

*Owners for Owners have two syndicate documents. One is a short summary, below, and the other contains full details. These are generic documents which are then tailored for each specific syndicate. They fully comply with the BHA's Syndicate Code of Conduct.*

## **Owners for Owners – Summary of Syndicate Principles**

**Horse: *Colour, Sex (country), born year, by Sire ex Dam***

**Trainer: *name***

***Please read carefully before buying a share in this horse.***

1. The Syndicate has been formed to own the horse and have fun in the process. All members are encouraged to enjoy the complete ownership experience, both on and off the racecourse.
2. The horse will be trained by the trainer, who will make all the key decisions relating to the horse's training and race plans.
3. The Syndicate will be run by Owners for Owners with a view to avoiding unnecessary expense.
4. The Syndicate will be divided into (# of shares), with each share being responsible for payment of one-# of outgoings and enjoying of one-# of profits. It is acceptable for a share to be subdivided and payments / privileges shared between two or more participants provided that one person "fronts" the arrangement.
5. Payments will be made by members as and when requested by Owners for Owners. Profits may be either distributed or offset against future costs.
6. Detailed estimates of all costs relating to the Syndicate are calculated annually. All costs are fully transparent and members are entitled to access the full ongoing cost breakdowns at any time on request.
7. If any member stops payment without notice they are liable to forfeit their share of the horse, although that would only be a last resort if no agreement could be reached.
8. VAT will be reclaimed. A small but reasonable charge will be made to cover registrations, VAT administration and overheads. No other expenses are claimed by Owners for Owners.
9. The horse has been insured up to the date of formation of the syndicate and will continue to be insured by Owners for Owners for those members who so desire; those who do not are free to make their own arrangements (or none) as required.
10. In the first instance all members agree to support the horse for up to two years, to the end of the second season, when there will be a review with the trainer. Subject to satisfactory recommendation from him we could then continue with the horse on a rolling, year-by-year basis until sale and / or retirement. However, an assessment will be made towards the end of the first training year and the views of the trainer sought with regard to likely progress and options for the following season.
11. If the horse is retired from racing, this will be done with the horse's welfare being paramount.
12. Members are reminded that they may not lay their horse to lose, nor communicate inside information for payment of any kind.

Please refer to the Detailed Syndicate Principles for more information on all these points.



*These principles fully comply with the BHA's Syndicate Code of Conduct. We support both the letter and the spirit of the Code and are very much in favour of its requirement for clarity and transparency. This example is for National Hunt. There is a similar document for the Flat.*

## **Syndicate Principles**

**Horse: Colour, Sex (Country), born Year, by Sire ex Dam**  
**Trainer: Name**

### **1. Purpose of the Syndicate**

Owners for Owners was set up to help owners join forces to buy better horses. Our role is to facilitate that ownership rather than make a profit from it. Each horse is owned by the members for the members; with the intention of decisions being made collaboratively, guided by the trainer. This document details the syndicate principles in practice. The guiding principle is that the syndicate has been formed to own the horse and to have fun in the process; it is not an investment.

The horse will run in the name of the syndicate, "Owners for Owners (horse name)", in the colours of one of the members, drawn by ballot, during the first year. In subsequent seasons, colours will be changed to give other members the chance to see him run in their colours. Colours will not be changed if the horse has not run at least twice during a season.

### **2. Trainer**

The horse will be trained for National Hunt racing (bumpers, hurdles and / or chases as appropriate) by the Trainer, who will enter into a contract with the syndicate based on the standard contract terms as agreed between the Racehorse Owners Association and the National Trainers Federation.

### **3. Ownership**

There will be # members of the syndicate. The syndicate will be registered with the BHA. Each member will be responsible for one # of all outgoings and receive one # of any sale price, prize money or other income. The member may involve others in their share "behind the scenes" and share payments with them, but that will not entitle them or those others to additional privileges such as extra badges.

### **4. Payments**

The members will pay for the horse's purchase, keep, training and all associated costs up to and including eventual sale and / or retirement of the horse.

At the commencement of the syndicate, the syndicate will formally buy the horse from Jon Hughes at cost (comprising the price of the horse when purchased and all keep / training fees from purchase to date of

syndication, full details of which are shown in Annex 2). Each member is then sent two requests for payment. The first represents a # share of the purchase price of the horse, plus VAT. However this is not a VAT invoice for the individual member to reclaim. Owners for Owners will reclaim the VAT collectively for the whole partnership and it will be put towards future expenses or paid out by way of dividend at the end of the first year of the syndicate's operation.

The second invoice is for one-# of the estimated annual outgoings of the syndicate, payable from (*insert date*) (the commencement date). This contribution to outgoings can be paid in a lump sum of £X on joining the syndicate or twelve monthly instalments of £Y. If you join the syndicate after the commencement date, your contribution to training costs for the period from the commencement date to date of joining will be payable. Note that there is a discount of £20 on this total price for payment up front. Invoices may be paid by cheque but a BACS transfer is preferred. Instalments may be paid by monthly or quarterly standing order. Details of the partnership bank account will be supplied as soon as it is opened so that standing orders can be set up.

## 5. Estimates of Cost

The total costs of the syndicate and the estimated budget are calculated from the following:

- a) **Acquisition of the horse** by the syndicate from Jon Hughes, at cost.
- b) **Training and keep**, including where applicable but not limited to training (including routine veterinary fees), out of training charges, farrier, physiotherapy, chiropractor treatment, dentistry, clipping and transport to racecourses.
- c) **Registrations and racing expenses**, including race entry and jockey fees, compulsory riders' insurance, tips to stable staff (£30 to the groom every time the horse runs, but £60 for a win), Weatherbys registration charges and bank charges.
- d) **Owners for Owners administration charge** (see 7 below).

Estimates of likely costs are only that. Actual costs may be more or less. They can vary substantially, particularly if the horse spends any period out of training, or requires non-routine veterinary treatment, or high-cost entries are made. If member payments prove insufficient to cover the costs each will pay such additional sums as are necessary as and when required; if there is a surplus (including any profits / winnings and reclaimed VAT), it will be distributed or taken into account when calculating the next year's payments. Such additional payments / distributions will be in equal shares.

At all times, costs will be fully transparent, with a spreadsheet available for inspection on request. For each subsequent season, an estimate of likely costs will be made and circulated. When the horse is not in full training or requires a period of rest or recuperation the trainer may reduce costs to turnout rate rather than full training fees, or the horse may be moved temporarily to a less expensive location. This is always passed on to the syndicate without any deductions.

## 6. Non-Payment

In the event of any member stopping payment without notice and failing to make up the deficit within a reasonable period of time, that member will be deemed to forfeit their share in the horse and the benefits of any future winnings or proceeds of sale. Should there be a loss, the remaining members will be entitled to take such proceedings as seem appropriate to recoup the share of loss attributable to the defaulting member. However, such action would only be a last resort if no agreement could be reached.

## 7. Administration

Administration of the syndicate will be carried out by Owners for Owners, whose partner(s) (is / are) the syndicator(s). Proper records will be kept, including those necessary for VAT registration and administration. An account will be opened at Weatherbys Bank in the name(s) of the syndicator(s). All costs and accounts will be completely transparent and open to scrutiny by the members at any time upon request. A maximum

administration cost of £250 per member per year will be charged to cover the necessary costs, including: VAT reclaims (done by Owners for Owners rather than Weatherbys), book-keeping, administration of registrations, preparation of annual accounts, maintenance of the web site and arrangement of raceday badges. Owners for Owners does not charge for any expenses nor mileage when attending race days.

## **8. VAT**

VAT can be reclaimed by the syndicate on the purchase price of the horse, training fees and all associated costs and reasonable expenses such as hotels and meals when members visit the yard and the races to see the horse. Full records must be maintained and submitted to HM Revenue & Customs quarterly. Owners for Owners will do this on behalf of the syndicate, with all VAT reclaimed going back into the syndicate account to defray future costs.

## **9. Insurance**

The Horse has been insured with (*insurer*) for mortality, and life-saving surgery up to a maximum of £5,000, while at the risk of Jon Hughes. On formation of the syndicate, the benefits of the policy will be transferred to the syndicate, and each member can decide whether to be involved in this insurance arrangement or not, going forward. Fractional insurance can be arranged if not all members wish to insure their proportion of the horse.

Please note that this insurance does not cover third party liability. While the trainer's insurance will provide some cover, members are advised to consider joining the Racehorse Owners Association which, amongst other valuable benefits, provides this free of charge to all members (see [www.roa.co.uk](http://www.roa.co.uk)).

## **10. Member Involvement and Communication**

Owners for Owners encourages each member to be fully involved with the horse, both on and off the race track to maximise the enjoyment of owning the horse. Any member can visit the horse at the yard at any convenient time, by agreement with the trainer. It is hoped that there will be occasions when all or the majority of members can visit together.

In addition, the trainer provides videos from the gallops and Owners for Owners has a regular schedule of communications including a weekly email update as well as a monthly round-up on all our horses. At the end of each year a detailed report is produced on each horse, together with an appropriate recommendation based on the horse's performance and the views of the trainer.

Members will receive as much notice as possible of likely race entries. The courses at which the horse races are determined by the trainer, who will also book the jockeys. As soon as the horse is declared, each member will receive an email update and Owners for Owners will arrange badges for collection at the racecourse. Each member of the syndicate is guaranteed a complimentary badge every time the horse runs. When members wish to take guests, complimentary badges will be obtained wherever possible, however some racecourses are less generous than others and it may be that a payment will be required from the member to cover the cost of the additional badges for their guest(s). Some racecourses limit availability of a complimentary lunch, and if there are fewer places than those wishing to have it, it may be necessary to buy additional places or conduct a ballot; this will be done as fairly as possible.

Because Owners for Owners is run at the lowest possible cost, there is no surplus available for additional hospitality. However members often wish to meet up, share meals and on occasions hire private boxes etc. The cost of such hospitality will be charged, but only to those availing themselves of it.

## **11. Term of the syndicate**

In the first instance all members agree to support the horse for up to two years, to the end of the horse's second season, when there will be a review with the trainer. Subject to a satisfactory recommendation, we

will continue with the horse thereafter on a rolling, year-by-year basis until he is either sold or retired. However, an assessment will be made towards the end of the first training year and the views of the trainer sought with regard to likely progress and options for the following season.

Equally, although we all hope that the horse turns out to be a high-potential and durable racehorse who runs for us for several years to come, that may not be the case and it helps to be clear on how a syndicate may end, and / or how individual members can exit if so required. Recommendations are as follows.

- a) If a member wishes to dispose of their share in the horse, they should first offer the share to the other members, who have first refusal. If they decline then the member may dispose of the share to a third party.
- b) In the event of a sale within the syndicate, the price will be agreed between the parties. In the event of disagreement, then two independent valuations will be obtained (one by the member(s) wishing to sell), with the average of the two valuations being used as the basis for share buy-out; the costs to be borne by the member(s) wishing to sell. There is no obligation on the other members to buy the share.
- c) If members whose combined shares amount to half or more of the horse wish to sell their shares and to do so via a public auction, the horse will be offered for sale at the first suitable event, where the other members will be free to bid in the normal manner.
- d) If all members wish to sell, this may be by private arrangement, public auction, or a selling or claiming race.
- e) If sale is by auction, all costs associated with it will be deducted from the proceeds of sale before distribution to the members in proportion to their shares.
- f) In the event of (d) or (e) above, a reserve may be placed on the horse where a member or members intend to buy the horse back if that reserve price is not achieved and / or to ensure, so far as possible, that the horse goes to a good home.
- g) If the trainer recommends the sale or retirement of the horse, believing that to do so is in the best interests of the syndicate and the horse, then that recommendation would normally be adopted.

## **12. Retirement and Welfare**

In the event of the horse retiring from racing, and not being sold, then all reasonable steps will be taken to find a suitable home, with the horse's best interests being paramount, and with any short-term transitional costs being shared by the members in proportion to their shares.

## **13. Other Points**

If any day-to-day decisions are needed, but unanimity amongst the members cannot be achieved, then the majority will prevail and any deadlock will be decided by the casting vote of Jon Hughes in conjunction with the trainer.

In the unlikely event of a serious disagreement amongst the members that cannot be resolved amicably, the members agree to seek arbitration pursuant to the Arbitration Acts 1950 – 1979.

The members agree and acknowledge that they are subject to, and regulated by, certain provisions of the British Horseracing Authority Rules of Racing in force from time to time, in particular those Rules relating to Integrity and to BHA Investigations and Disciplinary Action. The complete Rules of Racing can be accessed on [www.britishhorseracing.com](http://www.britishhorseracing.com). Extracts of key provisions prohibiting the sharing of Inside Information and the Lay Betting of Owned Horses can be found in the Appendix overleaf.

# Appendix 1: Rules of Racing

## J. Integrity

### Prohibition on Lay Betting

**Listed Person** means any Owner and Owner's Representative, and also where applicable ..... where the owner is a Syndicate, all members of the Syndicate.

9. A Listed Person must not place a lay Bet on a horse in which they have any interest.

### Inside Information

**Inside Information** means any information regarding a horse's potential performance in, entry into or withdrawal from a Race and which is not publicly known or publicly available.

16. No person may communicate Inside Information to any other person unless permitted to do so under these Rules.
17. Except where the Person communicating the Inside Information knows or has reason to know that the Inside Information shall be used for prohibited Betting and / or Lay Betting, a Person can communicate Inside Information to a Person who owns, trains or is a service provider or Stable Employee responsible for or engaged in the care and welfare of that horse.
18. For the purpose of making Inside Information public, a Person can communicate Inside Information to
  - 18.1 The General Public directly,
  - 18.2 An accredited journalist for the purposes of publishing the Inside Information to the General Public,
  - 18.3 At a Public Event, provided that the person communicating the Inside Information is paid no more than a reasonable fee for attending the event.

## L. BHA Investigations and Disciplinary Action

### Investigations

1. The BHA has the power to inquire into or investigate any matter in order to monitor compliance with these Rules, irrespective of whether the matter:
  - 1.1 arises in Great Britain or elsewhere; or
  - 1.2 has been considered by the Stewards.

## Appendix 2: Cost of the Horse

The horse was purchased at (*Auction*) on (*date*), and is syndicated at cost price as follows.

Hammer price	£x
VAT	£x
Auction house commission	£x
Vetting	£x
Transport	£x
Insurance	£x
Keep / pre-training from sale to syndication	£x
Other	£x

**1. I HAVE READ AND ACCEPT THE ABOVE PRINCIPLES.**

Signature: .....

Print name: .....

Date: .....

**2. INSURANCE OPTION: (horse name)**

The racehorse ....., by ..... ex ..... (year), has been insured through (company) at a total value of £..... to cover all risks of mortality including theft, and for life-saving surgery up to £5,000 each and every loss and in the annual aggregate. The total cost of this per (one-tenth) share per year is approximately £..... for (National Hunt Flatracing and £..... for Hurdling / Chasing). Insurance is included in the purchase price but if you wish to cancel your cover you will receive a refund at the end of the partnership year.

I do / do not\* wish to continue to insure my share of this horse.

Signed: .....

\* Please delete as appropriate.

**3. VAT REGISTRATION**

Are you currently, or have you in the last two years been, involved in any other business in the UK or Isle of Man, either as a sole proprietor, partner or director? If yes, please give details below.

Please tick appropriate box:

No

Yes

**Business Name(s)**

**VAT Number(s)**

**Please print and sign two copies of this page. Keep one copy for your reference, together with the rest of the document, and return the other copy to Owners for Owners at Springfield House, Hawling, Gloucestershire GL54 5TA.**