



National Trainers Federation

ANNUAL REPORT

2013



NTF TO SUPPORT

Association of Air Ambulances

As many of you will be aware, trainers and their staff have benefited over the years from the Air Ambulance service, which is funded entirely by donations.

In 2013 the NTF raised over £900 for the Air Ambulance Services across the country, principally from lost badge charges. This charity proved very popular with members so we decided to continue supporting the Air Ambulance in 2014.

On average, an emergency air ambulance takes off every 10 minutes in the UK, flying 365 days a year in daylight hours. Put another way, during every hour of every day, 7 Air Ambulances are attending accidents and medical trauma.



Association of Air Ambulances

**Front and back cover: Marcus Tregoning's horses. Photo by Matthew Webb
All photographs courtesy of Matthew Webb**

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ANNUAL REPORT

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NTF COUNCIL AND COMMITTEE MEMBERS

These were the elected Regional Representatives during 2013. The results of elections for regional representatives are noted on page 10.

Presidential Triumvirate

Philip Hobbs (Chairman)
Jim Boyle
Seamus Mullins

Region

Scotland
North
West Midlands and Wales
East
South West
Central South
South East
Past Presidents
Co-opted

2013

Linda Perratt
Tom Tate, Ferdy Murphy, Ann Duffield
Henry Daly, Matthew Sheppard, Charlie Longsdon
Rae Guest, William Haggas, Stuart Williams
Philip Hobbs, Seamus Mullins, Emma Lavelle
Ralph Beckett, Eve Johnson Houghton, Charlie Mann
Jim Boyle, John Best
John Gosden, Chris Wall
Charles Egerton

Executive Committee

Philip Hobbs (Chairman), John Gosden, William Haggas, Seamus Mullins, Jim Boyle, Tom Tate, Henry Daly, Chris Wall

Flat Committee

Chris Wall (Chairman), John Gosden, John Best, Eve Johnson Houghton, Ralph Beckett, William Haggas, Jim Boyle, Linda Perratt, Ann Duffield, Tom Tate, Rae Guest, Stuart Williams

NH Committee

Henry Daly (Chairman), Charlie Mann, Charles Egerton, Seamus Mullins, Philip Hobbs, Ferdy Murphy, Emma Lavelle, Matt Sheppard, Charlie Longsdon, Jamie Snowden (co-opted)

NATIONAL TRAINERS FEDERATION EXECUTIVES AND PROFESSIONAL ADVISERS

National Trainers Federation

9 High Street, Lambourn, Hungerford, Berkshire RG17 8XN

EXECUTIVE AND ADVISERS

President
Chief Executive
Chartered Legal Executive
Membership & Publications Executive
Executive Assistant
Financial Adviser
Legal Adviser
Veterinary Adviser
Rates and Planning Adviser

Philip Hobbs
Rupert Arnold
Dawn Bacchus
Jill Crook
Judy Crossfield
Peter Treadgold
Rachel Flynn
Clive Hamblin
Bill Simpson

ACCOUNTANTS

Smith and Williamson
Old Library Chambers,
Chipper Lane,
Salisbury,
Wiltshire SP1 1BG

SOLICITORS

Taylor Vinters
Merlin Place, Milton Road,
Cambridge CB4 4DP

NTF AIMS AND OBJECTIVES

The NTF's objectives are:

"To represent and protect trainers' interests and to be a reliable and respected source of information, advice and support."

We aim to achieve this by:

- Liaising and negotiating with other industry bodies
- Providing up to date information relevant to members' activities
- Offering access to a wide range of services and professional advice
- Carrying out a number of support services on behalf of trainers and the racing industry

MEMBERS' BENEFITS

As a member of the NTF, you receive the following benefits:

SERVICES

- Unlimited help and advice from the NTF office. We provide a personal, direct service with an executive team who understand your working life.
- Immediate advice on legal problems including employment law from the NTF's in-house Chartered Legal Executive with additional back up from one of the country's largest employer organisations.
- Access to the NTF's Professional Advisers including the Legal Referral Service with Taylor Vinters, financial with Smith and Williamson, insurance with Lycetts, veterinary by Clive Hamblin, racehorse nutrition assessment from Connolly's RED MILLS, foreign recruitment with IEP Management and rural business advice from the CLA. Advice on Scottish law is available from Thorntons Law in Dundee.
- The unique services of Bill Simpson to provide advice on business rates and conduct appeals with the valuation tribunal.
- Legal Representation for appropriate cases at BHA Disciplinary Panel enquiries and Appeal Board. When provided by the NTF's Legal Executive, this service is free. Our financial support for alternative legal representation is subject to limits agreed by the Council.
- Twice yearly Regional Meetings open to all members.
- Non-transferable metal badges to admit each member and their spouse/partner to every racecourse in the country. Up to four badges for Assistant Trainers if eligible
- A Car Park Label for entry into the trainers' car park at each racecourse in Britain.
- Group discount schemes for private health care with Chase Templeton, a free second subscription to Racing UK, preferential rates for debt collection and Direct Debit services from Express Group and a 10% discount with Clearwater Hampers via a link on the NTF website.
- Free administration of the NTF Stakeholder Pension Scheme, Racing Industry Accident Benefit Scheme and Death in Service Benefit

NTF AIMS AND OBJECTIVES

continued

INFORMATION

- The NTF Racing Diary – the indispensable working manual for the industry
- Racing Diary live computer feed for worldwide fixtures and sales dates
- Bi-monthly printed Newsletter and NTF Weekly e-mail news update. Breaking news available on Twitter, @NTFnews. An archive of news articles on the NTF blog, ntfmuse, with members' comments
- Access to the dedicated Members Area of the NTF Web Site for up to date forms, advice sheets and publications. Your contact details listed in the UK Trainers contact area, with a direct link to your website.
- The NTF Employment Manual: the bespoke manual for all employment matters.
- Free Medication Record Book
- Code of Practice for Infectious Diseases and Biosecurity guidelines
- A range of free publications and advice sheets
- Free subscription to European Trainer Magazine

REPRESENTATION

The NTF represents trainers' interests on the following racing industry committees and working groups:

- The Horsemen's Group
- BHA Chairman's Committee
- BHA Flat Racing Committee
- BHA Jump Racing Committee
- BHA Fixture Allocation
- Horsemen's Group Taxation Group
- BHA Industry Recruitment Training and Education Committee
- BHA Racecourse Committee
- BHA Veterinary Committee
- BHA Welfare Group
- RCA Technical Group
- National Joint Council for Stable Staff
- Animal Health Trust Equine Industry Committee
- Tattersalls and Doncaster Bloodstock Sales Liaison Groups
- European Trainers Federation

PRESIDENT'S report



PHILIP HOBBS

2013 was a fantastic year for racing with the Champion jump and flat trainers regaining their titles. Richard Hannon was a very popular winner for the fourth time in his final year training with Richard Hannon jr already odds on favourite to be champion trainer in his first season with the license in his own name. Nicky Henderson was to regain his title for the third time after a 26 year gap with a phenomenal number of top class horses.

The anabolic steroid scandal was a disaster that thankfully was dealt with promptly with Mahmood Al Zarooni's departure from the scene. Hopefully in the long term the case will lead to worldwide clarity over the use of such drugs.

The fact that fifty three of the fifty eight racecourses have now made firm commitments to prize money has at the very least to be a large step in the right direction and will provide record prize money for 2014. The Chief Executive expands more on this subject in his report.

As a National Hunt trainer, the Grand National is close to my heart. The fences appear unchanged after the latest modifications but the spruce does ride very differently with the plastic easyfix underneath. The race is a piece of our heritage and an essential part of National Hunt racing so we need to do all we can to keep the race as part of the calendar and I believe we should now stand firm regarding future alterations so that we do not alter the character of the race.

I would like to thank the NTF office team of Dawn, Jill and Judy for all their hard work and particularly Rupert, who is so knowledgeable about all aspects of racing and racing politics. Without him I definitely would not have done a second term as president. It only remains to wish my successor Jim Boyle an enjoyable year as President.

A handwritten signature in black ink that reads "Philip Hobbs." The signature is written in a cursive style and is underlined with a single horizontal stroke.

Philip Hobbs
President

CHIEF EXECUTIVE'S report



RUPERT ARNOLD

This year I would like to begin my report by acknowledging the passing of three especially admirable trainers. Through the combination of engaging personality and unparalleled achievements, **Sir Henry Cecil** became the racing public's hero. Though jockeys and horses often acquire this mantle of appreciation, it is rare cloth for a trainer. The admiration in which he was held by all trainers spoke to this and meant his sad loss was felt deeply by one and all.

Jeremy Hindley, NTF President from 1988 to 1992 died in January. He made an immensely valuable contribution to the Federation's work carrying on the good work of Michael Pope to ensure trainers could count on an organisation to represent their interests within the sport.

Reg Hollinshead died in May as the oldest licensed trainer but will be remembered as the mentor of a succession of top class jockeys. His record in this sphere and the immense respect in which he was held means it will always be sad for many in racing that several attempts to have him recognised with an honour were not heeded.

PRIZE MONEY

Before each regional meeting, we send members a form to suggest three agenda items. It is rare for one to be returned without mention of prize money. The disparity between returns from prize money and escalating operational costs has left many trainers in despair.

Therefore for all horsemen, the negotiation of **prize money agreements** (PMA) with racecourses was of crucial significance in 2013. As a member of the Horsemen's Group, the NTF was involved throughout the process. We established historical benchmarks by which to judge an acceptable outcome. When it seemed that the Horsemen's Group negotiators were prepared to make unnecessary concessions, we argued for a firmer line. Even so, we had to acknowledge that the Horsemen's Group's negotiating position was weakened by its dependence on the BHA to deliver its commitments.

The outcome – thirty nine racecourses signing PMAs with the Horsemen's Group and a £5m increase in prize money – means that the prize money increase set by the Horsemen's Group was achieved and this is now contractually committed by those racecourses for three years, rather than being discretionary. This is certainly an important step forwards.

Against this we are left with a situation where Arena Racing Company, having refused to sign an agreement linking its betting related media rights revenues with its prize money contribution, was granted leasehold fixtures by the BHA, despite its undertaking not to grant leasehold fixtures to racecourses that had not signed up. The collaborative approach, while maintaining goodwill, has its limitations. When the going gets tough the BHA will be forced to compromise and on this occasion it was to the detriment of horsemen.

Sources of prize money

	RACECOURSE £m	BHA £m	HBLB £m	OWNER £m	DIVIDED £m	TOTAL £m
2007	29.6	1.5	53.4	13.1	0.8	98.4
2008	30.4	1.8	56.1	16.9	0.8	106.0
2009	27.6	1.4	63.1	17.3	1.0	110.4
2010	30.3	0.9	51.0	15.6	1.2	99.0
2011	45.2	0	32.4	15.4	0.9	93.9
2012	46.1	0	34.3	16.0	1.4	97.8
2013	48.6	0	46.4	17.9	1.4	114.3

Racecourses are only one source of prize money (£48.6m in 2013). The Levy Board is the other main contributor – £47.8m in 2013. Owners' race entry fees – £17.9m in 2013 – make up the balance for a total of Total £114.3m in 2013. Negotiations in 2013 of the **53rd Levy Scheme** were therefore crucial to the prospects of increasing the overall level of prize money. The result was a rollover of the current terms plus RPI increases in thresholds and LBO rebates. When including Betfair's contractual contribution, the Levy Board estimates the next scheme will yield £75.5m in total, close to the estimate of £75.6m for the scheme to April 2014.

On top of these terms, the big four bookmakers have agreed a four-year levy deal from April 2014 under which they have guaranteed a minimum payment of £47.5m per annum plus an additional voluntary contribution of £4.5m per annum. As a result of the combined terms, the levy yield in 2014/15 could amount to £80.2m. As a result, in 2014, the Levy Board and racecourses' contributions to prize money will represent 58% of industry revenues from the levy (gross profits on British horseracing) and racecourses' betting related media rights earnings against 54% in 2013.



In the week before Christmas, the BHA and Levy Board put out press releases hailing the record levels of prize money forecast for 2014 in excess of £123m, an uplift of £10m (8%) on 2013. While it is obviously important to mark publicly such progress, it contrasts with a theme of new BHA Chairman, **Steve Harman's key note Gimcrack speech**, in which he demonstrated welcome understanding that the outlook is not so rosy for many horsemen:

“In any business or sport it is essential that the participants receive an appropriate financial return..... it is clear to me that much of the core of this industry is not well, not so fortunate. Many mid-range trainers with say 20-50 horses struggle to make ends meet; many jockeys outside the top 20 make little money; many smaller owner/breeders struggle; many racecourses make low returns.”



Focussing here on trainers, who receive 8% of a race's prize fund, the impact of a £10m increase in prize money works out at £1,415 in the year for each licensed trainer. Bearing in mind the uneven distribution of prize money earnings across all trainers, it is clear the progress made in 2013 on prize money is not going to restore the health of those who are "not well". Racing aspires to achieve larger revenues by persuading the Government to legislate to replace the anachronistic levy mechanism so offshore betting operations make a contribution to the sport. It is thought up to £20m per annum leaks away through this loophole. Assuming £4.5m of this is accounted for in the 53rd Levy Scheme deal, working the same maths as before, if a £15.5m increase in racing's revenue all fed directly through to prize money, the 550 licensed trainers would average £2,194 more in their annual prize money percentage – hardly a panacea.

Obviously prize money plays a much wider role than creating an operating margin for trainers. Increasing levels of prize money convey a sense of confidence and an incentive for owners to continue their expenditure on horses and training fees but the pure economics of a trainer's business are not going to be transformed by the envisaged prize money increases, real or imagined. Trainers are squeezed between huge increases in operational costs such as fuel, feed, forage and bedding, and the fear of losing domestic owners if training fees go up to cover these costs. For many trainers, the business model is not working. There is work for us to do on this in 2014.

THE EXECUTIVE

I am once again delighted to report that the Executive team in Lambourn remained unchanged through 2013. A feature of the team's working patterns is that each of us spends more time out and about. For a small team this can present communication problems so the long term working relationship that has developed between us is a huge advantage. In 2014 we will be investing in technology to ensure we continue to cover all members' calls whatever our location.

Dawn Bacchus – Chartered Legal Executive – 12 years with the NTF

- Legal advice, specializing in employment law and contracts
- Legal representation at BHA Disciplinary Committee enquiries
- Advice on BHA Rules of Racing and penalties
- Training Agreements and owner disputes
- Member of the BHA Learning and Development Group
- Presents at the BRS Secretaries Course and Trainers Course
- Stakeholder pension administration

Jill Crook – Membership and Publications Executive – 14 years with the NTF

- Membership records and new member's pack
- Members' benefits including metal badges
- Production of NTF publications
- NTF website content and management
- Employment and general advice
- Racing Industry Accident Benefit Scheme (RIABS) administration
- Occupational pension scheme and Death in Service Benefit administration
- NTF financial records and accounts

Judy Crossfield – Executive Assistant – 13 years with the NTF

- Assistance in all areas and responding to member enquiries
- NTF meeting organization and minute taking
- Office manager
- Special projects

KEEPING YOU INFORMED

Communication is the oil in the machine for all membership organisations and at the NTF we put all platforms to use. Last year the new addition was the Twitter feed, @NTFnews and we now have 732 followers. In 2013, we launched a blog, ntfmuse, which is not only an easily accessible archive of all our weekly news items but gives members the chance to talk back to us. We have encouraged this participation and deliberately include some controversial items but trainer response has been slow to date.

MEMBERSHIP

At 31 December	2012	2013	Change
Licensed trainers	559	563	+4
Relinquished in year	33	30	-3
Granted in year	31	34	+3
NTF Members	516	516	0
Non-members	45	49	+4
Percentage of all trainers	92.3	91.7	-0.6



ELECTIONS AND THE REGIONS

Council representatives in four regions reached the end of their current terms and some had fulfilled the maximum three terms. The Federation is extremely grateful for their invaluable input over the years as it provides those of us working at the hub with the vital link to our members and the key issues they face as well as advice on how these should be addressed for the benefit of trainers.

Region	2013	2014
Scotland and the North	Linda Perratt Ferdy Murphy	Nick Alexander David Nicholls
West Midlands and Wales	Henry Daly	Tim Vaughan
East	William Haggas Stuart Williams	tbc tbc
South East	John Best	John Best (re-elected)

An important aspect of the Federation's regional setup is the opportunity for trainers to come to a regional meeting twice a year in July and November. The meetings have worked well this year with the addition of our sponsor Red Mills presentations and Q&A sessions on equine nutrition. There is constant demand from outsiders to use regional meetings to communicate with trainers so if we increase attendance, the meetings will help to strengthen relationships within the sport.

CHAMPIONSHIPS

2012/13 NH Championship – **Nicky Henderson**

Highest number of winners – Donald McCain, 141

Staggering strength in depth took Nicky Henderson back to number one in the Jump Trainers' championship for the first time since 1987. It is wonderful that the responsibility of handling the super star that is Sprinter Sacre still exerts such fascination and awe in a trainer of such experience.

2012/13 Flat championship – **Richard Hannon**

Highest number of winners – Richard Hannon, 235

Talk about going out on a high! Richard Hannon dominated the Flat trainers championship, not only posting the highest-ever prize money total but also breaking his own record for the number of winners in a season. It turned out to be his swan-song and though we know Richard is not the retiring type, we wish him some less frenetic times in the future as Richard junior takes the strain.

Flat	Prize Money Won	National Hunt	Prize Money Won
Richard Hannon	£4,532,465	Nicky Henderson	£2,924,917
Aiden O'Brien	£3,819,968	Paul Nicholls	£2,375,585
Mark Johnston	£2,743,581	David Pipe	£1,142,418
Saeed bin Suroor	£2,665,781	Alan King	£1,066,685
Richard Fahey	£2,455,584	Nigel Twiston-Davies	£1,026,314

Publication in 2013 of Deloitte's updated **Economic Impact of British Racing** brought confirmation of the pressure on trainers' businesses. Since the previous edition in 2008, there has been a 29% decrease in the number of trainers with between 31 and 100 horses. This loss in the "squeezed middle" was due to either a loss of horses relegating trainers into the 21-30 bracket or the business folding entirely. Polarisation was also underlined by figures showing the top 30 Flat trainers won 58% of prize money with the same subset of jump trainers taking 62%.

THE SEASONS

The NTF was involved throughout the year in discussions with the BHA and other stakeholders about the structure of the seasons and championships. Although the lack of consensus ultimately led to no change, there is an undiminished appetite to bookend the seasons more clearly to improve their promotional value. Laying ARC's new Winter All Weather Championship over the twelve-month Flat trainers' championship hasn't helped in this regard.

FIXTURES AND RACE PLANNING

Progress in Race Planning and Fixtures

Towards the end of 2012, the NTF established a new working relationship with the BHA on race planning. Following the restructure of its race planning committees to form separate Flat and Jump Racing Committees, agendas for the NTF's own Flat and NH Committees now link closely with the BHA agendas. In addition, members of the BHA Racing Department, led by Stuart Middleton, attend each of our committee meetings.

A good sign that these arrangements are bearing fruit is the progress made on the **Optimum Race Programme**. These items suggested to us by trainers are areas of the race programme that don't meet the needs of the horse population. Examples on the Flat include the balance of maiden auction and median auction maidens, the number of staying maidens in the autumn, staying opportunities for three year olds. For jumping, some examples were mares' second season and staying opportunities, opportunities for staying hurdlers and for twilight horses rated 135 to 145.

After twelve months work, most of these have been addressed and we were asking trainers at regional meetings for new items. The fact that few were suggested indicates a higher than expected degree of satisfaction with the race programmes.

Field sizes in **novice chases** continue to exercise the minds of many though 2013 saw considerable progress from the trainers' point of view. In 2012 the NTF had warned the BHA that the new qualification for a chase rating would cause problems and it did not take long for these to surface. At the end of January we held a meeting in Lambourn with trainers and the BHA to work through options for change and this eventually led to the inclusion from 1st October of novice handicap chases as a means of qualifying for a chase rating and an expansion of the novice handicap chase programme. Though field sizes in weight for age novice chases continue to raise concerns, field sizes in novice handicap chases have more than compensated and the complete lack of complaints from trainers to the NTF shows that for most trainers the system is now working.

Jumping in the north has been in long-term decline and the NTF took significant steps in 2013 to turn this around. After a meeting of northern trainers with the BHA at Wetherby in February, we set up a small team led by Bruce Mactaggart to start work on improving the fixture list. Having decided priorities and targets, we gathered representatives of northern jump racecourses at a meeting in Hawick and followed up by liaising with the BHA throughout the 2014 fixture process. The result was an increase in the number of fixtures through September and October to allow northern trainers to bring their horses to a peak for the core winter period. Most importantly, this work demonstrated that with a will and a collaborative effort from all involved, change can happen. We will instigate the same process for the 2015 fixture list.

In October Tom Tate, Chairman of the Northern region, organised a meeting with the **handicappers** to discuss problems faced by northern trained horses and communications with handicappers. On this occasion Jamie Stier, BHA Director of Raceday Regulations, was in attendance and correspondence between the parties has continued through to the turn of the year with positive signs of creating a better understanding between the parties and a more harmonious working relationship from which all trainers will benefit.

On the Flat, the big issue was the BHA's proposal to convert 80% of **two year old maiden races into novices**. Poor participation in the small number of existing novice two year old races before Royal Ascot had led to calls for change. The BHA's radical proposal was designed to encourage winners to run and prevent maidens from avoiding them. Three meetings were held with trainers in Newmarket, York and Lambourn. The key factor was the penalty structure but there was broad agreement in favour of the change. The BHA produced a final proposal but this seemed inflexible on the question of penalties. Lobbying of his peers by one trainer arguing that the new system would create fewer individual winners, turned the tide of trainer opinion. The BHA decided it could not proceed without consensus and the plan was shelved while the NTF encouraged the BHA to continue dialogue.

The Statistics

Year	Flat Turf	Flat AWT	Jump	Mixed	Total Run	Abandoned	Total programmed
2010	602	303	481	6	1,392	139	1,502
2011	596	300	570	3	1,469	21	1,481
2012	539	313	513	3	1,368	129	1,497
2013	578	314	535	4	1,431	65	1,464

Abandonments

Reason	2013	2012
Waterlogged	28	80
Snow/Frost/Frozen	35	41
Gales	0	0
Unsafe course	0	8
Other	2	0
Total	65	129

RACECOURSES – TURF V. SAND

A strong theme emerging in 2013 was the future development of racing on an artificial surface. Northern Flat trainers have long been starved of winter opportunities due to the distance they have to travel to one of the existing All Weather racecourses. As transport costs increase and the winter Flat programme is downgraded, sending runners to Lingfield and Kempton especially no longer makes financial sense. In November we had a request from the BHA and Deloitte for representatives to quiz trainers at the NTF's northern regional meeting about their aspirations for an all-weather track (AWT) in the north. The trainers expressed some detailed criteria and a few weeks later ARC broke cover with their plans for an AWT at Newcastle. This prompted Catterick to reveal that they too were well underway with plans to convert their Flat track to all-weather. The northern NTF trainers responded with a press release explaining why they favoured Catterick and emphasising the vital importance that both racecourses retained their jump track. The next card out of the pack was the joker (or was it the ace of trumps?) when Fred Done announced he was backing the revival of Great Leighs.

Their key question for them all is where they find enough fixtures to make their business plan viable. The question for racing is whether additional fixtures are incompatible with the current size of the horse population, which has stabilized after significant falls during the recession but shows few signs of growing.



The sub-plot to this was ARC's botched refurbishment of the **all-weather surface at Wolverhampton**. In trying to correct the "balling" that occurred in recent winters, they chose a material that conspicuously failed to bind and produced an inconsistent surface. Many trainers lost confidence in the track as they blamed injuries to their runners on the change in surface. Trainers wanted the racecourse deemed unfit for racing. Knowing the BHA would only declare the track unsafe if there were convincing injury and fatality evidence, the NTF asked trainers to report injuries and we passed all the details on to the BHA, whose head of the Racecourse Department came to our Flat Committee meeting in December to explain how they were managing the situation. As this report is being written, we await the independent analysts' report into the surface.

EQUINE WELFARE

Given events later in the year, it was ironic that early in 2013 a long running consultation with the BHA on the **Counter Analysis Procedure** came to a conclusion. The NTF and ROA had opposed the BHA's plans to limit counter analysis to the service provided by HFL in Newmarket. In our view it was essential that owners and trainers did not lose the opportunity to access counter analysis conducted by a laboratory independent of the laboratory at which the A sample had been found positive. As a result of NTF and ROA input, the BHA agreed to permit B samples to be tested at either Laboratoire Des Courses Hippiques in France or in Cologne in Germany if the Paris laboratory can't conduct it, although connections will pay the costs of this option.

In our weekly email to members on 7th March, we published at the BHA's request a warning to trainers about a prohibited substance called **Sungate**. This heralded the beginning of a torrid period for racing as it experienced the external scrutiny other sports have been through when drug transgressions are revealed. On the morning of Monday 22nd April news broke of the **anabolic steroid positive** samples from Mohamed Al Zarooni's yard in Newmarket. The media feeding frenzy was unprecedented in my time at the NTF. As the BHA's conduct of the investigation and disciplinary process was the primary focus, the NTF was called on to comment by numerous media organisation both here in the UK and abroad. The BBC and Sky studios in Leeds became familiar territory and outside broadcast vans came and went with regularity. Media contacts made at the time have been useful since. Though questions were asked about the BHA's approach, the disciplinary case against Al Zarooni was straightforward and the NTF had no direct involvement. However, we called immediately for a review of the regulations for testing overseas runners in British races since only a simple declaration is required. This is currently under review as part of Dr Sandy Love's consultation for the BHA.



Sungate presented different problems. Had nine Newmarket trainers broken the rules of racing by permitting Stanazolol, an anabolic steroid, to be administered to their horses? The initial lack of clarity appeared to hinge on whether the treated horses were in or out of training. In our May newsletter we published the BHA's definitive guidance on the rules, which suggested it was not a breach of the rules to administer anabolic steroids to horses out of training. In fact eight of the nine trainers escaped charges because the BHA's legal advice stated that a positive sample was required. Only Gerard Butler's horses had produced a positive sample so he was the only one facing prosecution. After further consultation with the NTF, the BHA produced a rule change giving them the power, from 1st December, to prosecute a trainer *where an anabolic steroid has been administered by any person to a horse whilst that horse is in the care or control of a trainer regardless of whether the horse was in training. Contravention may be established by any reliable means, such as (but not limited to) admissions, witness statements, documentary evidence, or analysis of any sample.*

From within racing it is too easy to justify our actions on the basis that it serves the demands of the sport itself. Allowing a banned substance to be used to treat a horse's clinical condition to enable it to race is difficult to explain to the public. Feedback to the NTF from trainers showed a strong consensus against permitting a so called "**Therapeutic Use Exemption**" because it would be too difficult to police and would present the wrong message to the public about drug control within the sport.

Allowing a Therapeutic Use Exemption would run counter to the steps racing has taken in 2013 to put out a positive message on horse welfare. **The Horse Comes First** is a campaign funded by a successful application supported by the NTF to the BHA Grant Scheme in 2012 and Jim Boyle represents the NTF on the project board. The idea is to be proactive in telling the public and the media about the measures racing takes to protect horses throughout their racing career and when it ends. Initially we were worried that the campaign might give animal rights organisations a platform for portraying the sport in a bad light but racecard adverts, posters and pieces placed in the media have a non-controversial and positive effect.

HIDDEN SERVICES FOR TRAINERS AND THE INDUSTRY

Behind the NTF's predictable core activities lie a number of services we administer for trainers. Although these are directly related to trainers' status as employers, the services are often seen as part of the racing industry's welfare and benefit provision.

Stable employee pensions take up a considerable amount of the NTF executive's time and resources. As well as the current Stakeholder scheme with Friends Life, we are also the Principle Employer for the occupational trust-based scheme – the Stable Employee Pension Plan (SEPP), which was closed in 2001. This means we are subject to a plethora of pension regulation. The NTF has taken great strides in recent years to reduce and ultimately close off our liabilities to the SEPP. In preparation for winding up the scheme, Capita, the administrators, undertook a massive data reconciliation in 2013. This disclosed some skeletons in the cupboard and a process that was expected to take a few weeks, was not finally concluded until October. We still have a long way to go before we can finally transfer responsibility for the scheme along with the on-going administration costs but at least the path is now more clearly visible and a plan is in place.

If the SEPP represents past arrangements, **Auto Enrolment** represents the future for stable staff pensions. This will be a huge culture change for trainers. The existing system where employer contributions are paid via Weatherbys is simple and requires very little trainer involvement. Auto Enrolment will be the opposite with employers having to upgrade their payroll systems to cope with employee contributions and choosing a suitable scheme in which to invest them. At the NTF we have taken the view that it is our role to help our members to cope with this transition. Throughout the year we have taken advice about the best way we can help. We have examined the options, met pension providers, liaised with the BHA and NASS and since March our news platforms have pressed home the steps trainers need to make to comply with their legal responsibilities. The largest employers will be the first to jump through the hoops so we communicated directly with them to ensure they didn't delay their preparation.

The **Racing Industry Accident Benefit Scheme (RIABS)** is an invaluable benefit, ensuing injured stable staff continue to receive their weekly wage without the financial burden falling on the trainer and there are capital benefits for various levels of disablement. RIABS is a charity and the trustees, headed by Charles Egerton, meet twice a year to review strategy and potential capital claims. Jill Crook plays a pivotal role liaising between the trustees, insurers and loss adjusters.

RIABS reviewed its fund manager under the guidance of new trustee Johnny Eddis resulting in the transfer of the management to Cazenove. In the twelve months to 31 March 2013, RIABS responded to 224 injury incidents with total expenditure of £1.28m.

In addition to RIABS, Jill Crook looks after the **NTF Life Cover Trust** under which the NTF provides a Death in Service benefit for stable employees. When tragedy strikes and a serving stable employee dies, we sometimes have to deal with some sensitive and poignant family situations. Mercifully this is infrequent. Eligibility for the benefit is linked to eligibility for pension contributions under the current arrangements. These are confined to full time employees so another challenge of Auto Enrolment, which includes all workers, is to review the policy for Death in Service benefit.



CHARTERED LEGAL EXECUTIVE'S report

Dawn Bacchus

EMPLOYMENT

2013 has been a very busy year for employment law, with many significant changes. Employment tribunal judgments have had considerable impact on how the law is understood to apply in some areas – even overturning advice expressed in government guidance, all of which does not make life easy for employers or their advisors.

As well as simple “how much do I pay” type questions I have to respond to complex employment situations with the potential for a costly tribunal claim and damage to staff morale. From time to time I attend employment meetings with trainers to advise and assist in negotiations with employee and NASS. In a ground breaking move, employment tribunal fees were introduced in July 2013. Only time will tell whether there will be a long term reduction in the number of claims brought or an increase in settlements before the hearing fee is due; indeed the introduction of fees is the subject of a judicial challenge by UNISON. Of course the aim is to try to solve employment problems before they reach that stage and the NTF is always available to assist its members who are trying to resolve a problem or reach a settlement with an employee.

An important part of my role is reviewing employment case law and legal developments and updating NTF advice and guidance as required. Employment law is always moving and as noted above, this year has seen long established understanding of legislation reconsidered by tribunals. I regularly read case reports and undertake research in order to keep members abreast of relevant changes. I am always looking to see what new areas we can provide guidance on or extend the guidance already offered.

I am first call advice on general legal matters and other enquiries from trainers. These can be on almost any business topic and as I can only advise in areas where I am qualified to do so, those outside of my knowledge are referred on to our solicitors or the trainer’s own solicitors. However in many cases I can suggest steps to take by way of “self help” to seek to resolve a matter and try to avoid incurring legal costs.





TRAINING

As usual, I have presented at the BRS and NRC secretaries courses, trainers courses and BRS yard manger's course. For all these courses, the course content has to be reviewed and kept up to date, and the presentations freshened up. The yard mangers' course was a particular challenge as it is the first time I have presented this and it was difficult to decide upon the content. However, I enjoy presenting seminars and could happily rabbit on for many hours!

DISCIPLINARY

I advise trainers on disciplinary matters, assist with the preparation of enquiry paperwork and offer input into rule changes and reviews.

On a more personal front, I was very saddened by the death of Caroline Beaumont who was at the Jockey Club when I joined the NTF. Although we were often on the "opposing side" of a disciplinary matter she was a great help to me in those early days and was held in very high regard by so many people.

BUSINESS MATTERS

The update of the BHA health and safety Red Book was an interesting process because much of the work was done by Taylor Vinters, appointed as an independent adviser to the BHA. The NTF worked closely with Lycetts, our insurance advisers, to make sure the guidelines would effectively help employers to avoid costly liability claims.

ADMINISTRATION

I data cleanse the Stakeholder pension scheme information received from Weatherbys and then liaise with Friends Life, Weatherbys and trainers' offices over any queries. This year the statement run presented a big challenge and I hope that as a result of work undertaken by myself and Friends Life, many addresses and records have been updated.

ACCOUNTS

Summary of financial position as at 31st December 2013

The information below is extracted from the Federations' full accounts for the period, which are audited by Nexus Smith and Williamson. Members of the Federation can view a full set of accounts on the NTF website. Printed copies will be available at the AGM for the purpose of formal approval.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 £	2012 £
TURNOVER		
Subscriptions	365,961	322,527
Sundry income	9,814	6,103
Insurance commissions	8,751	8,870
Management fees	6,942	6,862
	<u>391,468</u>	<u>344,362</u>
PERSONNEL AND OFFICIALS EXPENSES		
Salaries and wages, including pension contributions	232,017	226,630
Committee meeting expenses and room hire	10,597	14,223
Motor, travel and subsistence	10,909	9,400
Motor vehicle depreciation	7,330	3,755
	<u>260,853</u>	<u>254,008</u>
ESTABLISHMENT EXPENSES		
Printing, postage and other office expenses	19,687	21,347
Repairs and maintenance	10,042	7,786
Telephone and fax	4,272	4,521
Badges	4,225	4,190
Gifts and donations	1,732	1,677
Bad debts	345	1,820
Insurance	3,442	3,397
Business rates	2,230	2,131
Light and heat	1,611	1,995
Depreciation	3,398	3,905
Loss on disposal of tangible assets	860	630
Horsemen's Group loan provision	-	54,535
	<u>51,844</u>	<u>107,934</u>
FINANCIAL AND PROFESSIONAL		
Stable Employees Pension Plan expenses	33,052	10,791
Weatherbys management fees	5,662	5,652
Industrial advisory service	3,294	3,198
Other professional fees	14,050	10,495
Legal fees	10,004	7,385
Audit fees	5,250	5,200
	<u>71,312</u>	<u>42,721</u>
INTEREST RECEIVABLE		
Bank interest	8,518	10,610
INTEREST PAYABLE		
Hire purchase interest	469	-

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
TURNOVER	391,468	344,362
Personnel and officials	(260,853)	(254,008)
Administrative expenses	(123,156)	(150,655)
OPERATING SURPLUS/(DEFICIT)	7,459	(60,301)
Interest receivable and similar income	8,518	10,610
Interest payable and similar charges	(469)	–
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	15,508	(49,691)
Tax on surplus/(deficit) on ordinary activities	(1,790)	(1,312)
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	13,718	(51,003)

**BALANCE SHEET
AS AT 31 DECEMBER 2013**

	2013 £	2012 £
FIXED ASSETS		
Tangible assets	78,401	58,663
Investments	242,606	238,147
	321,007	296,810
CURRENT ASSETS		
Debtors	21,147	16,006
Cash at bank and in hand	126,370	124,013
	147,517	140,019
CREDITORS: amounts falling due within one year	(116,351)	(98,374)
NET CURRENT ASSETS	31,166	41,645
NET ASSETS	352,173	338,455
CAPITAL AND RESERVES		
Accumulated fund	352,173	338,455
	352,173	338,455

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

STABLE EMPLOYEES PENSION PLAN

The National Trainers Federation (“NTF”) is the principal employer for the Stable Employees’ Pension Plan (“the Plan”), an occupational pension scheme regulated by The Pension Regulator. The Plan comprised of both defined benefit and defined contribution members and, under The Pension Regulator rules, the scheme was under funded. As principal employer the NTF is legally responsible for the deficit. The Council, in conjunction with the Plan’s trustees, has taken expert advice to determine the most appropriate strategy to mitigate and/or resolve the position. On 27 February 2006, the trustees of the Plan, by way of Deed of Amendment, converted the defined benefit section into benefits on a defined contribution basis. In signing the Deed of Amendment, the trustees relied upon a Section 67 Notice, signed by the Plan’s actuary on 24 February 2006 confirming that their actions would not adversely affect any member of the Plan. It is understood that the above action taken by the NTF and the Plan trustees following and based upon expert professional advice, has had the impact of fully funding the members’ benefit entitlement. The Council and the Plan’s trustees are actively considering the future of the Scheme. A number of options are currently under review including the ultimate closure of the Scheme.

HORSEMEN’S GROUP

The National Trainers Federation (“NTF”) is a member of Horsemen Limited which is more commonly known as the Horsemen’s Group (“HG”). The NTF is represented on the HG board by Rupert Arnold. The other constituent members are the Racehorse Owners Association, Professional Jockeys Association, National Association of Stable Staff and Thoroughbred Breeders Association. The objective of the HG is to represent the common interests of its constituent members as listed above. It has been widely reported that the HG has required an injection of loan capital from its members in order to continue in business. The total amount agreed to be lent to the HG by the various lending bodies is £220,000, of which the NTF’s agreed maximum share is £60,000. As at 31 December 2012, the NTF had advanced £54,535. No further advances were made during the year ended 31 December 2013. Whilst it is hoped that the HG will be able to repay the loan from its members from future operating income, it is not possible to predict with any certainty that sufficient funds will be available for this purpose. Therefore recovery of the loan advanced by the NTF must be in some doubt. In these circumstances the Council resolved that the amount advanced on the NTF’s loan to the HG should be provided for in full at 31 December 2012. Accordingly, £54,535 was charged to the profit and loss account in that year.



Photos by Matthew Webb

The National Trainers Federation AGM The Turf Club London
28th February 2013



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