

THE POINT-TO-POINT AUTHORITY LIMITED

BUSINESS GUIDELINES FOR THE NEW POINT-TO-POINT HORSE SPONSORSHIP SCHEME

This new Point-to-Point Horse Sponsorship Scheme has been introduced to allow individual horse sponsorship in Point-to-Point Racing; for the first time. The majority of businesses may sponsor Point-to-Point horses (there are some exclusions; please see further details below) up to a maximum of 5 horses for any one business. As Directorship details are in the public domain via Companies House it is recommended that a Director should not sponsor his/her own horse/s (although he/she may sponsor others).

HOW DOES IT WORK?

- The sponsorship payment will be £450 per horse which you will need to pay to the Owner of the horse; this will be valid for one season. The 2008/9 Point-to-Point season begins on 30th November 2008 and finishes on 13th June 2009.
- The Owner will be required to pay a registration fee of £45 to the PPA (via the Point-to-Point Sponsorship Desk at Weatherbys).
- The Owner will need to register an agreed business name at Weatherbys at the same time as the horse's eligibility for Point-to-Pointing is registered (i.e. the Hunters' Certificate). The registered sponsorship name will be to a maximum of 45 characters, including spaces
- Weatherbys will send a letter of confirmation to the Owner confirming the business name has been registered as the appropriate horse sponsor. You should request from the Owner, and keep, a copy of this letter along with a copy of the Hunters' Certificate so evidence can be provided if required.
- It is important to understand that occasionally the horse you have sponsored may become injured and unable to race during the season. In this situation, although the full benefit of promotion for the business will not be received, it is recommended that the Owner enters the horse at least once. Thereby obtaining an amount of promotion via the racecard.
- The sponsorship payment is NON REFUNDABLE.

HOW DO I ACCOUNT FOR THE PAYMENT?

- HM Revenue and Customs will judge all sponsorship payment of this type on a case by case basis. It is suggested that you review HM Revenue and Customs Guidelines for sponsorship payments BIM42555 and BIM42560 (available on www.hmrc.gov.uk/manuals).
- The following is extract from; *BIM42555 – Specific deductions: advertising, expenses, sponsorship*.

“Sponsorship is a way for businesses to obtain the commercial benefit of bringing their name, products or services to public attention”

“Sponsorship is often a form of advertising. A business tries to obtain benefits for its products, goodwill or reputation and public image by association with a popular or successful event or person”

QUESTIONS AND ANSWERS?

- Q. What if the horse I have sponsored is sold during the season?
- A. The sponsorship, and the related benefits, will remain with the horse for the duration of the season. Therefore, the racecard will continue to display the original sponsor details; unless a new sponsorship registration is submitted by the new Owners.
- Q. What information should I keep?

A. It is important to emphasise that HMR&C will judge each sponsorship on a case by case basis, so the more information which is retained to provide evidence of activities to market and promote the business name which can be produced the better. We suggest as a minimum: a copy of the Hunters' Certificate, the Weatherbys letter confirming registration, a copy of an Entry Form (showing the business name as the horse's sponsor) and copies of as many racecards as possible at meetings where the horse has been entered.

Q. How should I 'sell' the scheme to a business?

A. Point out that the purpose of the scheme is to promote the business. Every time your horse is entered, and runs in a Point-to-Point race, the business name is being exposed:

(a) in the racecard and

(b) on the paddock rug; both before and after the race (optional).

Q. Are there businesses that CANNOT sponsor? (We must ensure we do not conflict with The Sport's National Sponsors)

A. All vehicle manufacturers, all horse feed and horse supplement manufacturers. To ensure compliance with the OFCOM Code of Advertising Standards the following are INELIGIBLE:

- all tobacco products; breath testing devices, or others which mask the effects of alcohol
- the Occult
- Private Investigation Agencies
- Commercial Services, offering advice on personal or consumer problems
- guns and gun clubs
- pornography
- betting and gaming organisations (to include, for the avoidance of doubt, betting exchanges)

The attendance at Point-to-Point meetings can average 3,000 per fixture. Depending on how many times the horse runs, this represents very justifiable exposure for the amount involved.

N.B. This guideline does not represent accounting advice of any form whatsoever. If you are in any doubt regarding your participation in the above scheme, please refer to your accountants or financial advisor.

N.B. The directors of the PPA, the PPSA, the PPORA and the MFHA will not be held liable for any tax liability incurred as a direct result of participation in this scheme.

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