
NEW ENTRANTS POLICY

1. In this Policy, “New Entrant” shall mean any applicant for a racecourse licence where either all, or a significant number of, the members of the Racecourse Managing Executive (i.e. the person(s) with responsibility for the operational/day-to-day management of the racecourse business) have no or limited previous experience of operating a racecourse in Great Britain. The Policy applies to both new racecourses and existing racecourses where significant changes have been made to the management team. For the avoidance of doubt, this Policy shall not apply to a racecourse subject to a take-over that only affects the ownership of the shares of the operating company.
2. This New Entrants Policy forms part of the BHA’s racecourse licensing application process. The Policy sets out the additional requirements that the BHA places on New Entrants, to reflect the increased risk of granting a racecourse licence to a New Entrant.
3. Where an applicant for a racecourse licence is a New Entrant, the BHA may require the additional management competency and financial assessments detailed below to be satisfied, prior to a racecourse licence being granted. For the avoidance of doubt, New Entrants are also required to comply with all other elements of the licensing application process.

Management Assessment

4. In order for individuals with no or limited previous experience of operating a racecourse in Great Britain to be considered eligible to hold management positions within a racecourse business structure, each such individual must successfully complete the Racecourse Management Induction Programme. Management competency may then be assessed via formal interviews, conducted by the BHA. These interviews will be conducted by Executive members of the BHA and other senior managers (where appropriate) and will cover such matters as the BHA considers necessary for it to determine whether the Racecourse Managing Executive will be able to run the racecourse in accordance with the Rules of Racing.
5. Once the BHA is satisfied with the level of management competency and all other financial, integrity and suitability tests have been applied, a mentor¹ may be assigned to the New Entrant, to offer support and guidance for a specified time, determined through the interview process.

Financial Assessment

6. A New Entrant with no trading history in the sector will be required to submit the following financial information as part of the application process, in order for the BHA adequately to assess viability:
 - 6.1 Multi-year business plan including²:
 - 6.1.1 forecast profit and loss
 - 6.1.2 cash flow forecast
 - 6.1.3 balance sheet
 - 6.2 Details of any significant capital expenditure and how this is to be financed;
 - 6.3 Overall capital structure and any proposed changes or share issues including signed copies of relevant agreements;
 - 6.4 Ownership details or leasing arrangements for key areas of land and access;
 - 6.5 Sensitivity analysis for business plan, i.e. lower levels of fixtures, attendances;
 - 6.6 Copies of significant income streams i.e. confirmation that a media rights agreement is in place and details of its key financial terms; and
 - 6.7 Details of any third party loans i.e. bank loans

¹ Existing Racecourse Managing Executive with over five years’ experience in the sector.

² The P&L and cash flows broken down monthly including detailed assumptions.