

Company Registration No. 398604 (England and Wales)

**THE RACEHORSE OWNERS ASSOCIATION
LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**



THE RACEHORSE OWNERS ASSOCIATION LIMITED

COMPANY INFORMATION

Directors

S Astaire
N G Cooper CBE
Y Dixon
C J Djivanovic
D P Duffy
R T Goff
R S Hoskins
C M Parker
A D Spence
C Wright CBE

Secretary

C O A Liverton

Company number

398604

Registered office

12 Forbury Road
Reading
Berkshire
RG1 1SB

Auditor

RSM UK Audit LLP
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

THE RACEHORSE OWNERS ASSOCIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the Association continued to be that of promoting and supporting the interests of racehorse owners in Great Britain funded through membership subscriptions.

During the year the organisation continued the industry ownership strategy project, promoting racehorse ownership with funding from the Horserace Betting Levy Board.

Directors

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

S Astaire	
S Bethell	(Resigned 11 June 2020)
N G Cooper CBE	
Y Dixon	
C J Djivanovic	
D P Duffy	
R T Goff	(Appointed 2 July 2019)
R S Hoskins	
C M Parker	
A M Pickering CBE	(Resigned 2 July 2019)
P Pugh	(Resigned 2 July 2019)
A D Spence	
C Wright CBE	

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



N G Cooper CBE
Director

Date: 4 August 2020

THE RACEHORSE OWNERS ASSOCIATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RACEHORSE OWNERS ASSOCIATION LIMITED

Opinion

We have audited the financial statements of The Racehorse Owners Association Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RACEHORSE OWNERS ASSOCIATION LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Claire Sutherland (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk, IP32 7FA
4 August 2020

THE RACEHORSE OWNERS ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020


	Notes	2020 £	2019 £
Turnover		2,592,978	2,547,649
Operating expenses		(2,821,541)	(2,517,046)
Operating (deficit)/surplus		<u>(228,563)</u>	<u>30,603</u>
Interest receivable and similar income		8,335	14,029
(Deficit)/surplus before taxation		<u>(220,228)</u>	<u>44,632</u>
Tax on (deficit)/surplus	3	(1,584)	(2,666)
(Deficit)/surplus for the financial year		<u><u>(221,812)</u></u>	<u><u>41,966</u></u>

THE RACEHORSE OWNERS ASSOCIATION LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	4		140,246		162,888
Tangible assets	5		176,985		83,585
Investments	6		350,000		-
			<u>667,231</u>		<u>246,473</u>
Current assets					
Debtors	7	350,728		567,073	
Investments	8	1,313,575		1,740,215	
Cash at bank and in hand		315,929		169,502	
		<u>1,980,232</u>		<u>2,476,790</u>	
Creditors: amounts falling due within one year	9	<u>(1,456,556)</u>		<u>(1,310,544)</u>	
Net current assets			<u>523,676</u>		<u>1,166,246</u>
Total assets less current liabilities			<u>1,190,907</u>		<u>1,412,719</u>
Reserves					
Income and expenditure account			<u>1,190,907</u>		<u>1,412,719</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 4 August 2020 and are signed on its behalf by:



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N G Cooper CBE
Director

THE RACEHORSE OWNERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

The Racehorse Owners Association Limited is a private company limited by guarantee and is registered and incorporated in England and Wales. The registered office is 12 Forbury Road, Reading, Berkshire, RG1 1SB.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The Coronavirus pandemic led the directors to consider and review the company's status as a going concern, including its financial security, the adequacy of its reserves and the robustness of future financial projections up to September 2021. The ROA has made more conservative budget projections for the coming year and has undertaken a re-appraisal of expenditure across a number of areas. The financial impact of the pandemic has had only a limited impact on the financial position of the company. There is a reasonable level of confidence attached to the current budgeted income and expenditure projections that do not threaten the solvency of the ROA or its status as a going concern. Indeed current cash resources provide the company with sufficient financial strength to withstand a significant downturn in the coming twelve months and there is presently no indication of such a downturn as income is in line with expectations and expenditure remains carefully controlled.

Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Grants

Grants relating to revenue are recognised in income on a systematic basis over the period to which the entity recognises the related costs for which the grant is intended to compensate.

Members' subscriptions

Members' subscriptions are accounted for on an accruals basis, in compliance with Section 23 of FRS 102. When the company receives subscription income from a member in advance, a liability is recognised of an equal amount. Over the period to which the subscription relates the liability is proportionately reduced and recognised as revenue.

Intangible fixed assets other than goodwill

Intangible assets, including website development costs, are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% per annum on cost
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THE RACEHORSE OWNERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10 years straight line
Other plant and machinery	20% straight line

Fixed asset investments

Interests in associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Trade investments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and loans due from associate companies, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price and are subsequently carried at amortised cost.

Taxation

The company is exempt from corporation tax, other than on its investment income, it being a company not carrying on a business for the purposes of making a profit.

THE RACEHORSE OWNERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 10 (2019 - 8).

3 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	1,584	2,666

4 Intangible fixed assets

	Other £
Cost	
At 1 April 2019	179,975
Additions	16,559
At 31 March 2020	196,534
Amortisation and impairment	
At 1 April 2019	17,087
Amortisation charged for the year	39,201
At 31 March 2020	56,288
Carrying amount	
At 31 March 2020	140,246
At 31 March 2019	162,888

THE RACEHORSE OWNERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

5 Tangible fixed assets

	Leasehold improvements	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2019	19,943	231,034	250,977
Additions	92,794	21,301	114,095
At 31 March 2020	112,737	252,335	365,072
Depreciation and impairment			
At 1 April 2019	19,943	147,449	167,392
Depreciation charged in the year	-	20,695	20,695
At 31 March 2020	19,943	168,144	188,087
Carrying amount			
At 31 March 2020	92,794	84,191	176,985
At 31 March 2019	-	83,585	83,585

6 Fixed asset investments

	2020 £	2019 £
Investments	350,000	-

THE RACEHORSE OWNERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6 Fixed asset investments (Continued)

On 8 June 2004 the company became a member of Owner Breeder Media Group Limited (formerly Thoroughbred Owner & Breeder Limited), a company registered in England and Wales, limited by guarantee, and not having share capital. The liability of its members is limited to £1 each and nothing was paid for the investment. As such there is no asset in the accounts. At the balance sheet date there were two members of this company. The company produces a magazine for members.

On 16 June 2006 the company became a member of Horsemen Limited, a company registered in England and Wales, limited by guarantee, and not having share capital. The liability of its members is limited to £1 each and nothing was paid for the investment. As such there is no asset in the accounts. At the balance sheet date there were five members of this company. The company represents the collective interests of owners, trainers, breeders, jockeys and stable staff.

On 31 July 2007 the company became a member of British Horseracing Authority Limited, a company registered in England and Wales, limited by guarantee, and not having share capital. The liability of its members is limited to £1 each and nothing was paid for the investment. As such there is no asset in the accounts. At the balance sheet date there were four members of this company. The company is the regulatory and governing body of horseracing in Great Britain. British Horseracing Authority Limited have two wholly owned subsidiaries, Great British Racing Limited and British Horseracing Database Limited. Both companies are registered in England and Wales. The principal activity of Great British Racing Limited is the commercialisation of the contents of the Racing Administration database through access and user licence agreements with third parties, whilst British Horseracing Database Limited's principal activity is the maintenance and licences of the database.

On 10 June 2019 the company became a member of Alizeti Capital Limited, a company registered in England & Wales with a share capital of £98,648,000. The company is therefore a minority shareholder. Alizeti Capital Limited changed its name in August 2019 to UK Tote Group Limited.

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 April 2019	-
Additions	350,000
At 31 March 2020	350,000
Carrying amount	
At 31 March 2020	350,000
At 31 March 2019	-

THE RACEHORSE OWNERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

7 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	92,763	25,567
Amounts owed by group undertakings and undertakings in which the company has a participating interest	25,313	127,639
Other debtors	232,652	413,867
	<u>350,728</u>	<u>567,073</u>

8 Current asset investments

	2020 £	2019 £
Cash held on deposit and bonds	<u>1,313,575</u>	<u>1,740,215</u>

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	134,741	67,884
Amounts owed to group undertakings and undertakings in which the company has a participating interest	27,773	54,539
Corporation tax	1,485	2,568
Other taxation and social security	39,677	17,444
Other creditors	1,252,880	1,168,109
	<u>1,456,556</u>	<u>1,310,544</u>

10 Members' liability

Each member's liability is limited to a maximum contribution of £3 in the event of the winding up of the company. The number of members as at 31 March 2020 was 7,772 (2019: 7,976).

THE RACEHORSE OWNERS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	84,027	80,000
Between one and five years	327,820	86,667
	<u>411,847</u>	<u>166,667</u>