

THE THOROUGHBRED BREEDERS' ASSOCIATION
107th ANNUAL GENERAL MEETING
HELD AT NEWBURY RACECOURSE, NEWBURY
ON TUESDAY 13th AUGUST 2024
Starting at 10.30am

The 107th Annual General Meeting of the Thoroughbred Breeders' Association (the "**Company**") was convened at 10.30am. Attended by 29 including a panel of 9, comprised of the Chief Executive, Mrs. Claire Sheppard; Board Members Mr. Sam Bullard, Mr. Simon Cox, Mr. James Crowhurst (MRCVS), Mr. Matthew Prior, Mr. Mike Saunders, Miss. Kate Sigsworth (Deputy Chair), Miss. Jessica Westwood; and headed by TBA Chairman Mr. Philip Newton. Apologies had been received from Trustees Mr. Tom Blain, Mr. Colin Bryce, and Mrs. Anita Wigan.

The Chief Executive welcomed everyone to the 107th Annual General Meeting of the Thoroughbred Breeders' Association, announced that a quorum was present and declared the meeting open. Apologies for absence had been received from a number of members and were available on request.

An advance Notice of Meeting had been circulated in line with the Articles of Association and the format for this meeting would follow that agenda order.

The Chief Executive confirmed that there were three vacancies on the TBA Board due to the conclusion of the 4-year Terms of Office of Colin Bryce and Kate Sigsworth and the vacancy following the resignation of Will Kinsey. The Chief Executive and Trustees recorded their thanks to Kate Sigsworth and Colin Bryce, who was sadly unable to attend, for all the work they had undertaken for the Association as elected members during the last four years.

Colin had completed one term of office and will stand down following this AGM, the Trustees recorded their official thanks for his substantial contribution to the work of the TBA over the last four years including as Chair of the Audit Committee, Trustee representative on the Policy and Strategy Committee, and Appointment and Remuneration Committee and for his representation of the TBA on the Bloodstock Industry Forum.

Kate stood for election for a second term and formal announcement of the names of the Members, who have been properly nominated in compliance with the election process would be covered under Item 6 of the agenda.

The Chief Executive explained that following the formal business of the meeting including the Chairman's Address, there would be an opportunity for any questions.

All non-TBA members in the room were reminded that they were not allowed to vote during any agenda items requiring a vote as these were for TBA members only. There were three items on the agenda requiring a vote, agenda items One, Four and Five.

With the consent of all the Members present the Notice convening the meeting was taken as read. Thirty-nine proxy voting forms had been received prior to the meeting with thirty-nine allocated to the Chairman.

1) To approve the Minutes of the last Annual General Meeting held on the 6 October 2023.

The Chief Executive asked for the approval, by way of a show of hands, for the Minutes of the previous Annual General Meeting held on Friday 6 October 2023, copies of which had been circulated in advance of the meeting and had been made available via the TBA website. The motion was carried unanimously, and the minutes of the 2023 AGM were approved.

2) To consider any matters arising from those minutes.

There were no matters arising.

3) To receive, discuss and consider the Report of the Board and Accounts for the year ended 31 December 2023.

Copies of the Report and Accounts had been uploaded to the members area of the TBA website and had also been circulated in advance to those attending the meeting.

The Chief Executive stated that the auditors, Price Bailey had reported a clean audit for the year.

In 2023, the Board's policy was to fully distribute the incoming resources in support of the TBA's objectives. The Association's total income amounted to £2.03 million (up from £1.89 million). After total expenditure of £2.3 million, the TBA had recorded a net deficit of resources of £0.27 million.

The Chief Executive highlighted that in the 2023 AGM address, the TBA had made a clear decision in 2023 to invest in two multi-year veterinary research projects. A further three one-year projects had been started following clearance and validation for industry funding through the Horserace Betting Levy Board veterinary research process (the first funding round since 2020). The reported resource deficit in 2023 was heavily influenced by that decision as the full amount of £278,500 allocated to veterinary research funding was recognised in 2023, due to accounting principles.

The Chief Executive explained that the Sales Levy remains the main source of our income, and the Board wished to record thanks to Tattersalls and Goffs UK for their support in collecting this essential funding and to all the breeders and vendors who support the vital work of the TBA through the sales levy. We would also like to acknowledge the Racing Foundation and Horserace Betting Levy Board for their valuable grant funding support of our charitable activities. Our other main sources of income are Membership fees, and the Foal Levy collected by Weatherbys GSB.

The Chief Executive asked that the Report of the Board and Statement of Accounts for the year ending 31st December 2024 be formally adopted. This was proposed by Miss Kate Sigsworth and seconded by Mr. William de Best Turner.

4) To agree the Subscription rate for 2025

The Chief Executive explained that the subscription rates need to be ratified at each AGM. It was noted that the Full TBA membership numbers were being affected by the challenging headwinds affecting the breeding industry as detailed in the latest TBA Economic Impact Study. There was a continuing decline in the number of breeders and subsequently a decline in our membership numbers, the member numbers had reduced by 12% from last year. Many breeders were retiring from breeding or stopping breeding.

With rising costs to the TBA, the Trustees had reviewed the current subscription rate and proposed a change in the price of the TBA Full membership from 1st January 2025. It was proposed that the TBA Full membership subscription was raised £5 to £175.

This raise reflected the current rate of inflation, and we believe continues to offer fantastic value for money. TBA full members will continue to enjoy an expanded range of membership benefits of real financial value including

- A £200 discount per foal for foal registrations to the Great British Bonus Scheme.
- Free access to the TB-Ed digital learning platform and its bespoke breeding industry courses and resources.

- Free access to the new carbon calculator.
- Free events including the Bloodstock conference and educational workshops/events.
- The TBA had also secured breeders badges to the major race meetings for the next 2 years thanks to the support of the Jockey Club, ARC, Ascot, Goodwood, and York.

A vote by a show of hands was asked for and the motion was carried unanimously, and the changes were approved.

5) To re-elect the Auditors.

The Chief Executive proposed that Price Bailey were re-appointed as the Association's auditors for 2024/2025, at a fee to be agreed by the Board. This action was proposed by Mr. Mike Saunders and seconded by Mr. Sam Bullard. This motion was carried.

The Chief Executive took the opportunity to thank Price Bailey for their work.

6) To announce and confirm the names of the members who had been properly nominated in compliance with the election process and were, therefore, appointed as elected directors.

Mr. Joe Callan and Mrs. Jan Hopper were announced as elected directors of the TBA whilst Miss. Kate Sigsworth was also announced to commence a second term of Office, with their Terms of Office due to formally commence as of the date of this meeting.

The Chief Executive thanked the candidates for standing as Trustees and we look forward to welcoming Joe and Jan to the TBA Board and working with Joe, Jan, and Kate over the next four years.

7) To transact any other business which may be properly transacted at an Annual General Meeting

No formal business items were raised.

The Chief Executive explained that the Board of Trustees had agreed to extend the Term of Office for the TBA Chairman, Philip Newton, from the AGM in 2025 (original date) to the AGM 2027 to ensure he can serve a full four-year term as Chairman of the TBA.

8) To receive any questions on the official element of the meeting.

There had been no questions received in advance of the meeting.

9) To receive the Chairman's Address.

The Chairman thanked all members attending the AGM, which was a formal part of the calendar as a registered charity.

The address was started with moment of reflection, the industry had lost Paul Darling, Chairman of the HBLB, recently. Paul was a fantastic supporter of the TBA and a major driver and influencer in establishing the Great British Bonus, he was a key part of the industry. The loss to British racing is significant. The new appointment would follow a government process alongside working with a new government. It was vital that the relationship between the industry and HBLB was maintained at the highest level during the challenging months ahead for the industry.

The Chairman welcomed Joe Callan and Jan Hopper to the TBA Board of Trustees.

The Chairman expressed his thanks to Colin Bryce, who was stepping down as a Trustee after the AGM,

for his vast contribution in every respect of the TBA.

Philip continued to thank the Board of Trustees who provide great commitment, counsel, and action, and give their time freely to enable the TBA to have a voice in the industry. Final thanks were to the Stanstead House executive team led by Claire, who all continue to deliver day in and day out to provide service and support to all TBA members.

The Chairman voiced that 2023 had been another busy year for the TBA with an increase in responsibilities for representing the breeding industry nationally and internationally. The TBA had full and varied responsibilities to the membership and as one of the three major stakeholders within the racing industry was also responsible for every aspect of the Racing Industry and therefore a major influence in the decision-making process for the industry.

The Thoroughbred Group (TG), headed by Julian Richmond-Watson representing the owners/trainers/jockeys and stable staff who deliver for the industry also represent the breeders supplying the racing product. Through the TG collective decisions for British Racing are made and promoted by the BHA and the industry collectively as the industry continues to face increasing challenges at each and every level.

The TBA had conducted three Economic Impact Studies (at four-yearly intervals) and were fully aware of the challenges facing breeders and the breeding industry. Over the past 12 years, funding had been made available to us to assist in achieving some improvements for both breeders and the breed. An often-repeated discussion area was prizemoney, an increase in prize money could filter through all parts of the industry and assist in the aim to set about rebuilding and constructing a robust and sustainable industry for the future.

Philip re-iterated the importance of evidence-based strategies essential to making a difference despite the ongoing challenges. From the first EIS the TBA had developed a series of intervention schemes to reward breeders and owners that adopt policies and behaviours that deliver and influence positive change and participation for the whole health of the sport.

The future and the gold standard of the British breeding industry is the British Broodmare band which must be given the chance to shine if we are to retain and build upon the fantastic world class broodmares and breeding industry that we have. Sadly, our broodmare band has fallen by one thousand mares in the last two years which has ultimately impacted the subsequent foal crops with an overall drop of 6% drop anticipated this year with a similar prediction in drop of foal numbers in 2025.

To return to incentive and intervention schemes, the first pilot scheme the TBA developed was the Elite Mares Scheme for NH mares rated 130 and above who were being retained by British breeders. The scheme provides a contribution payment against nomination fees for an approved stallion list. The EMS has seen the growth of high-quality NH broodmares rise from 146 11 years ago to 350 this current year. We now have more high-quality NH broodmares than Ireland has.

This encouragement of the development of these fillies and mares led the TBA to establish the MOPS scheme, which rewards breeding and owning winning NH fillies. Increased sales prices for fillies and mares have in turn led to a better case for investment in better new stallions to stand in the UK such as Golden Horn, Logician, Telescope, and Jack Hobbs. The quality of the NH stallions being retained and standing in the UK has strengthened significantly in the last 5-10 years and this is a consequence of the recent investment in the broodmare band.

From MOPS and the Elite Mare Scheme came the genesis of the Great British Bonus, a hybrid scheme for both Flat and NH, it was designed to reward up to £20k for registered British bred fillies. Since the scheme started in June 2020 it has shown that it now pays to breed, buy, race, and retain British bred fillies. With the full support, commitment, and encouragement of the HBLB, over £16million in bonuses

has been distributed to owners, winning connections, and breeders and the TBA and racing and breeding industry are very grateful.

Philip continued to inform attendees that the GBB was expanding to include GBBplus with secured and valuable continued support from HBLB. The aim of GBBplus is to reward breeders and owners that adopt policies and behaviours that deliver and influence positive change and participation for the whole industry. The clear competitive edge achieved by our neighbours in producing young horses through the early introduction of jumping has led to the new initiative GBBplus paying bonuses of £10k/£20k/£30k for NH Flat/Hurdle/Steepchase wins for British bred fillies within the current race programme with further additions by the BHA to the race programme to encourage this.

GBBplus for fully qualified registered Flat fillies will reward fillies that win qualifying races over 8f and above as two-year-olds and win over 10f as a three-year olds, the rewards to winning connections will double to up to £40k. The core GBB scheme will remain the same with the addition of GBBplus as a further incentive. GBBplus has also included four-year olds and Class 2/4 Handicap as well as a number of Listed races.

The scheme is designed to encourage the use of 10f plus stallions with the aim to produce fillies able to run and win over 10f plus, GBB will be promoting, marketing and communicating all the 10f plus horses in the sales this year and in the future with the aim to encourage the production of the stamina aspect of the breed. 190 fillies by 10f and above stallions were offered at public auction last year and therefore there is an opportunity for the smart thinking owner-breeders and commercial breeders to reconsider their mating plans and invest in stock with a less populated pool.

The Chairman highlighted that another major area of vital importance for the industry was Equine Welfare and that we, as an industry, must provide for all and any horse that become vulnerable in anyway. The industry had the foundations of a structure with RoR to deliver the care, with the Horse Welfare Board to set the strategies and police delivery of the care required. Philip acknowledged that Kate Sigsworth, deputy chair, had taken on this responsibility and was close to a proposal, to support the aftercare aspect, with significant industry stakeholder support (owners, breeders, racecourses, sales houses, and jockeys). It was anticipated that announcements would be made before the end of 2024.

Environmental Sustainability was another area of significant importance on the TBA agenda, with increasing amounts of education and information circulated from TBA resources in this sector. With the support of ADAS and the Racing Foundation, the TBA Carbon Calculator was developed, the first tool for owners, breeders, and stud farms to allow them to measure their carbon footprint and understand where changes could be made in the running of their stud farms.

Attracting new employee and people to the industry was key to the delivery and sustainability of the industry, the TBA are supporting with education and training options to ensure new entrants are able to navigate the legislation and requirements of the modern world of employment.

The Chairman voiced that whilst the TBA has an ever-expanding agenda and responsibilities, we must not forget the metrics of the horseracing world and the potential for crisis if a transformational funding model cannot be established to secure the future of the horse-racing industry.

Falling betting turnover, falling racecourse attendances, a high-cost product for the betting industry (compared to football or golf), an ageing demographic (55 plus) of bettors and a structure and funding model that has existed since 1962 were all contributing to a challenging time within the racing and breeding industry. Philip continued to say that he was part of an all industry working group who were exploring the opportunities of different audiences and different markets that might provide sustainable options for our racing product. A report was anticipated before the end of 2024.

World Pool betting generated around £20million for prize money therefore we know that there is appetite for the racing product worldwide and we need to understand and explore how big that appetite is and how opportunities could be delivered. There could be an international circuit of high-quality flat racing around the world, and we need to be a part of that vision and reality. There were markets such as Hong Kong, Macau and Singapore that could be further explored. It will be a very narrow band of races, approximately thirty-four fixtures, all flat races but there has to be a cooperative distribution model that provides for everything in the industry. The core racing underneath will be the development racing whilst there will be support for National Hunt racing to ensure it remains its premier place and its competitive edge.

The use of AI (Artificial Intelligence) is transforming the value of sports platforms. Football, tennis and golf are all developments of that. Repackaging racing to provide an attractive proposition may give the industry the same opportunities as these other sports and it is vital that these opportunities are delivered in order to sustain the racing and breeding industries.

By doing so we will solve many problems we see ahead of us, better financial returns for breeders, an industry that can attract investment at all levels and career progression and pathway for new entrants. Project Pace will ensure that we take every opportunity available to the racing and breeding industry. It is absolutely vital that we deliver it, to ensure the legacy we have been given we can hand on in a better shape than we were given it.

10) Questions from the floor

The meeting was opened for general questions.

- a) When Philip Newton was saying about GBB plus, this will help and encourage with the sales of middle-distance horses. Is there work going on to help get these horses into the sales? How do we increase sales opportunities for the lessor horses that end up on the second day of Book 3?
Doug Proctor

Philip Newton responded "I think that you will find that exponentially the value of middle-distance fillies will grow significantly this year. GBB itself has made a significant difference to the value of fillies. The first scheme was designed to put a floor under British bred fillies. It has achieved that, there was a differential in values of colts and fillies when we first started in June 2020 of 33%, the difference has been halved to 16%. I can only think that with only 85-90 fillies qualified, the smart thinking owners, smart thinking trainers, and smart thinking breeders will jump on to this, if you win a nursery with a 10f horse over 8f or a novice or a maiden and you win a £40k bonus. It is game changing".

Matt Prior added "We want to maximize the value, if there is a value to those horses we will naturally place them in an appropriate place in the catalogue to help them to achieve that value, it is in the interest of the vendor and us naturally and that has always been the policy. As you say the resale value or value on the racecourse increases the demand, this increases the value of the horse and that is in our interest".

- b) On the funding of GBB plus, I understand there is Levy Board funding. Will there be requirements for breeders to contribute further to the scheme?
Chris Richardson

Philip Newton advised "There was no planned additional breeder's contributions however we have to review the scheme annually. Where we see we are creating value and where the Levy Board sees we are creating value they insist on self-help within the industry so it is not

inconceivable that at some stage we will look at registration fees and see that it would be fairer to make a different contribution”.

- c) Just thinking about other sports such as F1 (Formula 1) in particular which is funded by attendance and global viewership, the racing industry is heavily reliant on betting and gambling. Will we ever reach the stage where racing would look beyond gambling for funding and inspiration?

Naomi Mellor

Philip Newton responded “I think it is a good point in principle the problem is that internationally the whole of the racing world is funded on betting turnover in one form or another. We are the only country in the world that has a privately funded industry and all of the other industries in one form, or another are publicly funded.

I think we have some difficulties in selling our sport. I think that until it is absolutely clear as far as the general public is concerned that we have got welfare under control, welfare will always be an anchor. Where the public are really engaging with Formula 1 is that they have turned themselves inside out to go green and they are doing that and there are lessons that we need to learn from that.

As far as the immediate future is concerned, we see a significant audience in the far and the middle east and that is what we have to be directed at. I think that if we looked for other avenues, we would be diverted to an alternative purpose and we need to bring the big prize up. I totally agree with you that that as soon as we have got the fundamentals in place that we then need to start to look at how we can further underpin the industry by introducing other sources of funding”.

- d) In recent weeks there have been issues with a considerable number of jumpers not getting a run due to large number of entries especially in novice and maiden hurdles.

Professor Lorna Hardwick

Simon Cox (Chair of the NH Committee) responded “It’s a very valid and live issue. We do try to work with the race programmers and you will have seen improvements in the mares chasing programme, the introduction of the Junior Hurdles programme to encourage horses to progress to jumping earlier and we are still pushing on that. In an environment when the industry is concerned about declining field sizes, there appears to be one area that is perpetually oversubscribed, novice hurdles. Simon pointed out that he had also had horses unable to have a run due to field sizes. We need to do more on balancing the race programme including novice hurdle races across the year. There is more to be done and we have a good relationship with the BHA race planners. Stuart Middleton sits on the TBA NH Committee, and the issue will be discussed specifically at the next NH Committee meeting on the 5 September as an agenda item.

There were no further questions raised from the floor.

The Chief Executive thanked Newbury racecourse and their team for hosting the meeting for the TBA and all the TBA Executive team that have done a fantastic job in organising the event. Thanks were given to all the Trustees who voluntarily give up their time and work incredibly hard, day in and day out, on behalf of all the members and the industry. Claire and the team at Stanstead House were very grateful to all the Trustees for all their support. A number of challenges for the future and year ahead had already been outlined during the meeting.

Final thanks were to all attendees for attending the morning and for the continued support for everything that the TBA does. A number of attendees were also involved on Standing Committees of the TBA and their time and work is greatly appreciated.

The Chief Executive closed the meeting at 11.15am and the 107th AGM was concluded.