

**NATIONAL ASSOCIATION OF RACING STAFF**

**FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 DECEMBER 2018**



## NATIONAL ASSOCIATION OF RACING STAFF

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# NATIONAL ASSOCIATION OF RACING STAFF

## ASSOCIATION INFORMATION

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<b>List Number</b>	587T
<b>Executive Council</b>	K Reynolds (President) L Allan (Vice President) R Farmer B James J Cody-Boutcher G Morrill Pete McCulloch G Morrill C Fisher D Higginson J Marshall L Pike J Trnakova Appointed 01/04/2019 Appointed 01/04/2019 Appointed 01/04/2019 Appointed 01/04/2019 Appointed 01/04/2019
<b>Chief Executive</b>	G McGrath
<b>Trustees</b>	L Bell D Goodfellow Lord R Kennedy Baroness A Mailalieu D Eva S Padgett S Allot Appointed 01/04/2019
<b>Main Office</b>	The Racing Centre Fred Archer Way Newmarket Suffolk CB8 8NT
<b>Auditors</b>	Wilkins Kennedy Audit Services Statutory Auditor 2 <sup>nd</sup> Floor Regis House 45 King William Street London EC4R 9AN

## NATIONAL ASSOCIATION OF RACING STAFF

### Bankers

Unity Trust Bank Plc  
Nine Brindleyplace  
Birmingham  
B1 2HB

Weatherbys Private  
Bank  
Wellingborough Office:  
Sanders Road  
Wellingborough  
Northamptonshire  
NN8 4BX

## **NATIONAL ASSOCIATION OF RACING STAFF**

### **EXECUTIVE COUNCIL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The Executive Council presents the Annual Report on the affairs of the Association, together with the Financial Statements and Auditors' Report for the year ended 31 December 2018.

#### **Principal Activity and Business Review**

The Association was founded to improve the economic and social well-being of its members, and Racing Staff in general, and to enhance their status, pay and conditions of employment; to watch over, promote and protect the common and individual interests of its members and to regulate relations between members and employers to ensure that the opportunity for training and improvement is available to all Racing Staff, and NARS members in particular, in order that they can achieve their full potential within their work careers and lives.

The results for the year are set out in the Income and Expenditure Account on page 8, which the Executive Council consider to be acceptable. As at 31 December 2018 the Association had a net asset position of £600,706 (2017 - £496,511) which is shown on the Balance Sheet on page 9.

#### **Executive Council**

The Executive Council is elected by individual postal ballot of the full members and serves for a period of two years.

The President of the Association is elected for a term of office of three years by individual ballot of the full members.

The Vice-President of the Association is elected for a term of office of one year by a ballot of the Executive Council members.

The Chief Executive of the Association is elected for a term of office of five years by individual ballot of the full members.

Co-opted members have no voting rights.

## NATIONAL ASSOCIATION OF RACING STAFF

### EXECUTIVE COUNCIL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

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#### Statement of the Executive Council's Responsibilities

Trade Union rules require the Executive Council to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period.

In preparing those Financial Statements the Executive Council are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The Executive Council is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Trade Union and Labour Relations (Consolidation) Act 1992. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

A resolution proposing that Wilkins Kennedy Audit Services be re-appointed as auditors of the Association will be put at the next meeting of the Executive Council.

By order of the Executive Council:

**G McGrath**  
Chief Executive

Date: 23 May 2019

# NATIONAL ASSOCIATION OF RACING STAFF

## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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### Opinion

We have audited the financial statements of The National Association of Racing Staff (NARS) for the year ended 31 December 2018 which comprise the Income and Expenditure Statement, Balance Sheet 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 union's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

### 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 union 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 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 audit opinion.

**INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

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**Conclusions relating to going concern**

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

- the Executive Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Executive Council has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the union'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 Executive Council is responsible for the other information. The other information comprises the information included in the Report of the Executive Council, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

**Responsibilities of the Executive Council**

As explained more fully in the Statement of the Executive Council's Responsibilities, the Executive Council is 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 Executive Council determines 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 Executive Council is responsible for assessing the union'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 union or to cease operations, or have no realistic alternative but to do so.



## NATIONAL ASSOCIATION OF RACING STAFF

### INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

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#### **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: [www.frc.org.uk/auditorsresponsibilities](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 union's members, as a body, in accordance with the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the union'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 union and the union's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Wilkins Kennedy Audit Services*

Wilkins Kennedy Audit Services  
Statutory Auditor  
2<sup>nd</sup> Floor  
Regis House  
45 King William Street  
London  
EC4R 9AN

Date: *31 May 2019*

NATIONAL ASSOCIATION OF RACING STAFF

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	General Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Income</b>					
Prize money and cloth sponsorship		415,580	-	415,580	367,903
Other income (schedule 1)		6,483	-	6,483	-
Bank interest received		434	-	434	307
Project income	8	-	112,122	112,122	58,646
Event and sports team sponsorship		7,325	-	7,325	3,200
		<u>429,822</u>	<u>112,122</u>	<u>541,944</u>	<u>430,056</u>
<b>Expenditure</b>					
Member services		71,466	-	71,466	68,959
Event and sports team costs		15,964	-	15,964	12,212
Project expenses (schedule 2)		-	112,122	112,122	58,646
Administrative expenses (schedule 2)		238,114	-	238,114	213,686
		<u>325,544</u>	<u>112,122</u>	<u>437,666</u>	<u>353,503</u>
<b>Surplus/(deficit) for the year before taxation</b>		<b>104,278</b>	<b>-</b>	<b>104,278</b>	<b>76,553</b>
Taxation	2	83	-	83	(39)
<b>Surplus/(deficit) for the year after taxation</b>		<b>104,195</b>	<b>-</b>	<b>104,195</b>	<b>76,592</b>
Gross transfers between funds		-	-	-	-
<b>Net movement in funds for the year</b>	7	<b>104,195</b>	<b>-</b>	<b>104,195</b>	<b>76,592</b>
<b>Fund balances brought forward</b>		<b>496,511</b>	<b>-</b>	<b>496,511</b>	<b>419,919</b>
<b>Fund balances carried forward</b>		<b><u>600,706</u></b>	<b><u>-</u></b>	<b><u>600,706</u></b>	<b><u>496,511</u></b>

The notes and schedules on pages 9 to 16 form part of these accounts.

NATIONAL ASSOCIATION OF RACING STAFF

BALANCE SHEET  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	3		8,104		9,134
Intangible assets	4		20,564		15,696
			<u>28,668</u>		<u>24,830</u>
<b>Current assets</b>					
Debtors	5	36,828		33,066	
Cash at bank and in hand		551,026		454,513	
		<u>587,854</u>		<u>487,579</u>	
<b>Creditors: amounts falling due within one year</b>	6	(15,816)		(15,898)	
<b>Net current assets</b>			<u>572,038</u>		<u>471,681</u>
<b>Net assets</b>			<u><u>600,706</u></u>		<u><u>496,511</u></u>
<b>Capital and reserves</b>					
General fund	7		600,706		496,511
Restricted funds	8		-		-
			<u><u>600,706</u></u>		<u><u>496,511</u></u>

Signed on behalf of the Executive Council:

G McGrath  
Chief Executive

K Reynolds  
President

Date: 23 May 2019

The notes and schedules on pages 10 to 17 form part of these accounts.

NATIONAL ASSOCIATION OF RACING STAFF

SCHEDULE 1 ANALYSIS OF OTHER INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018

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	2018 £	2017 £
Membership fees	-	-
Insurance commission	6,483	-
	<u>6,483</u>	<u>-</u>

NATIONAL ASSOCIATION OF RACING STAFF

SCHEDULE 2 ANALYSIS OF PROJECT & ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED 31 DECEMBER 2018

	General Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Project expenses (note 8)</b>				
Staff costs	-	38,258	38,258	27,815
Pension costs	-	1,913	1,913	1,007
Union learn project costs	-	71,951	71,951	29,824
	<u>-</u>	<u>112,122</u>	<u>112,122</u>	<u>58,646</u>
<b>Administrative expenses</b>				
Consultancy fees and expenses	16,176	-	16,176	13,591
Legal and professional fees	3,113	-	3,113	3,586
Staff costs	103,665	-	103,665	100,340
Pension costs	9,917	-	9,917	9,320
Office rent and rates	10,003	-	10,003	8,400
Office and computer supplies	11,734	-	11,734	8,624
Training	11,270	-	11,270	5,363
Printing, postage and stationery	607	-	607	427
Advertising and publicity	19,413	-	19,413	23,026
Telephone and alarm	885	-	885	989
Travel and subsistence	22,051	-	22,051	19,106
Newspapers and journals	2,832	-	2,832	2,446
Audit and accountancy	7,789	-	7,789	6,965
Insurance	316	-	316	659
Bank charges and interest	223	-	223	158
Depreciation	5,654	-	5,654	2,155
Miscellaneous	2,690	-	2,690	2,628
Donations	-	-	-	100
Executive Council costs	9,776	-	9,776	5,803
	<u>238,114</u>	<u>-</u>	<u>238,114</u>	<u>213,686</u>

# NATIONAL ASSOCIATION OF RACING STAFF

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1. Accounting Policies

The Financial Statements have been prepared in accordance with applicable UK accounting standards and the following accounting policies:

#### 1.1. Basis of Accounting

The Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102). The Financial Statements have been prepared under the historical cost basis.

#### 1.2. Reduced Disclosure Exemptions

As a qualifying entity reporting under FRS 102, the Association has taken advantage of the following disclosure exemptions:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation.

#### 1.3. Fixed Assets

Items of office equipment are capitalised in the balance sheet at cost and depreciated at a rate of 20% per annum reducing balance to write off the cost over their useful life.

Website costs are amortised over 5 years.

#### 1.4. Taxation

Corporation tax is liable on investment income only and full provision is made to the extent that a liability arises.

#### 1.5. Prize Money and Cloth Sponsorship

The Association is funded from 'Prize Money' distributed under the Orders of the British Horseracing Association (BHA) Rule 194 (Schedule F9) whereby the Association receives 0.25% of total prize money. These orders and rules also include written instructions setting out the terms and conditions of service in Racings, established by the National Joint Council for Racing Staff (set-up by agreement between the Association and National Trainers' Federation). The Racing Lads and Lasses are able to benefit from the Association's representation and support without needing to subscribe on an individual basis.

The Association also receives funding by way of 'Cloth Sponsorship' distributed under BHA Rule F(129) whereby for each horse that has started in a race the Association shall receive 5% of the sponsorship income of that horse's cloth where sponsored.

# NATIONAL ASSOCIATION OF RACING STAFF

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

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### 1. Accounting Policies (continued)

#### 1.5. Prize Money and Cloth Sponsorship (continued)

The payments from prize money won and cloth sponsorship due are paid directly to NARS.

Prize money and cloth sponsorship is recognised as income in the accounts on an accruals basis.

#### 1.6. Other Income

Bank interest is accounted for on a receivable basis.

Sponsorship and other donations are accounted for on a receivable basis.

#### 1.7. Expenditure

The accounts are prepared on an accruals basis and include expenditure as it is incurred.

#### 1.8. Restricted Funds

Project funding income and expenditure is disclosed in the Income and Expenditure account as restricted as set out in note 8.

### 2. Taxation

	2018	2017
	£	£
<b>Domestic current year tax</b>		
UK corporation tax	83	(39)
	<u>83</u>	<u>(39)</u>

NATIONAL ASSOCIATION OF RACING STAFF

NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

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3. Tangible Fixed Assets

	Office Equipment £
<b>Cost</b>	
At 1 January 2018	16,382
Additions	996
Disposals	-
At 31 December 2018	<u>17,378</u>
<b>Depreciation/Amortisation</b>	
At 1 January 2018	7,248
Charge for year	2,026
Eliminated on disposals	-
At 31 December 2018	<u>9,274</u>
<b>Net book value</b>	
At 31 December 2017	<u>9,134</u>
At 31 December 2018	<u>8,104</u>

4. Intangible Fixed Assets

	Website £
<b>Cost</b>	
At 1 January 2018	15,696
Additions	8,496
Disposals	-
At 31 December 2018	<u>24,192</u>
<b>Depreciation</b>	
At 1 January 2018	-
Charge for year	3,628
Eliminated on disposals	-
At 31 December 2018	<u>3,628</u>
<b>Net book value</b>	
At 31 December 2017	<u>15,696</u>
At 31 December 2018	<u>20,564</u>



NATIONAL ASSOCIATION OF RACING STAFF

NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

5. Debtors

	2018 £	2017 £
Prize money and cloth sponsorship	26,704	22,506
Prepayments and accrued income	6,941	6,287
Other loans	910	2,000
Loan to Horsemen Limited	2,273	2,273
	<u>36,828</u>	<u>33,066</u>

6. Creditors: Amounts Falling Due Within One Year

	2018 £	2017 £
Accruals	14,310	15,046
Corporation tax	83	61
Other creditors	1,423	791
	<u>15,816</u>	<u>15,898</u>

7. General Fund

	£
As at 1 January 2018	496,511
Surplus for the year	104,195
As at 31 December 2018	<u>600,706</u>

## NATIONAL ASSOCIATION OF RACING STAFF

### NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

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#### 8. Restricted Funds

	Union Learning Fund £	Total £
As at 1 January 2018	-	-
Income	112,122	112,122
Expenditure	(112,122)	(112,122)
Transfer (to)/from general funds	-	-
As at 31 December 2018	<u>-</u>	<u>-</u>

The Union Learning Fund (ULF) has the object of aiding the development of a Union Learning Representative (ULR) network by training and appointing ULR's and creating a distinct strategy to support the learning needs of NARS members over a long-term period.

The Association undertakes these projects through external funding. Various funders retain the right to claw back grants, should either the use of funds not be in accordance with the terms and conditions of the grant, or the terms and conditions of the grant stipulates a claw back. In the opinion of the Executive Council no such liability exists as at 31 December 2018.

#### 9. Related Parties

The Association received no repayments of a loan due from Horsemen Limited, the company vehicle of the Horsemen's Group, of which it is a member. At the year-end, a balance of £2,273 (2017 - £2,273) was outstanding on the loan and is included within debtors (see note 5).

NATIONAL ASSOCIATION OF RACING STAFF

NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

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**10. Financial Commitments**

At 31 December 2018 the Association had total commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2018	2017	2018	2017
	£	£	£	£
Expiry date:				
Less than 1 year	10,080	10,080	979	979
In 2 to 5 years	-	-	1,787	2,766
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>