory body with no executive powers. It acts as the conscience of the Board and provides insight and strong constructive challenge where required. The full terms of reference are available on the Board's website, www.hblb.org.uk.

A Government Appointed Member other than the Chair of the Board usually takes the position of Committee Chair. Anne Lambert was Chair of the Audit and Risk Assurance Committee for the 2023/24 year.

The membership of the Committee reflects the representative composition of the Board. The Audit and Risk Assurance Committee reports to the Board after each Committee meeting.

In 2023/24, the Audit and Risk Assurance Committee met on four occasions. Each meeting was attended by the Chief Executive, the Chief Finance Officer and the Financial Controller. Representatives from the National Audit Office (external auditors) and MHA (internal auditors) attended as required. The programme of work in 2023/24 is set out below.

The Committee continued to scrutinise the Board's banking and investment arrangements and received reports at each meeting on treasury management and cash flow. Additionally, in line with its remit to consider risk and the financial controls framework, the Committee reviewed the Board's strategic risk framework and mitigations and the implementation of the recommendations stemming from the findings of the internal auditors. The Committee also received regular updates on controls surrounding cyber security and future IT work programmes. The Committee also received updates from the Executive in relation to strategic risks and the

implementation of Government Functional Standards, for which work will continue into 2024/25.

The Committee reviewed the scope and recommendations of the work performed by MHA as internal auditors and received updates at each meeting on the implementation status of these recommendations.

During the year the Committee noted the scope of the audit work proposed by the National Audit Office.

The Committee also considered updates to the HBLB Financial Regulations Manual and Fraud policy and risk register during the year.

Since the year-end, the Committee has considered the Completion Report presented by the National Audit Office and the 2023/24 Annual Report and Accounts and concluded that taken as a whole these are fair, balanced and understandable and has advised the Board accordingly.

The Investment Committee

The Committee is responsible for monitoring existing loans and their recoverability and in respect of new loan applications the Committee undertakes both an assessment of the underlying creditworthiness of the potential borrower and, for larger projects, commissions a review of the project construction plans by an external consultant.

The Investment Committee met once (by correspondence) during the 2023/24 year in order to review the first of the weighing room loan applications that were received by HBLB during the year.

A Government Appointed Member other than the Chair of the Board usually takes the position of Committee Chair. Lord Risby is the current Committee Chair.

The Remuneration Committee

The Remuneration Committee met once in 2023/24 and determined the Executive and staff remuneration in line with the powers conferred on the Board by s.24(7) of the Betting, Gaming and Lotteries Act 1963. Lord Risby was Chair of the Remuneration Committee for 2023/24.

The Committee continued to monitor the Bribery Act 2010 and the Board's anti-bribery systems as they affect Members, Executive and staff of the Board, which included reviewing the Gifts and Hospitality Register.

Board and sub-Committee attendance

In 2023/24 Members' attendance at Board and Committee meetings is shown in the table below

Board member	Appointed by	Board Meetings	Audit and Risk Assurance Committee	Remuneration Committee	Investment Committee
Paul Darling Chair	Secretary of State for Culture, Media and Sport	8	–	1	–
Lord Risby	Secretary of State for Culture, Media and Sport	8	4	1	1
Anne Lambert	Secretary of State for Culture, Media and Sport	8	4	–	–
David Armstrong	Jockey Club	7	4	–	1
Julie Harrington	Jockey Club	8	–	–	–
Julian Richmond-Watson	Jockey Club	8	-	1	1
Mike O'Kane	Betting & Gaming Council	8	4	1	1
Total number of meetings *(Includes Board Strategy Day)		8*	4	1	1

Internal control and risk management

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Board's policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process to identify the principal risks to the achievement of the Board's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically (see Strategic Risks on page 9 to 11). This process has been in place for the year ended 31 March 2024 and up to the date of approval of the annual reports and accounts and accords with Treasury guidance. No significant failings or weaknesses were identified as a result of the review of the effectiveness of the Board's internal control. Accordingly, the Board has concluded that its internal control framework and systems are effective.

The Board's whistleblowing policy was reviewed in 2023/24 and is made widely available to all staff via the HBLB Staff Hub. Any whistleblowing concern as defined by the policy should be formally raised with either a line manager, executive or Human Resources as is most appropriate for the concern being raised. A nominated Board representative was also available for staff to raise concerns to directly. There were no instances of whistleblowing reported in 2023/24. As part of the work on implementing Government Functional Standards, a more robust fraud, corruption and bribery policy was drafted and reviewed by the Audit & Risk Assurance Committee. The updated policy will be shared with staff via the HBLB Staff Hub.

Quality of data

Management reporting systems are in place to provide Board members with detailed information to assist in the decision-making process. Although the quality of data concerning expenditure is considered sufficient for the needs of the Board, it is acknowledged that, under the arrangements of the Levy Regulations, whereby the final Levy yield is not known until some months after the Levy period has ended, there is a degree of estimation in respect of income. The Board strengthened its processes in this area by putting in place an internal Levy Forecasting Panel during the 2020/21 year and this panel has continued to meet on a monthly basis during 2023/24 to review data from multiple sources and provide the Board with regular updates on the expected Levy forecast.

Internal audit

The Board is assisted by the work of internal audit which reports on the internal control and the assurance framework. During the 2023/24 year, MHA were the internal auditors of HBLB and undertook reviews on the following topics:

- Capital credits
- Effectiveness of partnership working
- Strategic planning and performance management

Summaries of the work performed on each of these topics is disclosed below:

Capital credits

The purpose of this review was to provide HBLB with assurance regarding the process and controls in place for receiving, reviewing and approving capital credit applications and that these comply with the Capital Credit Scheme Guidance Note.

The overall conclusion was that an adequate level of assurance was in place over the effectiveness of controls in place to manage

the risks associated with this area. Four low priority recommendations were identified all have been fully implemented as at the year end. The recommendations were as follows:

- Consider creating a simple step-by-step document of the entire capital credit process.
- Create a guidance note documenting the drawdown application process.
- Consider documenting the review process at management as well as Board level to demonstrate that adequate scrutiny is undertaken.
- Update the current payment process document to cover all steps to reconciliation against the budget.

Effectiveness of partnership working

The purpose of this review was to consider the overall partnership arrangements with key racing, betting and other partners as well as the monitoring of these partnerships and the effectiveness of engagement and communications with them.

The overall conclusion was that a substantial level of assurance was in place over the effectiveness of controls in place to manage the risks associated with this area. Two low priority recommendations were identified and put to the Executive for consideration for implementation in 2024/25. The two recommendations were as follows:

- HBLB should develop a stakeholder framework that brings all HBLB's partners into a singular view for easy assessment of partnership working.
- Enhance the process for addressing the issues raised during the annual survey by developing management responses to both positive and negative feedback obtained from the survey.

Strategic planning and performance management

The purpose of this piece of work was to consider the process for strategic planning, identification of business risks and arrangements for performance management at HBLB.

The overall conclusion was that an adequate level of assurance was in place over the effectiveness of controls in place to manage the risks associated with this area. Two medium priority recommendations were identified and put to the Executive for consideration for implementation in 2024/25. The two recommendations were as follows:

- Consider the impact the planned projects have on the achievement of the goal and the action plans of these projects.
- It is recommended that a Strategy is developed and adopted by Racing which should contain:
 - a clear set of aims and/or objectives for the industry.
 - a set of performance or outcome measures which could be used to support the industry in measuring whether the aims and/or objectives have been met.
 - a series of milestones to be achieved over time to support the delivery of the strategy and to help break the overall aims and objectives into more manageable and deliverable elements.

Head of internal audit opinion

MHA gave the following opinion on the work performed by themselves as internal auditors for the 2023/24 year.

"We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of those processes. The opinion provided however is limited to our work undertaken in these areas and does not

provide assurance over other areas of internal control operating with HBLB.”

Internal audit strategy (2024/25 to 2026/27)

A new three-year internal audit strategic plan will be implemented to run from 2024/25 until 2026/27. This new three-year plan will be based partly on assurance maps that utilise the ‘three lines of defence’ methodology. During this period the Audit & Risk Assurance Committee will also consider whether to re-appoint MHA as internal auditors, as their initial appointment was for a period of four years, or run a full tender exercise.

Information management

The Board has suffered no protected personal data incidents during the year ended 31 March 2024 or prior years and has made no reports to the Information Commissioner’s office.

During the year the Board received a number of Freedom of Information requests and the Board continued to meet the requirements of the Freedom of Information Act 2000. The Board’s website www.hblb.org.uk contains full details of information published by the Board and how to make a request under the Act.

Regularity of expenditure (audited)

I confirm that there were no instances of material irregularity, losses or special payments in the year ended 31 March 2024.

There is nothing of which I am aware that leads me to believe that the Board’s systems of control are not adequate and I believe that this statement gives a true reflection of corporate governance of the Horserace Betting Levy Board during 2023/24.

Alan Delmonte

Chief Executive and Accounting Officer
Horserace Betting Levy Board

10 December 2024

Remuneration and staff report

(i) Unaudited information

Government Appointed Board Members

The Chair and the two other Government Appointed Members of the Board are appointed by the Secretary of State, on terms set on the basis of advice from the Civil Service Senior Salaries Review Body, for a period of up to four years.

Paul Darling OBE KC was appointed as Chair on 1 April 2020 on a four-year term and was reappointed in July 2023 by the Secretary of State for a second term with effect from 1 April 2024 to 31 March 2028. (see pages 6 and 22 for post financial year changes to Chair arrangements). His contract provided for approximately five days' work per month on average, not including attendance at race meetings and associated events.

Lord Risby and Anne Lambert CMG served as the other Government Appointed Members of the Board. Lord Risby was appointed with effect from 1 January 2016 for a period of up to four years. He was re-appointed for a further two years until the end of 2021 and subsequently re-appointed again in August 2021 for a further four years until 31 December 2025.

Anne Lambert CMG was appointed as a Government Appointed Member on 1 April 2020 on a four-year term. She was reappointed in July 2023 by the Secretary of State for a second term with effect from 1 April 2024 to 31 December 2026.

The total time commitment for these Government Appointed Members of the Board is expected to be approximately two to three days per month.

The appointments of the Chair and other Government Appointed Member of the Board

may be terminated at any time by either party giving written notice. These positions are not pensionable and none of their salary is performance related.

Jockey Club Appointees

Under section 24(2) of the Betting, Gaming and Lotteries Act 1963 (as amended), three Board Members are appointed by the Jockey Club. These Board Members do not receive any remuneration.

Betting & Gaming Council Appointee

One Board member is appointed by the Betting & Gaming Council. This position is not pensionable and none of their salary is performance related.

Chief Executive

The Chief Executive is appointed on an open-ended contract, which may be terminated by the Board giving not less than twelve months' notice in writing or the employee giving not less than six months' notice in writing.

The Chief Executive is not eligible to receive a bonus payment and none of his salary is performance related. During 2023/24, pension contributions totalling £28,654 (2022/23: £22,672) were paid by the Board on his behalf.

Remuneration policy

Under s.24(7) of the Betting, Gaming and Lotteries Act 1963 (as amended), the Board has the power to appoint officers, servants and agents on such terms as to remuneration, pensions or otherwise as the Board may determine. The Remuneration Committee determines the remuneration of all staff, including the Chief Executive. HBLB is required to work with DCMS and seek Chief Secretary to the Treasury approval for its appointments

where the proposed salary meets or exceeds the Cabinet Office senior appointments salary thresholds.

Sickness absence

Average sickness absence per person employed by the Board during the year ended 31 March 2024 was 2.2 days (2022/23: 1.1 days).

Equality

The Board continues to operate, in all areas of its activity, in line with the Equality Act 2010 and its own Equal Opportunity and Diversity Policy and continues to monitor recruitment and employment. HBLB's policy is to select employees on their individual merits and abilities irrespective of gender, sexual orientation, gender reassignment, marital status, race, nationality, colour, ethnic background, religion, belief, age or disability. There continues to be full equality of access to promotion, training and other features of employment within the Board. Control measures are in place to ensure that all of the Board's obligations under equality, diversity and human rights legislation are complied with.

The Horserace Betting Levy Board does not fall under the scope of the Trade Union (Facility Time Publication Requirements) Regulations 2017 and therefore has not included any disclosures in this regard.

(ii) Information subject to audit

The table below provides details of the salaries and benefits in kind of the Board members who are remunerated as well as the Chief Executive and Chief Finance Officer. The Chief Executive also receives a car allowance that has been included within his salary in the table below. None of these individuals are entitled to receive performance related bonuses.

	2023/24			2022/23		
	Salary	Benefit in kind (to nearest £100)	Total	Salary	Benefit in kind (to nearest £100)	Total
	£000	£	£000	£000	£	£000
Board Members¹						
Paul Darling – Chair	35-40	-	35-40	35-40	-	35-40
Lord Risby	15-20	-	15-20	15-20	-	15-20
Anne Lambert	15-20	-	15-20	15-20	-	15-20
Mike O’Kane	20-25	-	20-25	20-25	-	20-25
Chief Executive and Accounting Officer						
Alan Delmonte ²	200-205 ³	1,849 ⁴	205-210	195-200	4,100 ⁴	195-200
Chief Finance Officer						
Craig Pemberton ⁵	160-165	-	160-165	155-160	-	155-160

Note:

- The Jockey Club-appointed Board Members do not receive any remuneration.
- Pension contributions totalling £28,654 (2022/23: £22,672) were paid to the Board’s group personal pension plan on behalf of Alan Delmonte.
- Includes travel allowance of £10,000 (2022/23: £10,000) received during the year.
- Private medical insurance paid on behalf of Chief Executive.
- Pension contributions totalling £24,374 (2022/23: £18,914) were paid to the Board’s group personal pension plan on behalf of Chief Finance Officer.

Subject to audit

	2023/24	2022/23
Remuneration band of highest paid director	205-210	195-200
Median remuneration	61,850	51,823
Ratio	3.35	3.81
25th percentile remuneration	43,078	41,000
Ratio	4.82	4.82
75th percentile remuneration	72,102	69,481
Ratio	2.88	2.84
Median salary	61,850	51,823
Ratio	3.35	3.81
25th percentile salary	41,350	40,000
Ratio	5.02	4.94
75th percentile salary	72,000	65,000
Ratio	2.88	3.04

The Chief Executive of the Board was the highest full time equivalent (FTE) earner in 2023/24. This was 3.35 times (2022/23: 3.81) the median salary and remuneration of the workforce, which for both salary and remuneration was £61,850 (2022/23: £51,823). The ratio is calculated by dividing the midpoint of the highest paid director's remuneration band of £207,500 (2022/23: £197,500) by the median remuneration and salary of the Board's workforce.

The median salary and remuneration of the Board's workforce is calculated by reference to salary and remuneration of the staff members, excluding the Government Appointed Board Members, and the highest paid FTE director, which is the Chief Executive. In calculating the salary and total remuneration of staff members, the salary and remuneration is based on their full-time equivalent salary where appropriate and annualised for employees in post at the

reporting period end date but who have not been employed for the entire year.

Total remuneration includes salary and benefits-in-kind. It does not include employer pension contributions, any severance payments and the cash equivalent transfer value of pensions.

The percentage change in the highest paid director's salary and allowances from the previous financial year was 3.08%.

For employees of the entity taken as a whole, the average percentage change from the previous financial year of total remuneration was 4.3% and just taking into account salary was 6.3%.

The change in the median salaries of employees of the organisation, including the highest paid director, are due to the recruitment of new employees to fill vacancies and from salary increases.

Staff numbers and costs – subject to audit

The average number of full-time equivalent staff (excluding Board Members) employed by the Board in the year was as follows (this table is subject to audit):

	2023/24 FTE	2022/23 FTE
Permanent staff	15.55	12.97
Temporary staff	0.25	0.17
	15.80	13.13

No members of staff left HBLB during the year and therefore staff turnover was 0% (2022/23: 15%).

The aggregate payroll costs of persons employed were (this table is subject to audit):	2023/24 £000	2022/23 £000
Payroll staff salaries	1,152	936
Social security	138	113
Pension costs	163	113
Other staff costs	97	100
	1,550	1,262

Breakdown of staff numbers

The breakdown of staff numbers as at 31 March 2024 was as follows:

	Male	Female
Number of Board Members of each gender	5	2
Number of senior managers of each gender	2	0
Number of employees of each gender	8	7

Exit packages – Subject to audit

There were no exit packages in the year to 31 March 2024.

Off-payroll engagements

There were no off-payroll engagements during the year (2022/23: Nil)

Parliamentary Accountability Disclosures – Subject to audit

Losses Statement

	2023/24	2022/23
Total number of losses	–	–
Total value of losses	–	–

Special Payments

	2023/24	2022/23
Total number of special payments	–	–
Total value of special payments	–	–

Remote contingent liabilities – Subject to audit

In addition to contingent liabilities reported within the meaning of IAS 37 and disclosed in note 20, HBLB also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability. In the current year HBLB had no material liabilities that met this definition (2022/23: £Nil)

Alan Delmonte

Chief Executive and Accounting Officer
 Horserace Betting Levy Board

10 December 2024

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Horserace Betting Levy Board for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Horserace Betting Levy Board's

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Reserves for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Horserace Betting Levy Board's affairs as at 31 March 2024 and its surplus for the year then ended; and
- have been properly prepared in accordance with the Betting, Gaming and Lotteries Act 1963.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Horserace Betting Levy Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Horserace Betting Levy Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Horserace Betting Levy Board'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.

My responsibilities and the responsibilities of the Board and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual; and

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Horserace Betting Levy Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Horserace Betting Levy Board or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the statement of Responsibilities of the Accounting Officer of the Horserace Betting Levy Board, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Horserace Betting Levy Board from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with UK adopted International Accounting Standards
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the Horserace Betting Levy Board'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 Accounting Officer either intends to liquidate the Horserace Betting Levy Board or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with

the Government Resources and Accounts Act 2000.

My 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 a certificate that includes my 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 considered capable of detecting non-compliance with laws and regulations including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Horserace Betting Levy Board's accounting policies, key performance indicators and performance incentives.

- Inquired of management, Horserace Betting Levy Board’s head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Horserace Betting Levy Board’s policies and procedures on:

- identifying, evaluating and complying with laws and regulations;
- detecting and responding to the risks of fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Horserace Betting Levy Board’s controls relating to the Horserace Betting Levy Board’s compliance with the Betting, Gaming and Lotteries Act 1963, Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2012 and Managing Public Money;

- inquired of management, the Horserace Betting Levy Board’s head of internal audit and those charged with governance whether:

- they were aware of any instances of non-compliance with laws and regulations;
- they had knowledge of any actual, suspected, or alleged fraud;

- discussed among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Horserace Betting Levy Board for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform

specific procedures to respond to the risk of management override.

I obtained an understanding of the Horserace Betting Levy Board’s framework of authority and other legal and regulatory frameworks in which the Horserace Betting Levy Board operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Horserace Betting Levy Board. The key laws and regulations I considered in this context included the Betting, Gaming and Lotteries Act 1963, Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2012, Managing Public Money and employment law.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, and the Audit Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained

alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies **11 December 2024**
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of comprehensive income for the year ended 31 March 2024

	Notes	2024 £000	2023 £000
Income			
Levy income receivable for:			
Horserace Betting Levy Regulations		105,289	100,026
Previous years' Schemes		14	717
		105,303	100,743
Voluntary contributions		0	3,000
Interest receivable		3,445	1,111
Total income		108,748	104,854
Expenditure			
Improvement of horseracing	4a	(90,699)	(98,966)
Other expenditure	4b	(4,340)	(3,971)
Total expenditure		(95,039)	(102,937)
Operating surplus			
		13,709	1,917
Interest cost on lease liabilities		-	-
Interest cost on financial liabilities	10	(719)	(480)
Surplus for the year			
		12,990	1,437
Total comprehensive income for the year			
		12,990	1,437

The surplus for the year arose from continuing operations.

The notes on pages 47 to 60 form part of these accounts.

Statement of financial position as at 31 March 2024

	Notes	2024 £000	2023 £000
Assets			
Non-current assets			
Property, plant and equipment	5	22	35
Loans to racecourses		-	182
Total non-current assets		22	217
Current assets			
Trade and other receivables	6	10,556	6,974
Loans to racecourses due within one year		50	142
Financial assets	8	26,433	25,235
Cash and cash equivalents	9	47,015	44,730
Total current assets		84,054	77,081
Total assets		84,076	77,298
Current liabilities			
Trade and other payables	10	(14,837)	(16,106)
Lease liabilities		-	-
Provisions		-	-
Financial liabilities	10	(4,242)	(4,992)
Total current liabilities		(19,079)	(21,098)
Total assets less total current liabilities		64,997	56,200
Non-current liabilities			
Financial liabilities	10	(20,640)	(24,831)
Total non-current liabilities		(20,640)	(24,831)
Total net assets		44,357	31,369
Reserves		44,357	31,369

These accounts were authorised for issue on the dates shown on the Audit Certificate.

Alan Delmonte

Chief Executive and Accounting Officer

10 December 2024

The notes on pages 47 to 60 form part of these accounts.

Statement of cash flows for the year to 31 March 2024

	Notes	2024 £000	2023 £000
Cash flow from operating activities			
Surplus/(deficit) for the year		12,990	1,437
Adjustments for:			
Depreciation		17	108
Loss on disposal of property, plant and equipment		-	178
Interest income		(3,445)	(1,111)
Interest expense on financial liabilities		719	480
Fair value adjustment for loans	4a	-	(7)
(Increase)/decrease in trade and other receivables	6	(3,582)	2,204
(Decrease)/increase in trade and other payables	9	(1,269)	(2,729)
(Decrease)/increase in provisions		-	(50)
Net cash flow from operating activities		5,430	510
Cash flow from investing activities			
Purchase of property, plant and equipment	5	(4)	(38)
Net loans repaid by racecourses		272	136
Interest and investment earnings		3,445	1,111
Net cash flow from investing activities		3,713	1,209
Cash flow from financing activities			
Payment of lease liabilities		-	(71)
Proceeds from borrowings	10	-	7,500
Repayment of borrowings: capital	10	(4,190)	-
Repayment of borrowings: interest	10	(1,470)	-
Net amounts transferred (to)/from financial assets	8	(1,198)	(25,235)
Net cash (outflow)/inflow from financing activities		(6,858)	(17,806)
Net (decrease)/increase in cash and cash equivalents		2,285	(16,087)
Cash and cash equivalents at 1 April		44,730	60,817
Cash and cash equivalents at 31 March		47,015	44,730

The notes on pages 47 to 60 form part of these accounts.

Statement of changes in reserves for the year ended 31 March 2024

	Reserves*
	£000
At 1 April 2022	29,932
Changes in reserves 2023	
Surplus for 2023	1,437
Total reserves for 2023	1,437
Balance at 1 April 2023	31,369
Changes in reserves 2024	
Surplus for 2024	12,990
Total reserves for 2024	12,990
Balance at 31 March 2024	44,359

* The Government Financial Reporting Manual (FReM) requires the 'Statement of changes in reserves' to be called the 'Statement of changes in taxpayers' equity'. However, the Board, unlike most other non-departmental public bodies, receives no central Government grant-in-aid and no National Lottery funding and therefore it does not consider that the wording required by the FReM appropriately reflects the Board's unique status.

The notes on pages 47 to 60 form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR TO 31 MARCH 2024

1. Basis of preparation

The accounts have been prepared on the going concern basis. The going concern assumption has been considered and assessed as valid for 2023/24. The Board has concluded that it has reasonable expectation that the Horserace Betting Levy Board will continue to operate and meet its liabilities as they fall due for the next twelve months from the date of approving the accounts.

The financial statements are principally prepared on the historical cost basis. Exceptions are noted within the accounting policies or accounting notes.

HBLB has chosen to prepare the financial statements in a form as directed by the Secretary of State for Culture, Media and Sport and meet the disclosure and measurement requirements, in so far as they are considered to be applicable to the Board, of the 2023/24 Government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Board for the purposes of giving a true and fair view has been selected. The preparation of accounts in conformity with the FReM requires the use of estimation and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of income and expense during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of the FReM that have a significant effect on the accounts and estimates with a significant risk of material adjustment in the next year are discussed below.

Betting, Gaming and Lotteries Act 1963

The statement of comprehensive income is in accordance with the provisions of the above Act (as amended). The Levy income receivable from bookmakers and betting exchange providers is governed by Section 27 of the above Act (as amended).

Specific applications of revenue relate to the following sections of Part 1 of the Act.

24(1)(a) and 25(2)(d)

Improvement of breeds of horses

24(1)(b) and 25(2)(d)

Advancement or encouragement of veterinary science or veterinary education

24(1)(c) and 25 (2)(d)

Improvement of horseracing

24(2)(a) and 24(6)

Administration

25(2)(c)

Charitable payments

25(2)(d)

Loans granted and investments made

Accounting developments

The Board did not implement the requirements of any Standards or Interpretations which were in issue and which were not required to be implemented at the year-end date.

2. Accounting policies

A summary of the Board's accounting policies that are material in the context of the accounts is set out below.

a) Revenue

Levy income

The Board recognises Levy income in accordance with IFRS 15 Revenue from Contracts with Customers as interpreted by the FReM.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the entity expects in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with customers
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the entity satisfies a performance obligation

Under IFRS 15 as interpreted by the FReM, HBLB is therefore deemed to have contracts with bookmakers and betting exchange providers by virtue of the underlying legislation which requires HBLB to collect monetary contributions from bookmakers and betting exchange providers and to apply them for purposes conducive to any one or more of:

- The improvement of breeds of horses

- The advancement or encouragement of veterinary science or education
- The improvement of horseracing

Individual bookmakers and betting exchange providers do not receive a direct benefit as a consequence of payment of the Levy and neither do they influence directly how the Board allocates and spends Levy income. However, HBLB does recognise that the Levy indirectly benefits them by the Board's application of Levy funds in accordance with its three statutory objectives. This indirect link means that under IFRS 15 as interpreted by the FReM, HBLB is deemed to have a performance obligation to the bookmakers and betting exchange providers of collecting the statutory Levy and applying the funds for the purposes set out in the underlying legislation.

This one performance obligation applies to all bookmakers and betting exchange providers who are required to make statutory Levy contributions and is settled over the course of the Levy year in a straight-line manner as HBLB performs this role.

Levy income is therefore recognised on a straight-line basis evenly throughout the year based on estimates provided by the bookmakers and betting exchange providers. The transaction price is confirmed at the end of the Levy year when bookmakers and betting exchange providers submit their annual Forms of Declaration (FOD) which confirm the amount of Levy due for the year. Any under or over collection during the course of the year results in either a top up payment being made by the bookmaker or betting exchange provider or a refund owing by HBLB to the bookmaker or betting exchange provider.

Once the Form of Declaration has been submitted the bookmaker and betting exchange provider is given 28 days to settle any Levy liability that is due. There is not considered to be any material or significant financing component.

Levy income represents variable consideration under IFRS 15 as it is dependent on bookmakers' profits in the leviable period.

Voluntary contributions

Voluntary contributions comprise non-statutory contributions received by the Board recognised under the accrual basis of accounting. In 2022/23, the Racing Foundation contributed funds in support of HBLB's grants to various entities and initiatives contained within the Industry Recruitment, Training and Retention (IRTR) activities. Under the terms of the agreement between HBLB and the Racing Foundation these funds can only be used for Industry Recruitment, Training and Retention activities. There were no voluntary contributions in 2023/24.

Interest receivable

Interest income represents interest receivable during the financial year on the financial assets held, cash deposits and loans to racecourses.

b) Improvement of horseracing and veterinary grants

Grants payable in respect of the improvement of horseracing and advancements of veterinary science and education can cover a period of more than one year and in some cases the grants may relate to projects of up to four years in duration. Payments are normally made in the period to which they relate and grant expenditure is accounted for on an accrual basis to reflect the usage of grant funds on work carried out. Future commitments that have not yet met recognition criteria and have not been included in expenditure at the Statement of Financial Position date are disclosed in note 18.

c) Cash and cash equivalents

Cash and cash equivalents are cash in hand and deposits held with the bank.

d) Financial assets

In accordance with IFRS 9, each financial asset is classified at initial recognition or at the point of first adoption of IFRS 9. The classification of each financial asset is determined by the business model for the asset and whether the cash flows on the asset are solely payments of principal and interest.

Loans: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of loans to racecourses. Under IFRS 9, loans are classified as financial assets at amortised cost when material. The business model for managing these financial assets is to hold the loans to collect contractual cash flows only and these cash flows are considered to be solely payments of principal and interest. Given the low value of the loans and that the intrinsic interest rate is immaterially different from the interest rate charged, the Board consider the cost model to be a reasonable proxy for amortised cost. Interest is charged to the Statement of Comprehensive Income as it is received. The Board consider the expected credit loss to be immaterial.

Trade and other receivables: Trade and other receivables are classified as financial assets at amortised cost under IFRS 9. The business model for managing this financial asset is to hold the assets to collect contractual cash flows only and these cash flows are considered to be solely payment of principal and interest.

Fixed term cash deposits: Fixed term deposits are held to maturity in bank accounts with a maturity date that is greater than three months. Under IFRS 9, these deposits are classified as financial assets at amortised cost.

Impairment of financial assets: The Board makes use of the simplified approach to impairment allowed under IFRS 9 for assets that are classified as financial assets at amortised cost. This means that a loss

allowance for an amount equal to lifetime expected credit losses (ECL) is recognised upon initial recognition or at the point of first adoption of IFRS 9. The Board has considered the need for impairment but has not recognised any due to the value of this being considered immaterial. The Board makes use of a provision matrix to calculate the lifetime ECL for each financial asset and takes into account factors such as past payment history, creditworthiness, security held and future economic conditions when assessing the value of the lifetime ECL. The provision matrix has not been disclosed as the value of expected credit losses is considered immaterial.

e) Financial liabilities

The Board primarily carries financial instruments in the form of concessionary loans from the SSP fund and the Racing Foundation initially recognised at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

f) Pension schemes

The Board operates a defined contribution pension scheme. The cost of the defined contribution scheme is charged to the Board's comprehensive net expenditure account in the year to which it relates.

g) Segmental reporting

The Board has determined that it operates in one material segment, which is to collect a statutory Levy from bookmakers and betting exchange providers who offer bets on horseracing in Great Britain, which it then distributes for the improvement of horseracing and breeds of horses and for the advancement of veterinary science and education. The Board therefore operates within one geographical segment, Great Britain. The Board has one significant source of income being statutory contributions from bookmakers and betting exchange providers, and the segmental

reporting reflects the Board's management and internal reporting structure.

(h) Financial Commitments

The Board reviewed its accounting policies in respect to the disclosure of grants payable. It was determined that in accordance with FReM guidance, there is no requirement to disclose financial commitments related to the grants payable for the advancement of veterinary science and education on the basis that these grants can be terminated as set out in HBLB's contractual terms and conditions. The amounts relating to the prior year have now been restated to nil value in accordance with IAS 8.

3. Key sources of estimation uncertainty

In the application of the Board's accounting policies, which are described in note 2, the Members and the Accounting Officer are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The key source of estimation uncertainty at the end of the reporting period, which has a risk of material adjustment to the carrying amounts of assets and liabilities, is in relation to the estimate of amounts due from/to bookmakers in respect of Levy income. At the start of the Levy year, bookmakers estimate their gross profits on British horseracing for the coming year. This estimate forms the basis of their Notice of Determination, which is a formal document that sets out a bookmaker's expected Levy payable for the year and they pay this balance in instalments over the course of the coming Levy year. A bookmaker can request a revision to the Notice of Determination during the year by informing the Levy Board in writing and explaining why their

initial estimate is no longer accurate. If this is accepted by the Levy Board, a revised Notice of Determination is generated. At the end of the Levy year, bookmakers are requested to complete an online Form of Declaration. This requests bookmakers to include their actual gross profit on British horseracing during the year, and based on this and the amounts paid in advance a final Levy balance is calculated. Where a bookmaker's actual gross profits are less than the payments in advance, a refund is due or vice versa. Forms of Declaration for bookmakers with gross profits on British Horseracing in excess of £250,000 are required to be accompanied by an independent accountant's certificate after completing certain agreed upon procedures. Once the signed Form of Declaration and independent accountant's certificate have been received and accepted by the Levy Board, the individual bookmaker's Levy is finalised and a Certificate of Discharge is issued to the bookmaker.

The Levy income is derived from the actual Forms of Declaration received from bookmakers by the date of approval of these annual accounts. In some cases final declarations are not submitted and management must make an estimate in respect of the Levy income. In forming this estimate, management considers factors such as payments made on account to date, previous years' FOD submissions, submissions from other bookmakers of a similar size and profile as well as knowledge of the betting and racing industry. For the year ended 31 March 2024, the estimated Levy income represented less than 1% of the total Levy income.

4. Expenditure costs

4a. Improvement of horseracing

	2024 £000	2023 £000
Prize Money		
Prize money – main fund	56,261	55,446
Contingency fund	-	2,800
Prize money for divided races	1,029	836
Plus 10	-	-
NH Elite Mares' Scheme	156	163
Appearance Money scheme	670	5,508
Relief Fund	-	109
Great British Bonus Scheme	3,337	3,137
SSP Prize Money	83	2,156
Racing League	-	360
Incremental Prize Money	3,984	-
	65,520	70,515
Racecourses		
Fixture Incentive Scheme	1,359	1,522
Fair value adjustment to racecourse loans	-	(7)
	1,359	1,515
Raceday services		
Raceday services	18,624	18,570
SSP Raceday services	-	2,155
Racing League	-	75
	18,624	20,800
Other		
Industry Recruitment, Training and Retention	3,045	2,828
Point-to-Point steeple chases	305	321
Brexit Steering Group	4	24
Great British Racing: National Campaign	-	1,350
Great British Racing: Welfare Communications	351	342
Betting Industry Partnership	125	134
Sectional timing & tracking	-	-
Retraining of Racehorses	172	14
Racing to School & Racing Together	421	400
Horse Welfare Board including projects	336	350
PJA CEI Scheme	-	-
COVID-19 Industry Support	-	(145)
Great British Bonus Scheme administration	250	206

	2024 £000	2023 £000
Rare Breeds Survival Trust	12	23
Thoroughbred Breeders Association economic impact study	-	100
Thoroughbred Horseracing Industries MBA	10	24
Equine herpes virus outbreak	-	34
Industry People Board	-	40
The Jockey Club – Epsom & Walton Downs	-	90
Miscellaneous	2	1
Racing Welfare	163	-
	5,196	6,136
	90,699	98,966

4b. Other expenditure

	2024 £000	2023 £000
Breed societies	182	160
Advancement of veterinary science and education	1,823	1,614
Administration costs	2,253	2,133
Auditors' remuneration – no charge for non-audit services		
– External audit	58	52
– Internal audit and other services	24	12
	4,340	3,971

4c. Staff costs – Included within Administration costs

	2024 £000	2023 £000
Payroll staff salaries	1,152	936
Social security	138	113
Pension costs	163	113
Other staff costs	97	100
	1,550	1,262

5. Property, plant and equipment

	Leasehold improvements £000	Furniture and Equipment £000	Right-of-use other £000	Total £000
Cost:				
At 1 April 2022	365	115	348	828
Additions	-	38	-	38
Disposals	(365)	(80)	(348)	(793)
At 31 March 2023	-	73	-	73
Depreciation:				
At 1 April 2022	176	78	291	545
Charge for the year	31	20	57	108
Disposals	(207)	(60)	(348)	(615)
At 31 March 2023	-	38	-	38
Net book value:				
At 31 March 2022	189	37	57	283
At 31 March 2023	-	35	-	35
Cost:				
	Leasehold improvements £000	Furniture and Equipment £000	Right-of-use other £000	Total £000
At 1 April 2023	-	73	-	73
Additions	-	4	-	4
Disposals	-	-	-	-
At 31 March 2024	-	77	-	77
Depreciation:				
At 1 April 2023	-	38	-	38
Charge for the year	-	17	-	17
Disposals	-	-	-	-
At 31 March 2024	-	55	-	55
Net book value:				
At 31 March 2023	-	35	-	35
At 31 March 2024	-	22	-	22

6. Trade and other receivables

	2024 £000	2023 £000
Trade and other receivables	538	337
Amounts due from bookmakers in respect of Levy income	9,955	6,274
Prepayments and accrued income	63	363
	10,556	6,974

All the above amounts are due within one year.

7. Financial instruments

The Board is exposed through its operations to one or more of the following financial risks.

Market risk

The principal market risk associated with the Board's activities is the risk that changes in interest rates will affect the Board's income or the value of its assets. However, the risk is considered low as at the year-end as all of the Board's reserves were held in instant access accounts and notice deposit accounts, the majority with a fixed interest rate and all with a call period less than 250 days.

Liquidity risk

Liquidity risk is the risk that the Board fails to meet its financial obligations as and when they fall due. The management of operational liquidity risk aims primarily to ensure that the Board always has sufficient liquidity to meet its short-term working capital requirements. Medium-term and long-term cash requirements are managed having regard to the Board's forecast operating cash flows.

Credit risk

The Board grants loans to racecourses, usually repayable over four years. However, loans for the development of weighing rooms will be offered with term limits of up to 10 years. All loan applications are considered in detail by the Investment Committee, in order to assess the creditworthiness of the applicant racecourse, and any loans greater than £200,000 are secured by legal charges against the borrower and undergo independent financial analysis prior to approval.

The credit risk associated with the risk of default by a bookmaker failing to meet the obligations under the Levy Regulations is not considered material, and this is evidenced by the fact that losses with regard to these trade receivables are historically low.

On 30 July 2007 the Board entered into an agreement with the British Horseracing Authority (BHA), the Jockey Club and Trustees of the Jockey Club Pension Fund and Life Assurance Scheme, now known as the BHA Pension Scheme (the 'Scheme'), to guarantee the payment by the BHA of certain contributions to the Scheme. Accordingly, the Board has a contingent liability in the event of the BHA becoming unable to meet its obligations. Further information is shown on page 59.

8. Financial Assets

Financial assets comprise of notice term cash deposits. All of these cash deposits are held in interest bearing bank accounts with notice required of no more than twelve months. The effect of the time value of money is not considered material and so these balances have not been amortised and are shown at present value.

	2024 £000	2023 £000
Balance at 1 April	25,235	-
Net change in financial assets	1,198	25,235
Balance at 31 March	26,433	25,235

9a. Cash and cash equivalents: Movement in the year

	2024 £000	2023 £000
Balance at 1 April	44,730	60,817
Net change in cash and cash equivalent balances	2,285	(16,087)
Balance at 31 March	47,015	44,730

9b. Cash and cash equivalents

	2024 £000	2023 £000
The following balances at 31 March were held at:		
Commercial banks and cash in hand	47,015	44,730
	47,015	44,730

10. Current liabilities: Trade and other payables

	2024 £000	2023 £000
Capital credit grants	9,154	8,369
Accruals	3,844	2,545
Amounts due to bookmakers in respect of Levy income	1,104	4,251
Trade and other creditors	686	905
Social Security	49	36
	14,837	16,106

Capital credit grants comprise grant payments to racecourses that are allocated for future capital projects but have not been drawn down by the racecourse as at 31 March 2024. Under the scheme, racecourses may waive all or part of their racing fixture-related grant payments from the Board. These waived grant payments can then be drawn down at future periods by the racecourse at the Board's discretion for repayments of Board loans or as a capital credit grant towards specified capital projects.

10a. Financial Liabilities

	2024	2023
	£000	£000
Unsecured:		
Long term borrowings	24,163	29,020
Total loans at historic cost	24,163	29,020
Interest accrued	(719)	(803)
Total loans at net present value	24,882	29,823
Loans included above due within one year	4,242	4,992
Loans due in more than one year	20,640	24,831
	24,882	29,823

10b. Loans: Movement in the year

	2024	2023
	£000	£000
Balance at 1 April	29,823	21,843
Loan payments received	0	7,500
Interest accrued	719	480
Loans repaid	(5,660)	0
Balance at 31 March	24,882	29,823

In July 2021, HBLB borrowed £21.5m from the UK Government's Sport Survival Package (SSP) to support British racing in its recovery from the pandemic and provide immediate confidence to the sport's investors. The loan is on a ten-year term with interest charged at 2% per annum and repayments required at six-monthly intervals after an initial two-year payment holiday.

In February 2023, HBLB borrowed £7.5m from The Racing Foundation to support Racing's Weighing Room modernisation project. The loan is on a five-year term with interest charged at 4% per annum and repayments required at annual intervals from February 2024.

11. Related parties

The Horserace Betting Levy Board is a Non-Departmental Public Body operating in accordance with the provisions of the Betting, Gaming and Lotteries Act 1963 (as amended). The Department for Culture, Media and Sport (DCMS) is the Board's controlling Government Department and is therefore a related party.

During the year the Board had the following material transactions in which there was a related interest:

- The Horserace Betting Levy Board made payment to the British Horseracing Authority (BHA) amounting to £665,409 for a variety of different services rendered and grant funding during the year. The BHA is a related party by virtue of its Chief Executive being a Board member of HBLB.
- The Horserace Betting Levy Board incurred costs from the Thoroughbred Breeders Association (TBA) amounting to £330,024. These were grant payments towards the TBA Education and Employment programme and administration of the Great British Bonus Scheme. The TBA is a related party by virtue of Julian Richmond-Watson being a Board member of HBLB and, for part of the year, chairman of the TBA before becoming president of the TBA.
- The Horserace Betting Levy Board incurred costs from the Great British Bonus Scheme (GBB) amounting to £3,328,750. These were grant payments for the GBB and NH MOPS prize money schemes. GBB is a related party by virtue of Julian Richmond-Watson being a Board member of HBLB and, for part of the year, chairman of the TBA before becoming president of the TBA.
- The Horserace Betting Levy Board incurred costs from the Thoroughbred Industries Brexit Steering Group (BSG) amounting to £3,053. These were grant payments for preparation of horse racing for the UK's departure from the EU. BSG is a related party by virtue of Julian Richmond-Watson being a member of BSG and one of the Board members of HBLB.

The Horserace Betting Levy Board had an outstanding loan balance owing of £18.8m under the Government's Sport Survival Package. The issuer of the loan is Sport England, a related party by virtue of being a fellow arm's length body of the Department for Culture, Media and Sport.

As per section 28(10) of the Betting, Gaming and Lotteries Act 1963 (as amended), no details of the financial transactions between the Board and any bookmaker can be disclosed. During the year there were no related party transactions between the Board and any bookmakers.

During the year, none of the key management staff, or other related parties, have undertaken any material transactions with the Horserace Betting Levy Board. Compensation for members of key management staff have been disclosed in the Remuneration and Staff Report.

12. Financial commitments

In accordance with the FReM, the Board is no longer required to disclose financial commitments related to the grants payable for the advancement of veterinary science and education. The figures for 2022-23 have been restated to nil accordingly. See note 2(h) for further information.

	2024 £000	2023 (Restated) £000
Within 1 year	Nil	Nil
After 1 year but not more than 5 years	Nil	Nil
Total financial commitments	Nil	Nil

13. Contingent liabilities

British Horseracing Authority Pension Scheme

On 30 July 2007 the Board entered into an agreement with the British Horseracing Authority (BHA), the Jockey Club and Trustees of the Jockey Club Pension Fund and Life Assurance Scheme, now known as the BHA Pension Scheme (the 'Scheme'), to guarantee the payment by the BHA of certain contributions to the Scheme. The 2007 agreement was subsequently amended in 2009, 2012, 2016, and 2021.

Under the agreement as amended in 2016, the Board had a contingent liability in the event of the BHA becoming unable to meet its obligations and had agreed if such circumstances arose to:

1. Meet the annual deficit contributions of £1,158,000 for the period from 1 October 2012 to 31 December 2019 and up to £624,000 per annum for the period from 1 January 2020 and ending on 30 September 2024, with HBLB guaranteeing payment until the earlier of (i) 31 December 2024 and (ii) the date an actuarial valuation of the Scheme discloses that there is no longer a past deficit on the basis of the December 2006 Actuarial Assumptions; and
2. Guarantee payment of any liability BHA may incur to the trustees under Section 75 of the Pensions Act 1995 on a winding-up of the Scheme triggered during the period up to and including 31 December 2024, capped at a maximum of £30.3 million.

HBLB was approached by the Trustees of the scheme during 2020/21 to consider an extension to the wind-up guarantee. This was subsequently agreed by the Board with the necessary approvals from DCMS and HM Treasury subsequently received.

Accordingly, the Board now has a contingent liability in the event of the BHA becoming unable to meet its obligations and if such circumstances arise to:

- a) Meet any outstanding instalments of annual deficit contributions of up to £624,000 per annum payable for the period from 1 January 2020 to 30 September 2024, with HBLB guaranteeing payment until the earlier of (i) 31 December 2024 and (ii) the date an actuarial valuation of the Scheme discloses that there is no longer a past deficit on the basis of the December 2006 Actuarial Assumptions; and
- b) Guarantee payment of any liability BHA may incur to the trustees under Section 75 of the Pensions Act 1995 on a winding-up of the Scheme triggered during the period up to and including 31 December 2032, capped at a maximum of £30.3 million. This amount would be

payable, in five equal annual instalments, only in the event that the Scheme is wound up by the trustees as a result of: (i) BHA entering into liquidation or being dissolved without being replaced by a new Principal Employer; (ii) the trustees resolving to wind up the Scheme upon receiving notice from BHA terminating its contributions to the Scheme; or (iii) upon notice from BHA of its intention to terminate its participation in the Scheme unless a new Principal Employer is substituted.

Great British Bonus Scheme

The Great British Bonus Scheme (GBB) is a prizemoney scheme designed to support the GB breeding and racing industries through enhanced prizemoney to qualifying GB bred horses. It is a whole industry scheme that is administered by the Thoroughbred Breeders' Association (TBA) as agent for the scheme. The TBA administers registrations to the scheme and market and support the scheme operationally. The TBA sits on the GBB Management Group, along with members of the British Horseracing Authority (BHA) and the Racehorse Owners Association (ROA). Representatives of the Board and Weatherbys also sit on the Group as observers. The vast majority of funding for GBB prizemoney comes from the Board. The GBB Management Group proposes any changes to the structure and rules of the scheme, but ultimately the Board of HBLB has control over the funding of the scheme.

On 14 September 2021 the Board agreed to the principle of a contingent liability for the unlikely event of GBB scheme closure, resulting in repayment of unused registrations, until the scheme has built up sufficient reserves to cover the closure liability itself.

The value of paid registrations that had not had an opportunity to utilise the scheme at 31 March 2024 amounted to £1,726,900 which the Board recognises as a contingent liability.

14. Events after the Reporting Period

These accounts were authorised for issue by the Accounting Officer on the date shown on the audit certificate.

There are no events after the reporting period to note.

