

RACEHORSE OWNERSHIP AND OWNERS' ROLE IN RACING

Overview of British Racing – Newbury Racecourse

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Tuesday 19 November 2019



**WHAT IS OWNERSHIP?
WHO ARE RACEHORSE OWNERS?**



WHO ARE OWNERS?

Key figures

52%

Of owners are aged between **55 and 74**

83%

Of racehorse owners say that racing is one of their **favourite pastimes**

-23

Sole ownership has a **lower net promoter score** than all other types of ownership

£20k+

Average cost per year of having a **horse in training**

6

Number of times per year owners go **racing with a runner**

What word best describes ownership?



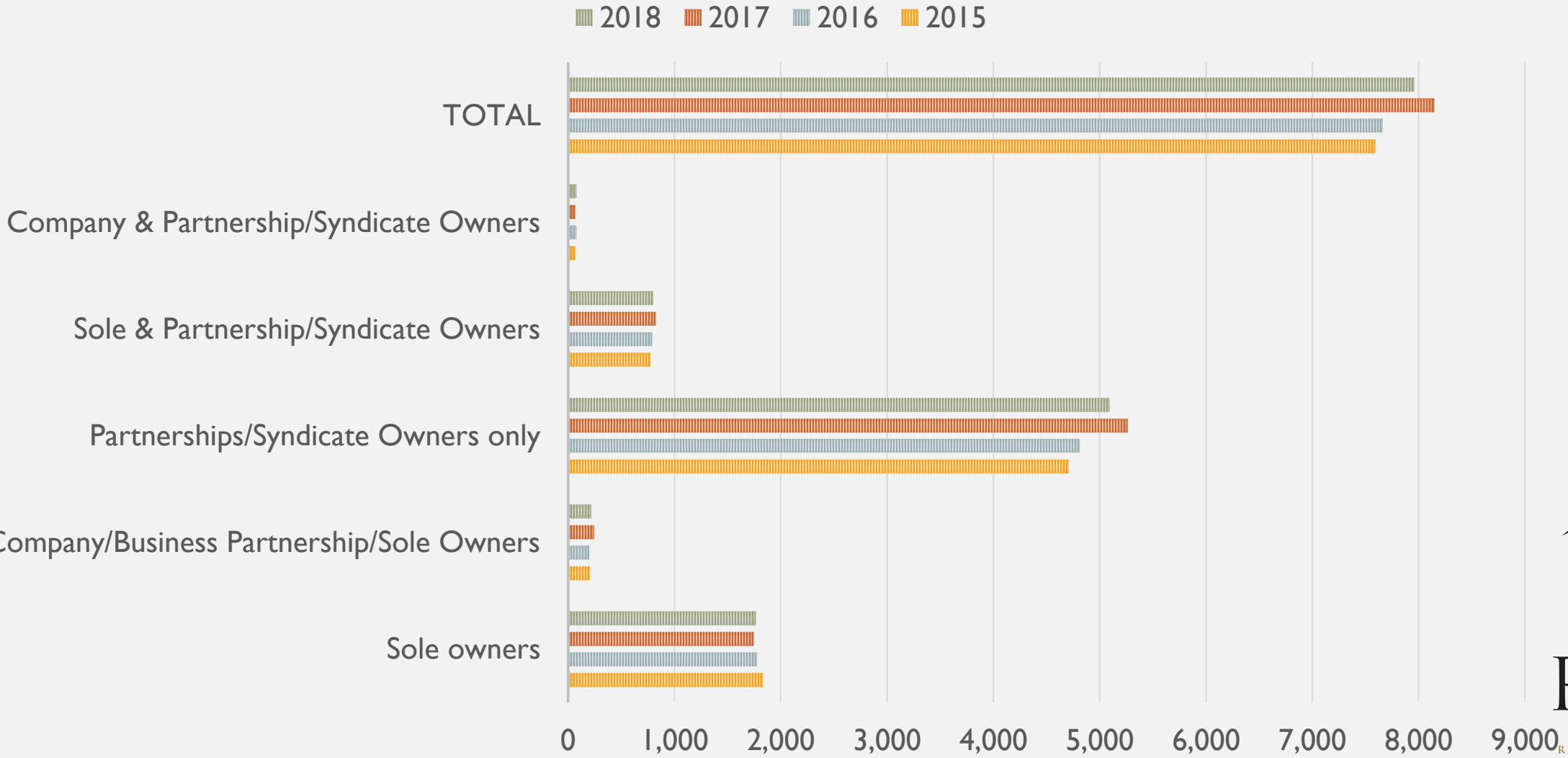
"Exciting"

"Expensive"

"Fun"

"Frustrating"

REGISTERED OWNERS WITH HORSES IN TRAINING



TYPES OF OWNERSHIP

- **Sole owner** - you are the only person involved and you have a 100% share.
- **Company** - a company can register as an Owner, owning horses 100%.
- **Partnership** - for two or more people who want to share the ownership of one or more horses, and where all members of the Partnership are registered owners.
- **Syndicate** - for people who want to share the ownership of one or more horses. It isn't necessary for members of the Syndicate to register as owners, but the syndicate manager/s do need to register as owners.
- **Racing Club** - for people who want to pay a subscription to experience racehorse ownership and who don't own the horse themselves.

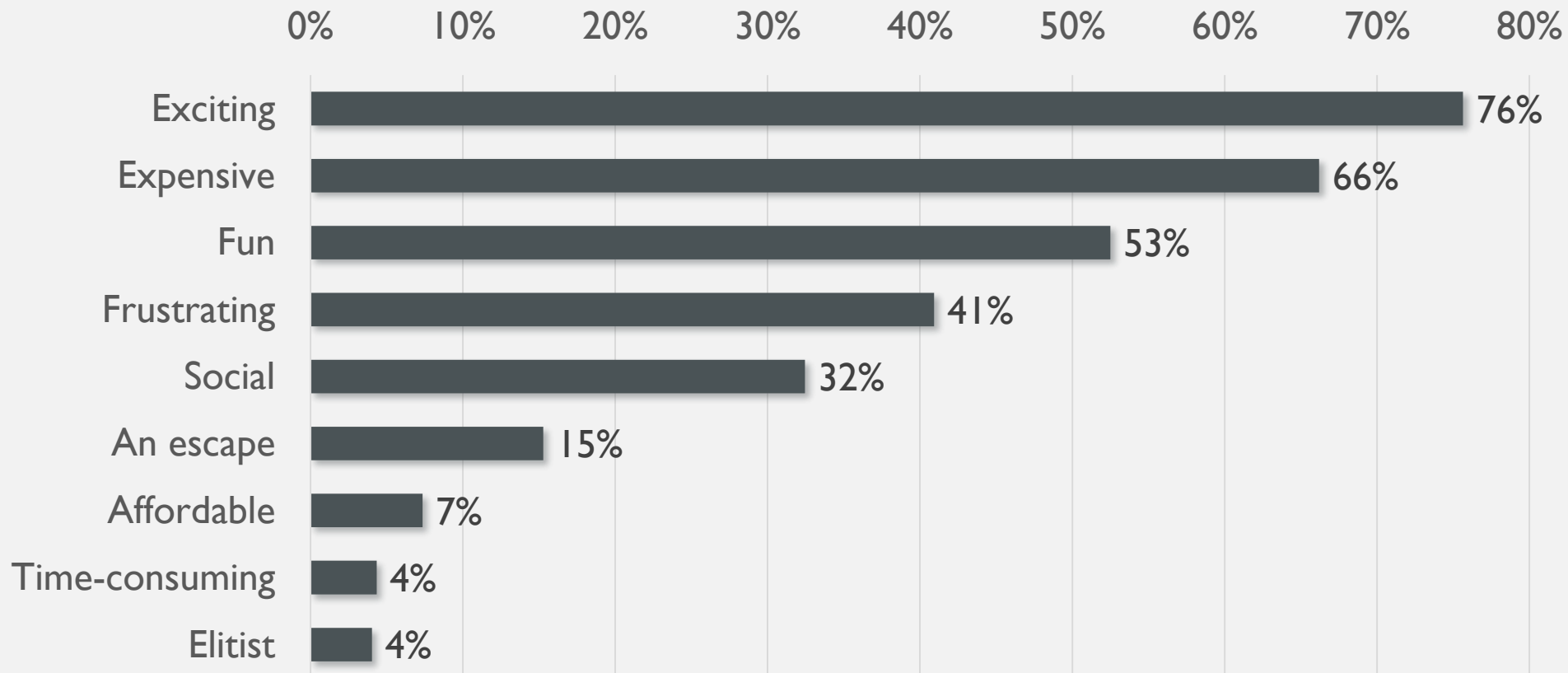


SO...
WHY DO OWNERS GET
INVOLVED?



HOW IS IT DESCRIBED?

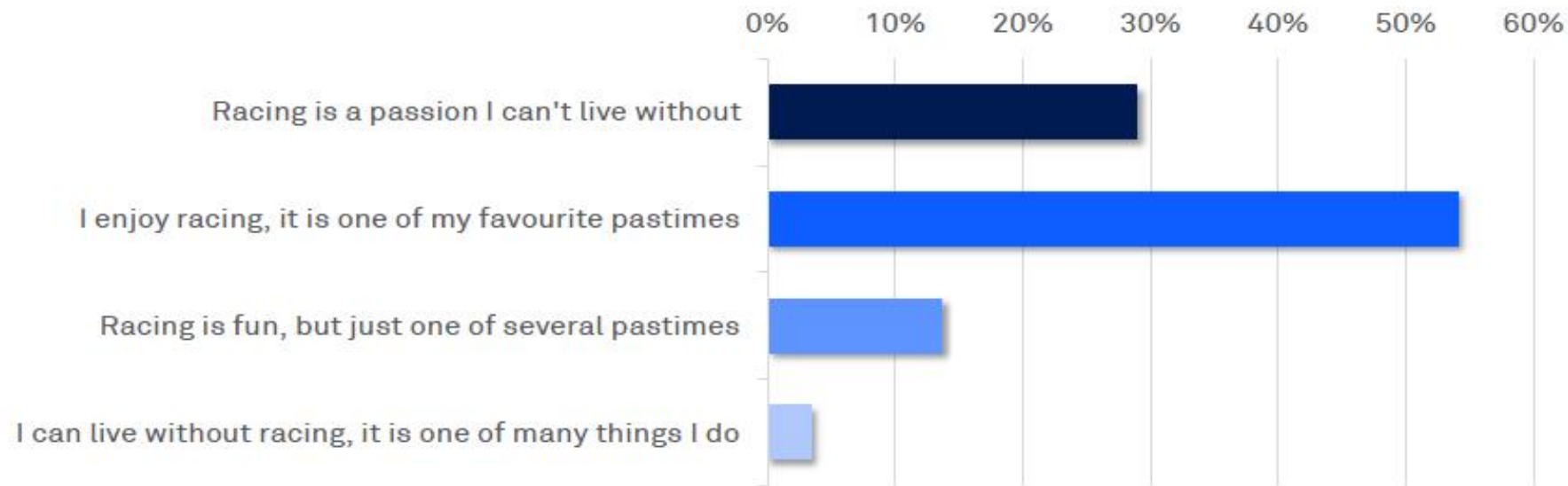
- When prompted, owners pick the same phrases, but exciting and fun score above expensive and frustrating respectively.



THE ROLE OF RACING

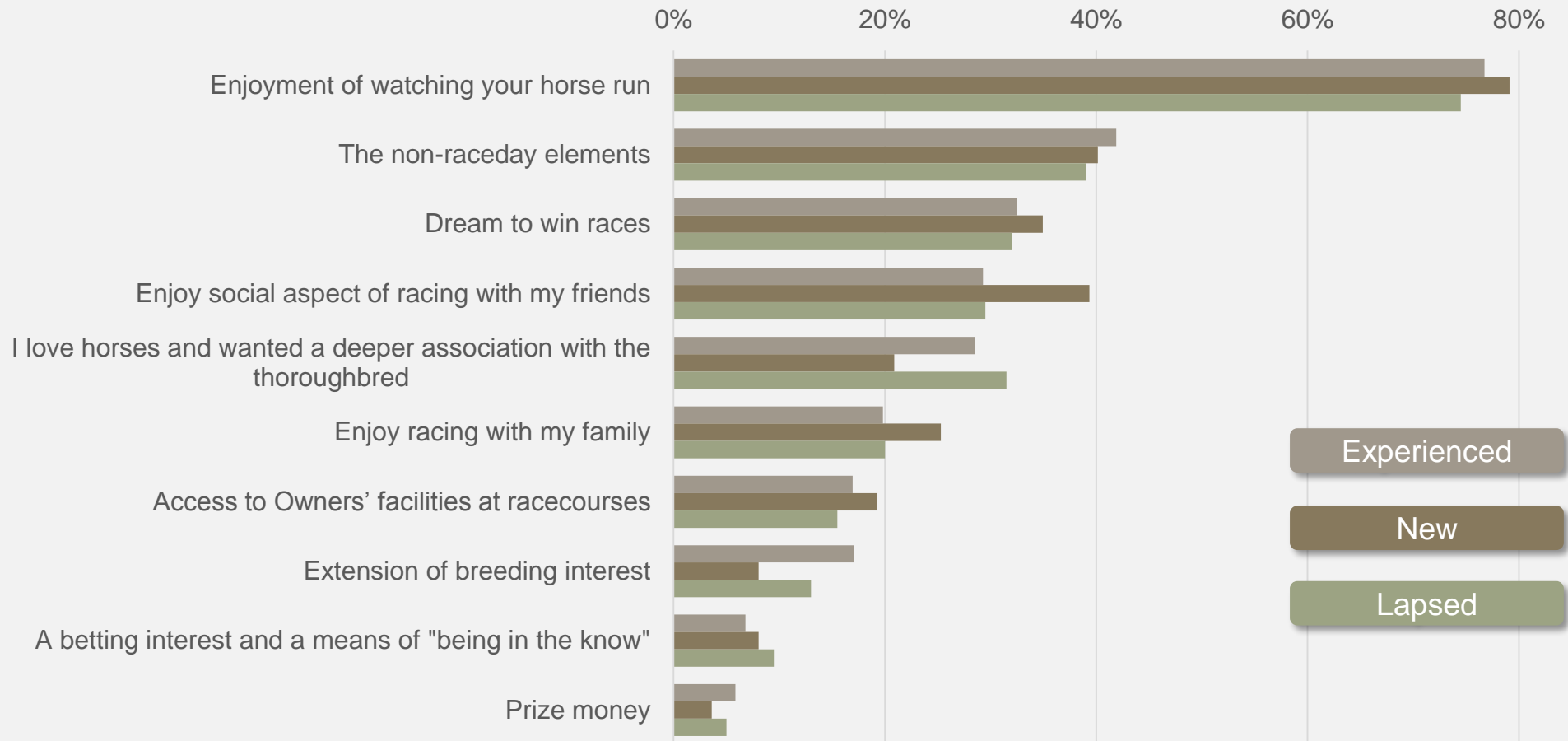
83%

of Racehorse owners say racing is one of their favourite pastimes, or they can't live without it

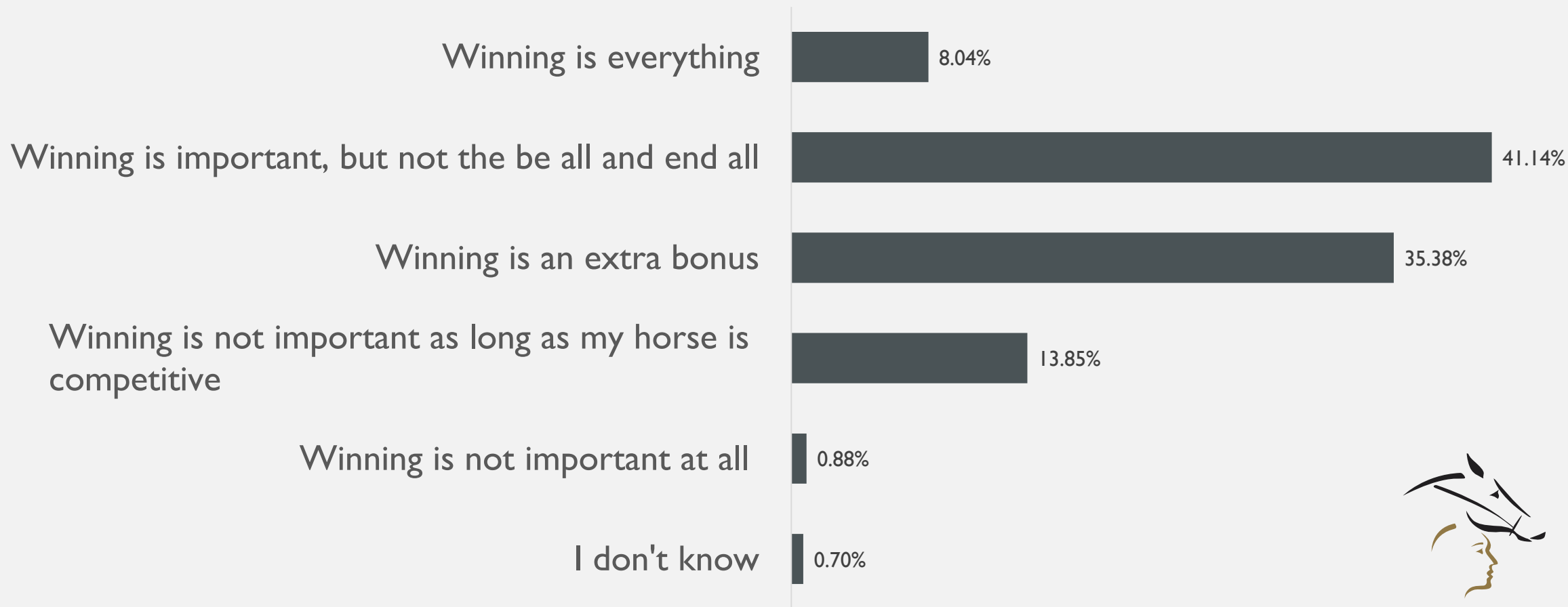


MOTIVATIONS TO BECOME AN OWNER – BY TENURE

- New owners are motivated more by the social aspects of racing.



WINNING IS NOT THE “BE ALL AND END ALL”

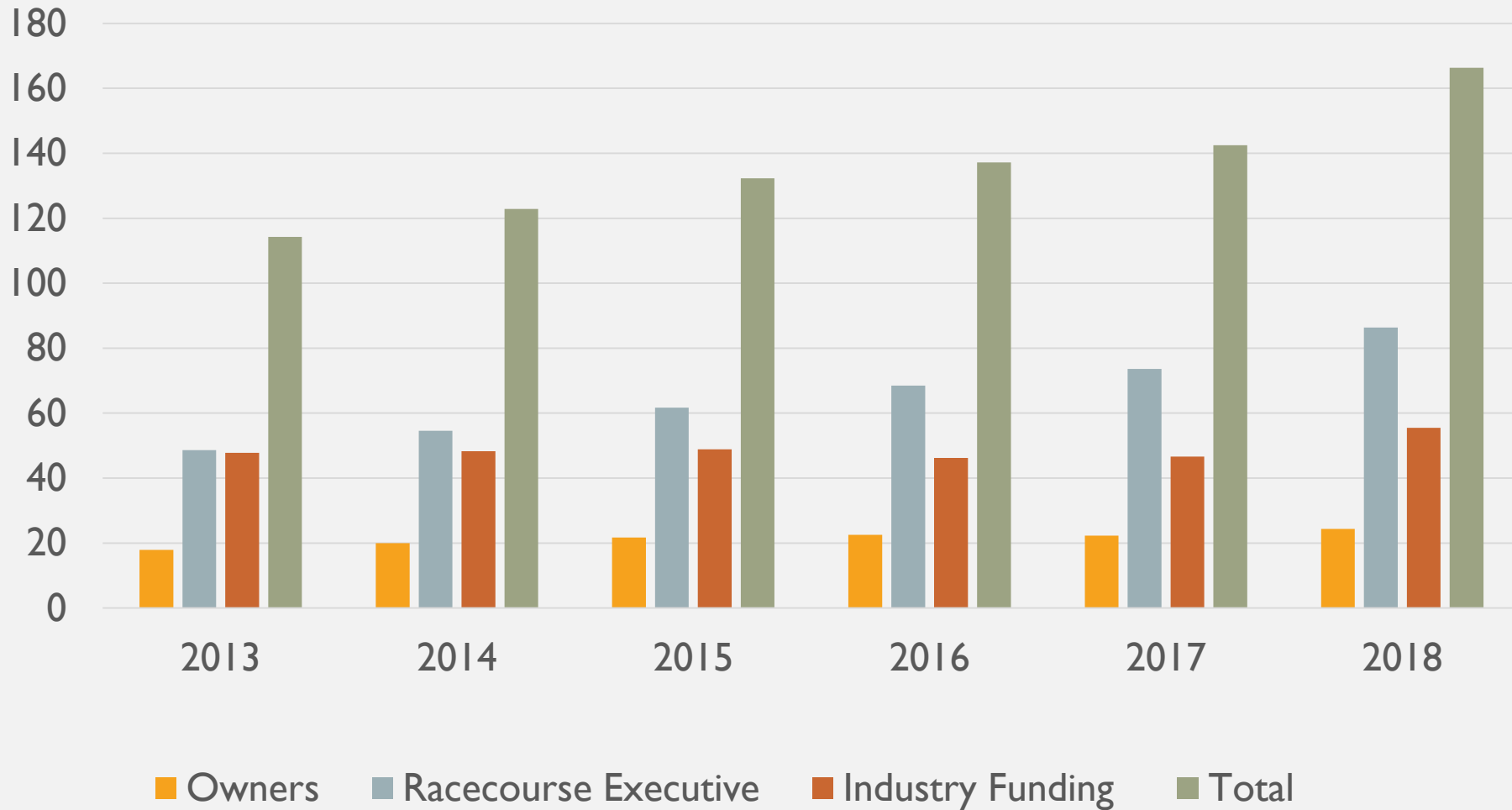


- Underlining the importance of providing an excellent experience for owners above and beyond winning...

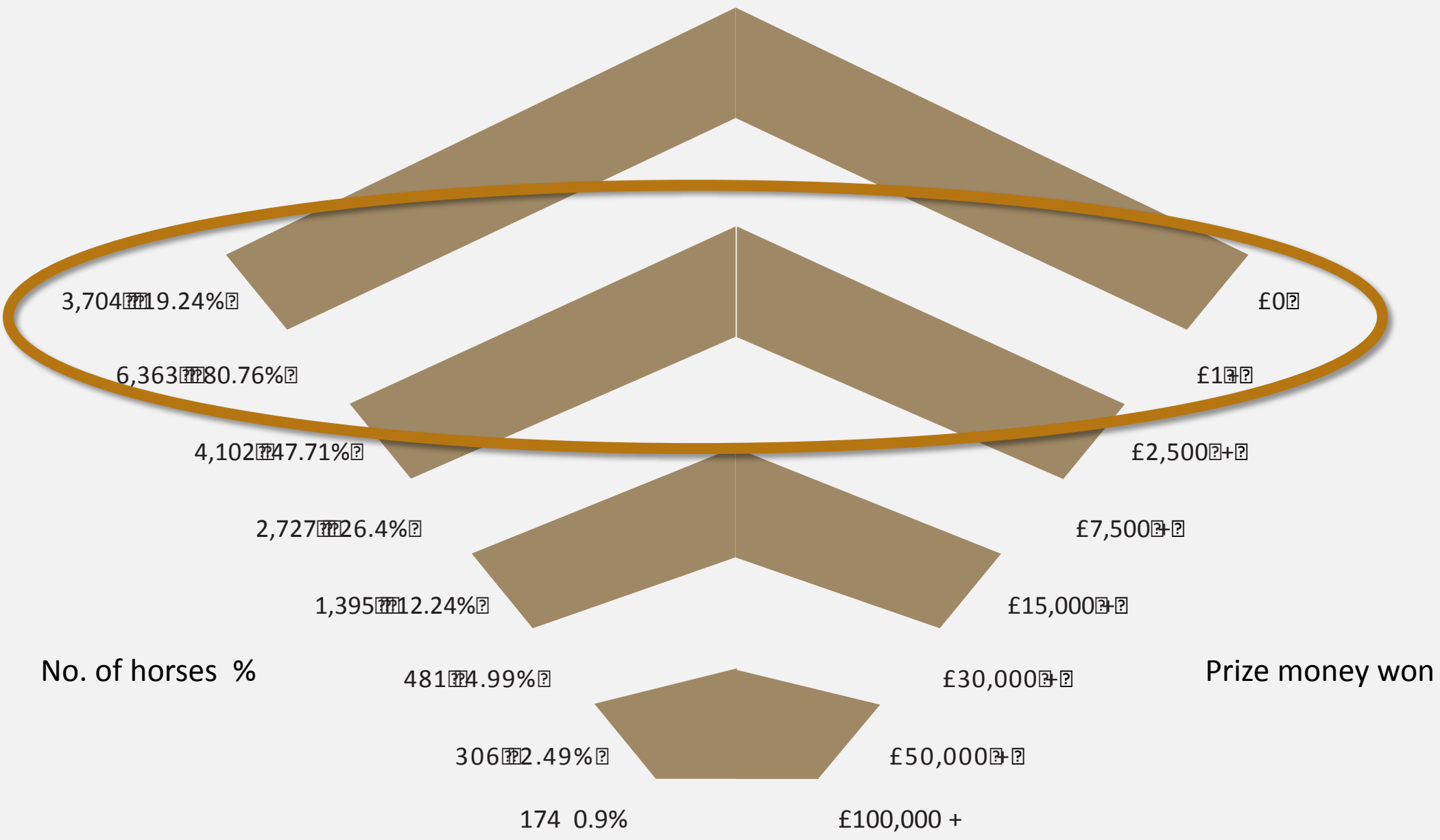
OWNERSHIP: THE NUMBERS



PRIZE MONEY (£M) – BREAKDOWN



2018 PRIZE MONEY PYRAMID

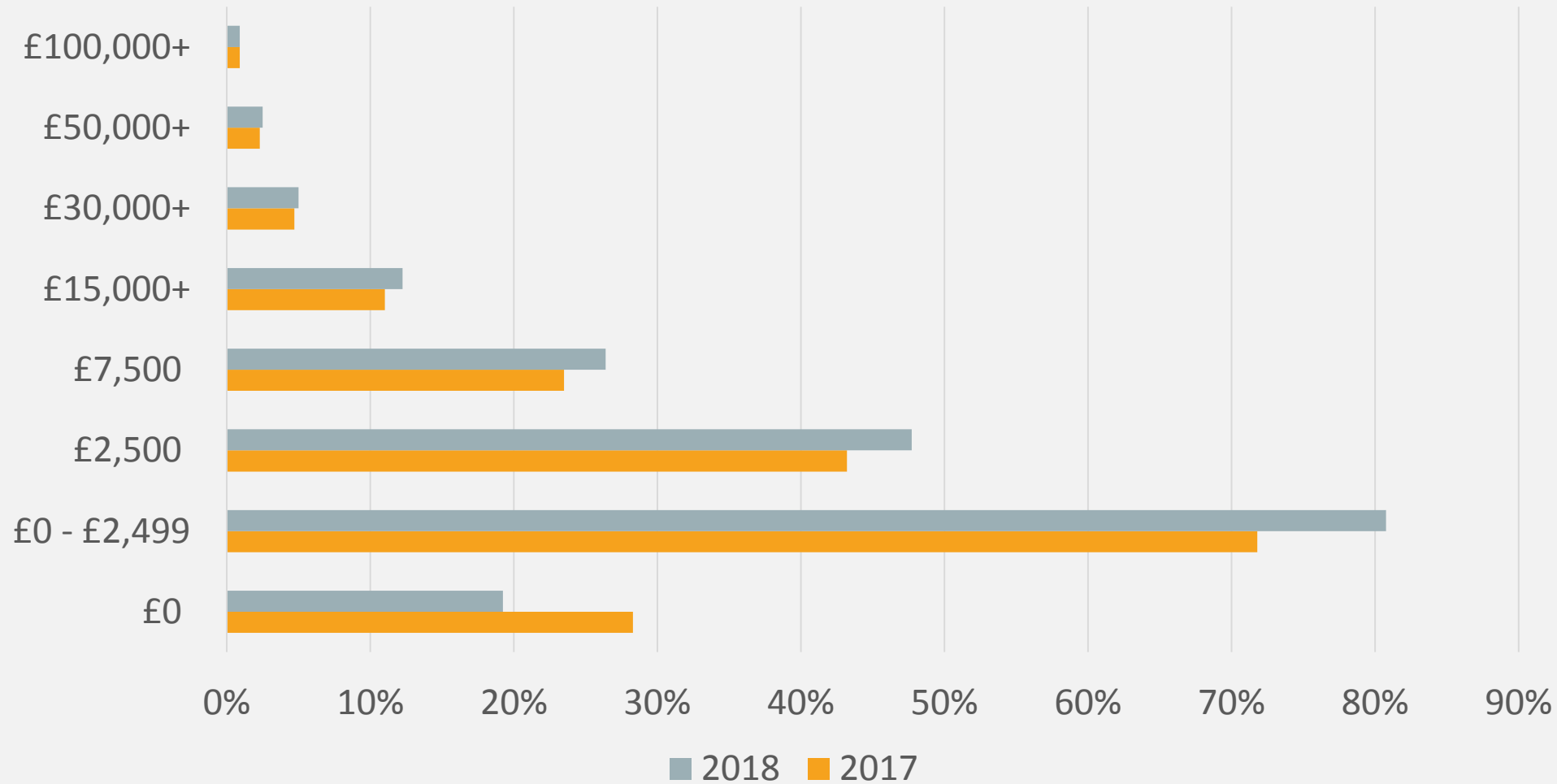


No. of horses %

Prize money won



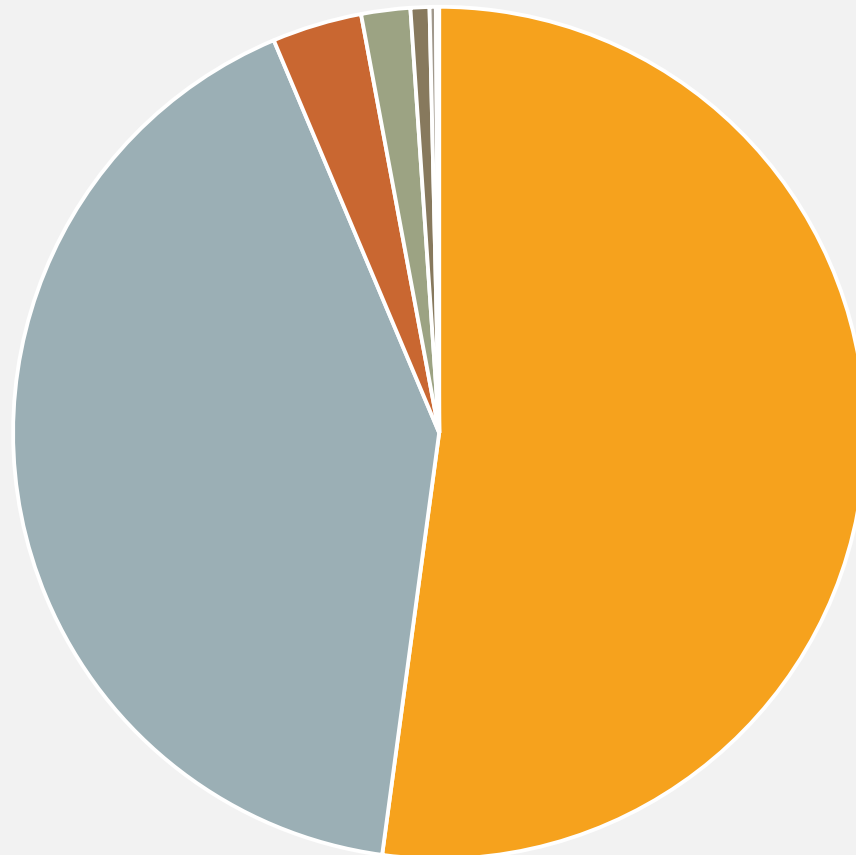
IMPACT OF APPEARANCE MONEY SCHEME



OWNERS' CONTRIBUTION TO THE INDUSTRY

£m

Total £715m



- Training Fees/Other 373
- Tattersalls/Goffs Sales 297
- Entries 24.4
- Riding Fees 13.3
- Admin Charge 5.13
- PRIS 1.7
- Non-runner riding fees 0.4
- Retired Racehorse 0.26
- EIDS 0.25

COST OF OWNERSHIP 2018

	FLAT	JUMPS
"Fixed Costs" inc Training/Average Annual Registration Fees	£20,146	£15,785
"Variable Costs" per raceday	£559	£611
x Average No. of Runs	£3,192	£2,578
TOTAL per horse	£23,338	£18,363

The 'cost per run' works out at **£4,087** for a Flat horse and **£4,351** for a Jumps horse.

OVERALL CONTRIBUTION: SUMMARY

- c.£8m a year to the BHA through fees and charges
- Over £21m contributed towards prize money through entry and declaration fees
- £240k to the Equine Infectious Disease Service (Levy and TBA contribution amounts to £100k)
- Have c.14,500 horses in training at £20k per year costing in the region of £290m
- Over £200k to RoR
- Jockeys Fees: £12.8m
- Sponsorship: via corporate relationships



OWNERS

- Sole owner invests at least £25k per annum in the sport
- Goes racing on average 6x per year with a runner
- Plus additional visits without a runner: average 15 (ToB Survey)
 - 68% Dine
 - 18% Take Hospitality Boxes
 - 11% Sponsor
- 86% Owners attend Sales
- Unquantifiable value as an advocate

RACEGOERS

- Average number of racecourse visits PA: 1.2
- Racecourses visited per year:
 - 94% of advance purchasers will visit ONE racecourse per year,
 - 5% will visit TWO per year,
 - 1% THREE OR MORE
- Average make up of racing's crowds
 - 7% annual badge holders
 - 7% hospitality
 - 40% advance purchase
 - 46% walk up

Source: RCA/GBR Insight=Growth programme



WHERE THE ROA COMES IN...



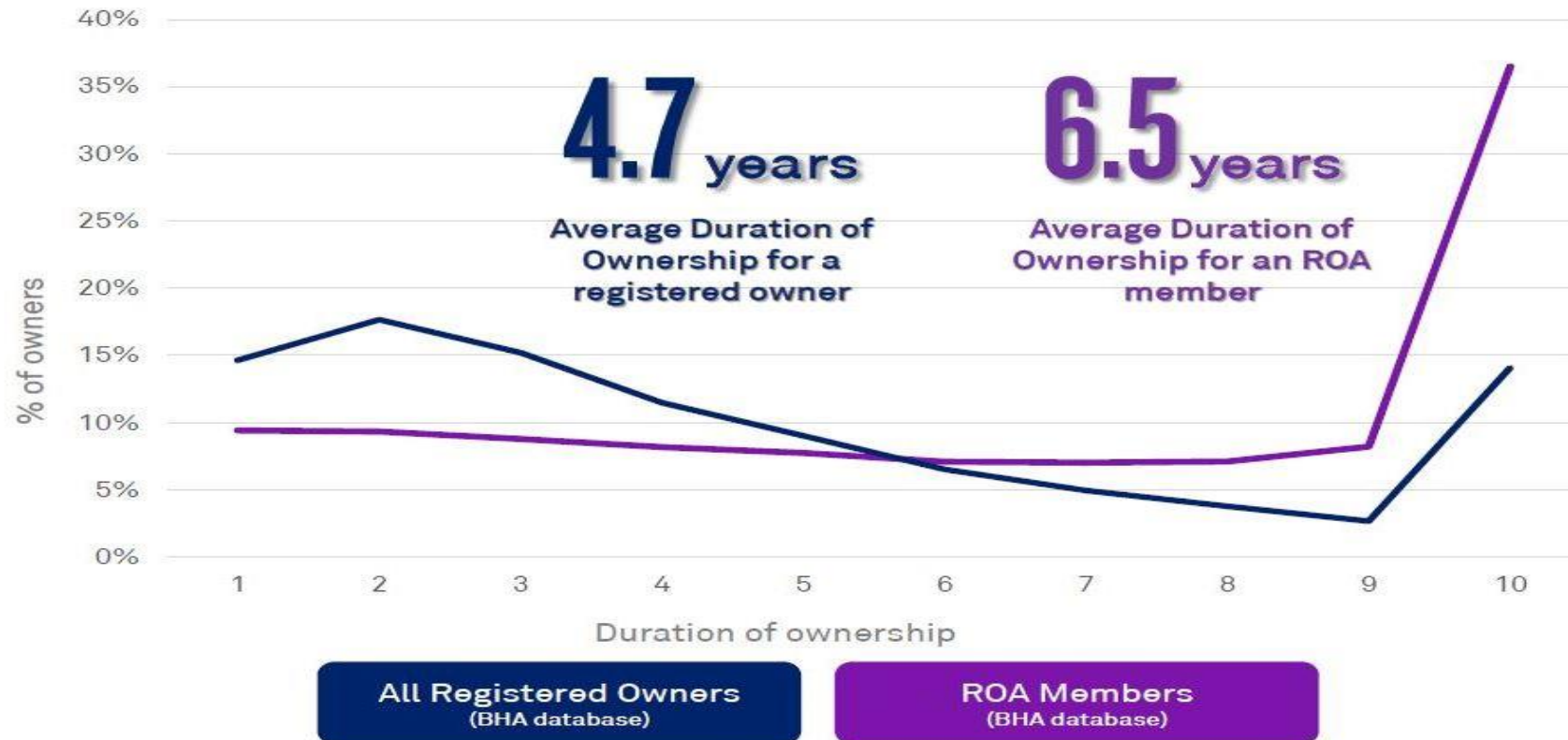
THE ROA

- Established in 1945, c8,000 members
- Look after the interests and rights of racehorse owners
- The ROA is funded almost entirely from membership (£249 a year, 68p a day)
- The ROA is a founder member of the Horsemen's Group
- Board of 11, plus ROA Scotland representative, team of 9.
- Nicholas Cooper – President
- Charlie Liverton - Chief Executive



DURATION OF OWNERSHIP — 2006-2015

ROA members are much more likely to remain in ownership for ten years or more, compared to all registered owners.



MAIN AREAS OF WORK

To ensure that members get the most out of their ownership experience, the ROA operates as a:

- Campaigner to ensure owners' interests are represented:
 - Prize-Money
 - Raceday Experience
 - Fixture List
 - Rules of Racing
- Membership organisation offering a package of benefits
- Leading the Industry Ownership Strategy
 - ROA leading the Strategy on behalf of the industry



ADDRESSING KEY OWNERSHIP CHALLENGES

HBLB funding secured



Key ownership challenges



Ownership churn

There is a high rate of churn in the current ownership portfolio. For instance, lapsed ownership is higher (11%) than new membership (9%)



Ownership composition

There is a need to diversify ownership. For instance, there are currently more owners aged over 80 than under 40, and only 21% of active owners are female



Ownership involvement

There is an opportunity to increase ownership involvement and engagement. For instance, there are 2,437 owners without a horse in training, and the average field size needs to be increased in line with the new media rights payments structure

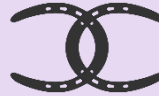
AIMS

The aim of the project is to...

Support the racing industry by enhancing the involvement of owners and the number of horses in training

This will be achieved by...

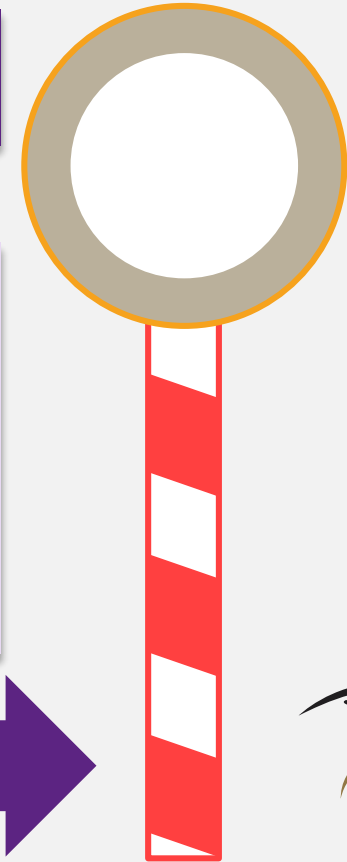
Ownership proposition



Enabling service providers

Developing a compelling proposition for British Racehorse Ownership to retain existing and attract new owners

Delivering the proposition by supporting service providers to serve existing and attract new owners



IN SUMMARY...

- Racehorse owners are the largest contributors to British Racing
- While prize money is important, many owners are looking for more than just a financial return.
- Experience is crucial - let's work together to deliver the best possible ownership experience
- ROA members stay owners longer
- Look out for ROA resources and further updates/consultation on the Industry Ownership Strategy



THANK YOU

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