

IN THE HIGH COURT OF JUSTICE
THE BUSINESS AND PROPERTY
COURTS OF ENGLAND AND WALES
BUSINESS LIST (ChD)

Case No. BL-2023-000713

BETWEEN:

JOCKEY CLUB RACECOURSES LIMITED

Claimant/Applicant

and

- (1) MR DANIEL FRANK PETER KIDBY
- (2) PERSONS UNKNOWN ENTERING THE AREA DESCRIBED BELOW AS THE "RACE TRACK" ON THE DAY OF A "RACING FIXTURE", EXCEPT AT "CROSSING POINTS" WITH "AUTHORISATION", AS DESCRIBED BELOW
- (3) PERSONS UNKNOWN ENTERING AND/OR REMAINING ON ANY "CROSSING POINTS" WITHOUT "AUTHORISATION" ON THE DAY OF A "RACING FIXTURE", AS DESCRIBED BELOW
- (4) PERSONS UNKNOWN ENTERING THE AREA DESCRIBED BELOW AS THE "PARADE RING" WITHOUT "AUTHORISATION" ON THE DAY OF A "RACING FIXTURE", AS DESCRIBED BELOW
- (5) PERSONS UNKNOWN ENTERING AND/OR REMAINING ON ANY PART OF THE AREAS DESCRIBED BELOW AS THE "HORSES' ROUTE TO THE PARADE RING" AND/OR THE "HORSES' ROUTE TO THE RACE TRACK" WITHOUT "AUTHORISATION" ON THE DAY OF A "RACING FIXTURE", AS DESCRIBED BELOW
- (6) PERSONS UNKNOWN INTENTIONALLY OBSTRUCTING THE "HORSE RACES", AS DESCRIBED BELOW
- (7) PERSONS UNKNOWN INTENTIONALLY CAUSING ANY OBJECT TO ENTER ONTO AND/OR REMAIN ON THE "RACE TRACK" WITHOUT "AUTHORISATION" ON THE DAY OF A "RACING FIXTURE", AS DESCRIBED BELOW
- (8) PERSONS UNKNOWN INTENTIONALLY ENDANGERING ANY PERSON AT THE LOCATION DESCRIBED BELOW AS THE "EPSOM RACECOURSE" ON THE DAY OF A "RACING FIXTURE", AS DESCRIBED BELOW
- (9) MR BEN NEWMAN

Defendants/Respondents

SKELETON ARGUMENT OF THE CLAIMANT
For a Disposal Hearing listed in a two-day window on
8 and 10 July 2024

References in the format [HB/Tab/Page] are to the Hearing Bundle filed by the Claimant. References in the format [AB/Tab/Page] are to the Claimant's Authorities Bundle.

Suggested pre-reading (with a time estimate of approximately 2 hours):

- (1) *The Claimant's Skeleton Argument and attached Draft Order*;
- (2) *Jockey Club Racecourses Limited v Kidby and Others* [2023] EWHC 1811 (Ch) ("**the Interim Injunction Judgment**") [AB/1/3];
- (3) *The Order of Sir Anthony Mann dated 26 May 2023* ("**the Interim Injunction Order**") [HB/17/1044];
- (4) *Jockey Club Racecourses Limited v Kidby and Others* [2023] EWHC 2643 (Ch) ("**the Committal Judgment**") [AB/2/15];
- (5) *The Order of Mr Justice Miles dated 13 October 2023* ("**the Committal Order**") [HB/18/1060];
- (6) *(The headnote of) Wolverhampton City Council v London Gypsies and Travellers* [2023] UKSC 47; [2024] 2 W.L.R. 45 [AB/6/100];
- (7) *Valero Energy Ltd v Persons Unknown* [2024] EWHC 134 (KB), [2024] All ER (D) 23 (Feb) [AB/5/62];
- (8) *The first and second witness statements, and affidavit of Mr Nevin Truesdale* [HB/4.5/249] [HB/15/531] [HB/1/4], and the YouTube video cited at §14 of *Truesdale 2* (<https://www.youtube.com/watch?v=ymF75WocNUs>); and
- (9) *The Claimant's Application to rely on further evidence dated 1 July 2024* [HB/9/516].

A. INTRODUCTION

1. This is the Claimant's Skeleton Argument for a Disposal Hearing listed in a two-day window on 8 and 10 July 2024. The Claimant seeks a final *quia timet* injunction to restrain acts of trespass on land of which it is the freehold owner, and interference with its statutory right to hold horseraces at the Epsom Racecourse.¹ The final injunction is sought against the Second to Eighth Persons Unknown Defendants, for a period of five years, subject to

¹ Pursuant to the Epsom and Walton Downs Regulation Act 1984 Act, and in accordance with the 2013 Byelaws made by The Epsom & Walton Downs Conservators.

annual review.

2. The terms of the injunction sought are set out in the draft Order, enclosed with this Skeleton Argument. A set of aerial photographs identifying the areas of the Epsom Racecourse the Claimant seeks to protect (“**the Plan**”) is included in the Hearing Bundle [**HB/4.3/238**].
3. By an application filed on 1 July 2024, the Claimant also seeks permission, pursuant to CPR 8.6(1)(b), to rely on further written evidence, as set out in the second witness statement of Mr Julian Diaz-Rainey of Pinsent Masons LLP, solicitors for the Claimant (“**the Evidence Application**”). That evidence addresses matters which have taken place since the Claimant’s prior written evidence was filed on 5 April 2024, and is brought to the Court’s attention pursuant to the Claimant’s duty of full of frank disclosure (discussed further below).
4. The structure of this Skeleton Argument is as follows:
 - (1) Section B provides the factual and procedural background;
 - (2) Section C sets out the legal principles relevant to ‘newcomer’ injunctions;
 - (3) Section D sets out the Claimant’s interest in the land in question, and statutory rights in respect thereof, as well as the public’s limited rights of access over the Epsom Downs;
 - (4) Section E addresses the Claimant’s application to rely on further evidence;
 - (5) Section F sets out why, in the Claimant’s submission, the substantive requirements for the grant of a final injunction to restrain persons unknown are met in this case; and

(6) Section G sets out why, in the Claimant's submission the relevant procedural requirements are also met in this case.

B. FACTUAL AND PROCEDURAL BACKGROUND

5. The Claimant is the largest commercial horseracing organisation in the UK. It is the freehold owner of the Epsom Downs, and of the Epsom Racecourse (marked with a red line on the Plan) [HB/4.3/238] (Truesdale 1, §§7-8, 18) [HB/4.5/249].
6. The Claimant's racecourses have in recent years been the target of acts of trespass and other unlawful behaviour carried out by protesters seeking to disrupt the running of its races in the purported pursuit of animal rights. Following serious disruption at the Grand National in April 2023 [HB/4.5/292], and widespread publication of protesters' plans similarly to target the Epsom Derby in June 2023 [HB/4.5/265], the Claimant issued Part 8 proceedings and applied for an interim injunction on 22 May 2023, seeking to restrain such acts (the "**Interim Injunction Application**").
7. The Claim and the Interim Injunction Application were brought initially against the co-founder of the group Animal Rising ("**AR**"), Mr Kidby (the First Defendant). The Claim and Application were also initially brought against seven 'Persons Unknown' Defendants, described by way of the various apprehended acts (the Second to Eighth Defendants).
8. Sir Anthony Mann granted the Interim Injunction on 26 May 2023. He concluded that there was "*very serious risk of the trespasses and other wrongs*", and that the Injunction would "*prevent disruption of the races and the danger to life and limb*" (the Interim Injunction Judgment, §43) [AB/1/3]. The Interim Injunction Order [HB/17/1044] provided (by reference to the defined terms

set out therein) that until judgment or further order, on the day of any Racing Fixture at the Epsom Racecourse, the Defendants must not:

- (1) Enter the Race Track, except at authorised Crossing Points;
 - (2) Enter and/or remain on any Crossing Points without Authorisation;
 - (3) Enter the Parade Ring without Authorisation;
 - (4) Enter and/or remain on any part of the Horses' Route to the Parade Ring, without Authorisation;
 - (5) Enter and/or remain on any part of the Horses' Route to the Race Track, without Authorisation;
 - (6) Intentionally obstruct the Horse Races;
 - (7) Intentionally cause any object to enter onto and/or remain on the Race Track without Authorisation;
 - (8) Intentionally endanger any person at the Epsom Racecourse.
9. The Interim Injunction Order was widely publicised by the Claimant and in the media [**HB/1/125-139, 146-160**]. In an interview on BBC Radio Surrey on 2 June 2023, Mr Newman, an individual apparently affiliated with AR, stated that he was aware of the injunction, which he intended to breach (Truesdale Affidavit, §42) [**HB/1/4, 183**].
10. True to his word, Mr Newman knowingly breached the injunction on 3 June 2023, by taking the highly irresponsible, dangerous (and contumelious) step of running onto the racetrack at the Epsom Racecourse during the running of the Epsom Derby. Fortunately, Mr Newman was quickly apprehended by stewards and police officers, who later expressed that they had feared

for their own safety, and/or that of all those involved, due to the high-risk situation the Mr Newman had created (Truesdale 2, §33) [HB/15/531].

11. By his actions, Mr Newman fell within the definitions of the Second and Sixth Persons Unknown Defendants, and thereby became a Defendant to the Claim, as recorded in the Committal Judgment of Miles J (§§8, 12) [AB/2/15].²
12. Miles J held that Mr Newman’s breaches were sufficiently serious that only a custodial sentence would be appropriate (§30; p. 2 of the Committal Order). Mr Newman was thereby sentenced to two months imprisonment, suspended until 11 April 2025 on the conditions that (i) he does not enter and is not present on any racetrack owned by the Claimant save with the Claimant’s permission, and (ii) does not intentionally obstruct any horse race organised by the Claimant.
13. On 15 March 2024, Mr Justice Roth ordered that a disposal hearing be listed before a High Court judge (§7) [HB/19/1065]. Roth J further ordered that his Order of that date, together with any further Order in these proceedings, the Claimants’ further evidence and Amended Claim Form, be served on the Persons Unknown Defendants by alternative service, pursuant to CPR 6.15 and 6.27 (§6).³ He ordered that alternative service should be effected by the Claimant (i) posting digital copies on its website and Facebook page, (ii)

² A person who carries out an act which brings him/her within the scope of the definition of a defendant to the proceedings, automatically makes himself/herself a party to the proceedings; it is not necessary thereafter to join the individual as a defendant (*South Cambridgeshire District Council v Gammell and Others* [2006] 1 WLR 658 at §32 per Sir Anthony Clarke MR: “**the Gammell Principle**”). See further *Wolverhampton City Council v London Gypsies and Travellers* [2024] 2 W.L.R. 45, at §128: “... [W]e have no reason to doubt the efficacy of the concept of self-identification as a defendant as a means of dealing with disobedience by a newcomer with an injunction, the propriety of which is not itself under challenge (as it was not in *Gammell*)...”.

³ CPR 6.27 provides (by reference to CPR 6.15) that the court may make an order permitting service of any document in the proceedings by an alternative method or at an alternative place, where there is “good reason” to do so (and may order that alternative steps already taken amount to good service). Whether there is “good reason” is a matter of fact; there need not be exceptional circumstances (*Abela v Baadarani* [2013] 1 WLR 2043, §§33-35; c.f. CPR 6.16). The essential requirement is that the means used “should be such as can reasonably be expected to bring the proceedings to the attention of the defendant” (*Cameron v Liverpool Victoria Insurance Co Ltd* [2019] 1 WLR 1471, §21 per Lord Sumption).

affixing sealed copies in transparent containers in at least two conspicuous locations at public entrances to the Epsom Racecourse, and (iii) providing digital copies to AR (“**the Sanctioned Alternative Service Methods**”).

14. On 15 March 2024, in accordance with §1 of the Order of Roth J, the Claimant filed and served an Amended Claim Form [HB/8/509].
15. On 5 April 2024, in accordance with §4 of the Order of Roth J, the Claimant filed and served further evidence.
16. On 22 April 2024, it was ordered by consent that the Claim be stayed as against the First and Ninth (named) Defendants. This was agreed on the basis that the First and Ninth Defendants gave undertakings to the Court that they would not carry out the acts set out in the Interim Injunction Order for a period of five years, in exchange for the Claimant agreeing not to pursue costs against them [HB/20/1067].
17. Accordingly, the Claimant now seeks a final injunction only against the Second to Eighth (Persons Unknown) Defendants.
18. On 1 July 2024, the Claimant filed the Evidence Application, which is addressed below.

C. **LEGAL BACKGROUND: NEWCOMER INJUNCTIONS**

19. In its recent decision in *Wolverhampton City Council v London Gypsies and Travellers* [2023] UKSC 47; [2024] 2 W.L.R. 45 (“*Wolverhampton*”) [AB/6/100], the Supreme Court made clear that the courts have jurisdiction under s. 37 of the Senior Courts Act 1981 to grant final (and interim) injunctions against “*newcomers*”, i.e. persons unknown who are unidentifiable at the time of the application (§§186, 237).

20. As the Court will be aware, s. 37 of the Senior Courts Act 1981 provides that it may grant an injunction where it is “*just and convenient to do so.*” This generally requires that the claimant has an interest which merits protection, and a legal or equitable principle which justifies protecting that interest by ordering the defendant not to do something (*Re G (Court of Protection: Injunction)* [2022] EWCA Civ 1312; [2023] Fam 107; [2022] 3 WLR 1339, §55).⁴
21. Considering in detail the origin and application of newcomer injunctions, the Supreme Court held that these were a “*whole new type of injunction with no very closely related ancestor from which it might be described as evolutionary offspring, although analogies can be drawn*” (§144). The Supreme Court further set out the “*distinguishing features of an injunction against newcomers*” (at §143)

“(i) *They are made against persons who are truly unknowable at the time of the grant, rather than [...] identifiable persons whose names are not known. They therefore apply potentially to anyone in the world.*

“(ii) *They are always made, as against newcomers, on a without notice basis [...]. However, [...] informal notice of the application for such an injunction may nevertheless be given by advertisement.*

“(iii) *In the context of Travellers and Gypsies they are made in cases where the persons restrained are unlikely to have any right or liberty to do that which is prohibited by the order, save perhaps Convention rights to be weighed in a proportionality balance. The conduct restrained is typically either a plain trespass or a plain breach of planning control, or both.*

“(iv) *Accordingly, although there are exceptions, these injunctions are generally made in proceedings where there is unlikely to be a real dispute to be resolved, or triable issue of fact or law about the claimant's entitlement, even though the injunction sought is of course always discretionary. They and the proceedings in which they are made are generally more a form of enforcement of undisputed rights than a form of dispute resolution.*

“(v) *Even in cases where there might in theory be such a dispute, or a real prospect that article 8 rights might prevail, the newcomers would in practice be unlikely to engage with the proceedings as active defendants, even if joined. This is not merely or even mainly because they are newcomers who may by complying with the injunction remain unidentified. Even if identified and joined as*

⁴ Baker LJ, giving the judgment of the Court of Appeal and considering the judgment of Lord Leggatt in *Convoy Collateral Ltd v Broad Idea International Ltd* [2021] UKPC 24; [2023] AC 389 (“*Broad Idea*”).

defendants, experience has shown that they generally decline to take any active part in the proceedings, whether because of lack of means, lack of pro bono representation, lack of a wish to undertake costs risk, lack of a perceived defence or simply because their wish to camp on any particular site is so short term that it makes more sense to move on than to go to court about continued camping at any particular site or locality.

...

(vii) For all those reasons the injunction (even when interim in form) is sought for its medium to long term effect even if time-limited, rather than as a means of holding the ring in an emergency, ahead of some later trial process, or even a renewed interim application on notice (and following service) in which any defendant is expected to be identified, let alone turn up and contest.

(viii) Nor is the injunction designed (like a freezing injunction, search order, Norwich Pharmacal or Bankers Trust order or even an anti-suit injunction) to protect from interference or abuse, or to enhance, some related process of the court. Its purpose, and no doubt the reason for its recent popularity, is simply to provide a more effective, possibly the only effective, means of vindication or protection of relevant rights than any other sanction currently available to the claimant local authorities."

22. The Supreme Court was dealing in that case with injunctions brought by local authorities against encampments of Gypsy and Traveller communities, and stated that nothing stated in the judgment should be taken as "*prescriptive*" in relation to newcomer injunctions in protest cases (§235). However, much of what is said in *Wolverhampton* applies to the present case too and the principles set out in *Wolverhampton* have since been cited in recent protest cases, in particular, *Valero Energy Ltd v Persons Unknown* [2024] EWHC 134 (KB), [2024] All ER (D) 23 (Feb) ("*Valero*") [AB/5/62], in which a final injunction was granted on an application for summary judgment (see also *High Speed Two (HS2) Ltd v Persons Unknown* [2024] EWHC 1277 (KB), [2024] All ER (D) 11 (Jun) ("*HS2*") [AB/3/26] and *Exolum Pipeline Systems Ltd v Persons Unknown* [2024] EWHC 1015 (KB) ("*Exolum*") [AB/4/55], in which interim injunctions against persons unknown were extended upon review).
23. Prior to *Wolverhampton*, the Court of Appeal had provided guidance on the substantive and procedural requirements for interim injunctions against

persons unknown in protest cases in *Canada Goose v Persons Unknown* [2021] WLR 2802 (“*Canada Goose*”) at §82 [AB/8/223]. The Supreme Court in *Wolverhampton* overruled the Court of Appeal’s finding in *Canada Goose* that final injunctions could not be granted in protester cases against persons unknown who were not parties at the date of the final order (see in particular, *Wolverhampton*, §§134, 143, 144, 167; and *HS2*, §34). Notwithstanding this, the substantive and procedural requirements set out by the Court of Appeal in *Canada Goose* in relation to interim injunctions remain good law and should be taken into account alongside the principles set out in *Wolverhampton*, including in respect of final injunctions (see *Valero* at §§55-57).

24. The requirements set out in *Wolverhampton* and *Canada Goose* were summarised by Ritchie J in *Valero* at §58.⁵ A summary of those requirements, modelled on Ritchie J’s summary, is provided below, together with further principles relevant to their application in the present case. Ritchie J’s summary related in particular to applications for a final injunction upon summary judgment, and has, accordingly, been adapted for present purposes.⁶

i. Substantive requirements

25. **Cause of action:** There must be a civil cause of action identified in the claim form (*Valero*, §58(1)). Fear of trespass is one of most common causes of action underlying *quia timet* injunctions (*ibid.*). Moreover, “*In law a*

⁵ Ritchie J cited his own summary in his further judgment in *HS2* at §30, in respect of the renewal of an interim injunction.

⁶ Thus, the section below does not address the substantive requirements identified by Ritchie J at §58(3) and (4), namely that there must be “*sufficient and detailed evidence before the Court on the summary judgment application*” to justify the Court finding that no trial is needed to determine the issue, and that there is “*no realistic defence*”. In this case, it is submitted, the Claimant “*must satisfy the court by detailed evidence that there is a compelling justification for the order sought*” (*Wolverhampton*, §188; *Valero*, §58(5)), where the Claimant is obliged to draw to the Court’s attention all facts, matters and arguments, with reasonable research and diligence, which are relevant to the Court’s decision (*Wolverhampton*, §218; *Valero*, §58(2)).

landowner whose title is not disputed is prima facie entitled to an injunction to restrain a threatened or apprehended trespass on his land: see Snell's Equity (34th ed) at para 18-012" (Valero, §54).⁷

26. **Full and frank disclosure by the Claimant:** The Claimants must make full disclosure to the Court not just of all the facts and matters upon which it relies but also, full disclosure of all facts, matters and arguments of which, *"after reasonable research, it is aware or could with reasonable diligence ascertain and which might affect the decision of the court whether to grant, maintain or discharge the order in issue, or the terms of the order it is prepared to make or maintain"* (Wolverhampton, §219). This is a continuing obligation, which must be fulfilled having regard to the one-sided nature of the application and the substance of the relief sought (ibid; see also Valero, §58(2)).
27. **Compelling justification for the injunction:** The *"overarching principle that must guide the court at all stages of its consideration"* is that the Claimant must satisfy the Court by detailed evidence that there is a *"compelling justification for the order sought"* (Wolverhampton, §188; see also Valero, §58(5)).
28. In applications for *quia timet* injunctions, the Claimant must establish that there is an imminent and real risk (Wolverhampton, §218; Canada Goose, §82(3); Valero, §54). The Court may consider that there is a compelling justification for the injunction even where there is *"a small risk of future disruption"* but *"the consequences of the risk materialising are serious"* (Exolum, §§20, 24; see also Valero, §67).
29. Importantly, when assessing the risk present on an application for a final injunction, the Court may consider the effect of any interim injunction already in place, and the risk which may re-emerge if the interim injunction

⁷ As the Court will be aware, trespass to land consists of "any unjustifiable intrusion by one person upon land in the possession of another", which is "actionable without proof of damage" (Clerk & Lindsell on Torts (23rd Ed.) §§18-01, 18-08. One who has a right of entry upon another's land and acts in excess of that right, also commits trespass (*Cambridge City Council v Traditional Cambridge Tours Ltd* [2018] LLR 458).

were to lapse. In *Valero*, for example, Ritchie J held at §64: “I find that the reduction or abolition of direct tortious activity against the Claimants' 8 Sites was probably a consequence of the interim injunctions which were restraining the [persons unknown] connected with the 4 [protest organisations] and that it is probable that without the injunctions direct tortious activity would quickly have recommenced and in future would quickly recommence.”

30. Where appropriate on the facts, the Claimant must also establish that it has exhausted all reasonable alternatives to the grant of an injunction, and taken appropriate steps to control or even prohibit the unwanted activity using other measures and powers at its disposal (*Wolverhampton*, §189).⁸
31. Furthermore, the injunction must be necessary and proportionate to the need to protect the Claimants' right. This requires the Court to take into account the balancing exercise as between the parties' respective Convention rights, in accordance with the Supreme Court's guidance in *DPP v Ziegler* [2022] A.C. 408 (“*Ziegler*”) [AB/7/170] (*Valero*, §58(6); see also *Wolverhampton*, §§143(iii), 223; *Canada Goose*, §82(5)).
32. As regards that balancing exercise, the right to engage in public protest is of course protected by the rights to freedom of expression and peaceful assembly under Arts. 10 and 11 ECHR, but such rights are qualified under Arts. 10(2) and 11(2). Those rights may be subject to proportionate restrictions “as are prescribed by law and are necessary in a democratic society, in the interests of ... public safety, for the prevention of disorder or crime, ... for the protection of the reputation or rights of others.” The right to property is also, of course, protected under the ECHR, by Article 1 of the First Protocol (“**A1P1**”). As set out in *Cuciurean v Secretary of State for Transport* [2021] EWCA 357 (“*Cuciurean*”) at §9(2), cited in *Valero* at §65:

⁸ Thus the Supreme Court considered, that in Gypsy and Traveller cases, the local authority must also establish that it has complied with its obligations properly to consider and provide lawful stopping places for Gypsies and Travellers (§189).

“In a democratic society, the protection of property rights is a legitimate aim, which may justify interference with the rights guaranteed by Article 10 and 11. Trespass is an interference with A1P1 rights, which in turn requires justification. In a democratic society, Articles 10 and 11 cannot normally justify a person in trespassing on land of which another has the right to possession, just because the defendant wishes to do so for the purposes of protest against government policy. Interference by trespass will rarely be a necessary and proportionate way of pursuing the right to make such a protest” (emphasis added).

33. In *Ziegler*, by reference to the decision of the European Court of Human Rights (“ECtHR”) in *Kudrevicius v Lithuania* (2016) 62 E.H.R.R. 34, the Supreme Court held that protest action which is intended seriously to disrupt the activities of others “*is not at the core*” of the freedom of peaceful assembly under Art. 11 ECHR (§67). Considering the same decision in *Cuadrilla Bowland Limited & Ors v Persons Unknown* [2020] EWCA Civ 9; [2020] 4 WLR 29, the Court of Appeal noted that there is an important distinction “*between protests which cause disruption as an inevitable side-effect and protests which are deliberately intended to cause disruption, for example by impeding activities of which the protesters disapprove*”, where restrictions in respect of the latter “*may much more readily be justified*” (§§42-44).
34. The balancing exercise as between the respective Convention rights requires an “*open-textured*” examination of factors relevant to the particular circumstances (*Ziegler*, §§67-71), which may include (but is not limited to): “*the extent to which the continuation of the protest would breach domestic law, the importance of the precise location to the protesters, the duration of the protest, the degree to which the protesters occupy the land, and the extent of the actual interference the protest causes to the rights of others, including the property rights of the owners of the land, and the rights of any members of the public*” (*Ziegler*, §§17, 72, citing the Court of Appeal in *City of London Corpn v Samede* [2012] PTSR 1624 (“*City of London Corpn*”) at §39). Other relevant factors may include whether the views giving rise to the protest relate to important issues, which

many would consider of considerable breadth, depth and relevance and whether the protesters believed in them (*Ziegler*, §72).

35. **Damages not an adequate remedy**: For the Court to grant a final injunction against persons unknown, the Claimant must show that damages would not be an adequate remedy (*Valero*, §58(7)).

ii. **Procedural requirements**

36. **Clear identification of the persons unknown**: If defendants are known and have been identified they must be joined as individual defendants to the proceedings (*Canada Goose*, §82(1)). If the persons the Claimants seek to injunct are newcomers, which cannot be identified by name, they should, so far as possible be identified by reference to the conduct (and, if necessary, relevant intentions) which would amount to a breach (*Wolverhampton*, §221; *Canada Goose*, §82(1), (2) and (4); *Valero*, §58(8)).
37. **Clear, non-technical injunction terms**: The injunction must spell out clearly and “*in everyday terms*” (i.e. not in terms of a legal cause of action) the acts it prohibits, to enable persons affected to know what they must not do (*Wolverhampton*, §§222-224; *Canada Goose*, §82(6); *Valero*, §58(9)). Moreover, the order should extend no further than the minimum necessary to achieve the purpose for which it was granted (*Wolverhampton*, §222).
38. **The prohibitions must match the claim**: The terms of the injunction must correspond to the causes of action set out in the Claim Form (*Wolverhampton*, §222; *Canada Goose*, §82(5); *Valero* §58(10)). These may include lawful conduct if, and only to the extent that, there is no other proportionate means of protecting the Claimant's rights (*Canada Goose*, §82(5)).
39. **Geographic boundaries**: The territorial scope of the injunction must be clearly defined (*Wolverhampton*, §225; *Canada Goose*, §82(7); *Valero* §58(11)).

40. **Temporal limits**: The duration of a final injunction should be only such as is reasonably necessary to protect the Claimant’s legal rights in light of the evidence of past tortious activity and the future feared tortious activity (*Wolverhampton*, §225; *Canada Goose*, §82(7); *Valero*, §58(12)).
41. By way of example, in *Valero*, a five-year injunction was granted (subject to annual review). Ritchie J considered that in the circumstances of that case, it would not be reasonable to put the Claimants to the further expense of re-issuing a further injunction within a shorter period of time (§75).
42. **Service**: The proceedings, evidence, applications and orders must be served on persons unknown by alternative means (pursuant to CPR 6.15 and 6.27), which have been considered and sanctioned by the Court (*Wolverhampton*, §§226-230; *Canada Goose*, §82(7); *Valero*, §58(13)). When the relief sought may affect Convention rights, the Claimant must demonstrate that it has taken all practical steps to notify the Defendants, in accordance with s. 12 of the Human Rights Act 1998 (“**HRA 1998**”) [**AB/12/282**] (*Valero*, §58(13))⁹.
43. **The right to set aside or vary**: Orders (whether interim or final) must include “*generous liberty to any person affected by its terms to apply to vary or discharge the whole or any part of the order*” (*Wolverhampton*, §232; see also *Valero*, §58(14)).
44. **Review**: Provision must be made for the review of final injunctions, the regularity of which depends on all the circumstances (*Wolverhampton*, §225; *Valero*, §58(15)).
45. **Undertakings**: Undertakings may be relevant to the grant of final injunctions depending on all the circumstances of the case (*Valero*, §59). The

⁹ In both *Wolverhampton* (§227) and *Canada Goose* (§50), appropriate methods were considered to include posting the documents on social media and fixing them at the relevant premises.

Supreme Court in *Wolverhampton* (at §234) cited *Birmingham City Council v Afsar* [2019] EWHC 1619 (QB), a protest case in which the judge noted (in respect of an interim injunction) that it was the norm for undertakings to be given in cases in which Art. 10 ECHR rights are affected [AB/10/270].

D. THE EPSOM RACECOURSE: THE CLAIMANT'S INTERESTS IN THE LAND AND STATUTORY RIGHTS

46. As noted above, the Claimant is the freeholder owner of the land over which it seeks the final injunction. Members of the public are granted limited rights of access over the Epsom Downs under the Epsom and Walton Downs Regulation Act 1984 (“the Act”) [AB/13/283], and in accordance with the Byelaws made by The Epsom & Walton Downs Conservators in 2013 (“the Byelaws”) [AB/11/274].¹⁰
47. Section 4 of the Act grants the public the “*right of access for air and exercise on foot over the Downs*”. It clearly states, however, that “*nothing in this section shall authorise any interference with ... any ... rights conferred upon the Company ... by this Act.*”
48. The Claimant is “*The Company*” under the Act, as defined under s. 2(1), by virtue of being “*the reversioner*” of the lease previously held by United Racecourses Limited over the land in question (see also recital (2) to the Act). As The Company under the Act, the Claimant holds the statutory right to hold and conduct horse races at “*Authorised Meetings*” on the Epsom Downs on up to 16 days in a year (referred to as “**Racing Fixtures**”: s. 14).

¹⁰ The Conservators were incorporated under the Epsom and Walton Downs Regulation Act 1936 with powers to regulate, preserve and control the Epsom and Walton Downs. The 1936 Act was repealed but the Conservators’ powers retained. The Applicant is a Conservator, holding 3 of 10 places (Truesdale 1, §19) [HB/4.5/249].

49. Section 17 of the Act provides that the Claimant may hold Racing Fixtures “notwithstanding anything contained in this Act or in any byelaws made under this Act”. Pursuant to s. 17, the Claimant may:

(1) On the day of a Racing Fixture, control access over the Downs to a broad area of land encompassing the Epsom Racecourse (“**the Relevant Area**”)¹¹, and to the paddock, more commonly known as the “**Parade Ring**” (s. 17(3));

(2) On all days, exclude members of the public from walking on the Relevant Area except on at least seven crossing places, and on the day of a Racing Fixture, also exclude members of the public from these crossing places (save that in the three days prior to a Racing Fixture, the Claimant must maintain a passage of 1-2 metres across the northern part of the Relevant Area: ss. 17(5)(a), 17(16)). (Note that the ‘crossing places’ across the Downs referenced in the Act should not be confused with the ‘Crossing Points’ which traverse the Race Track itself, marked with blue lines on the Plan. It is the latter which is referenced at §4(1)-(2) of the Draft Order, and the description of the Third Defendant.)

(3) On the day of a Racing Fixture, exclude members of the public from the Relevant Area, subject to the payment of a charge as the Claimant sees fit (s. 17(1)(b)).

50. Section 11 of the Act provides that the Conservators may make byelaws, subject to the provisions of the Act, for certain purposes including “for the preservation of order” and to “avoid undue interference with the enjoyment of the Downs by other persons”. Such power is conferred on the Conservators in

¹¹ The Relevant Area is referred to in the Act and the Byelaws as the “Race Course”, by reference to markings on a “deposited map” produced with the legislation. This should not be confused with the area constituting the “Epsom Racecourse”, marked within the red line on the Plan. For these purposes, it is sufficient to note that the Relevant Area includes the Epsom Racecourse.

accordance with s. 236(1) of the Local Government Act 1972 (“LGA 1972”) [AB/14/313].

51. The Byelaws, made pursuant to s. 11 of the Act, provide that:
 - (1) Without the consent of the Conservators, a person may not walk on the Relevant Area, except at the crossing places identified in s. 17(5)(a) of the Act (s. 2(1)(j)); and
 - (2) No person shall “*intentionally obstruct, endanger or give reasonable cause for annoyance to any other person in the proper use of the Downs*” (s. 2(2)(e)).
52. “*Proper use of the Downs*” for the purpose of s. 2(2)(e) of the Byelaws necessarily includes the Claimant’s right to hold Racing Fixtures under ss. 14 and 17 of the Act.
53. In accordance with ss. 4, 14, 17 of the Act and s. 2(2)(e) of the Byelaws, therefore, the Applicant has a clear legal right to hold Racing Fixtures without interference or intentional obstruction.
54. A police officer or servant of the Conservators may in certain circumstances, and after due warning, remove from the Downs individuals considered to have breached the Byelaws (ss. 19-20).
55. Further, a breach of the Byelaws is a criminal offence, punishable by a fine (s. 21). Section 21 of the Byelaws provides that the maximum fine for such a breach must not exceed level 2 on the Sentencing Council’s standard scale, which is presently £500. However, s. 11 of the Act (which limits the Conservators’ powers to make byelaws) provides that the maximum fine that may be imposed is £50. Indeed, £50 is the maximum fine which may be imposed under the Byelaws, in accordance with s. 237 LGA 1972.

E. THE CLAIMANT'S APPLICATION TO RELY ON FURTHER EVIDENCE

56. The Claimant seeks (i) permission to rely on further written evidence in accordance with CPR 8.6(1)(b), and (ii) an Order that such evidence be deemed served on the Persons Unknown Defendants pursuant to CPR 6.15 and 6.27.
57. The Claimant seeks to draw the new evidence to the Court's attention in accordance with its duty of full and frank disclosure. This is because the evidence describes a change in circumstances in relation to AR's website since the Claimant filed its previous evidence on 5 April 2024.
58. The second witness statement of Mr Diaz-Rainey describes recent changes to AR's website, which came to the attention of the Claimant's legal representatives in preparation for this hearing. As addressed at §§8 and 9 of Diaz-Rainey 2, certain features of AR's website which are referenced at §22 of Truesdale 2, have now been changed. Diaz-Rainey 2 also describes the up-to-date position in respect of the acts and intentions of AR and other protest groups, as evident from the public record.
59. The Claimant submits that the Application should be deemed to have been served as of 1 July 2024, when the Claimant (i) posted digital copies of its application on its website and Facebook page, (ii) affixed sealed copies in transparent containers at public entrances to the Epsom Racecourse, and (iii) provided digital copies to Mr Kidby, the co-founder of AR. These methods accord with the previous orders for service in these proceedings.
60. In the circumstances, the Claimant respectfully requests that it be granted permission to rely on Diaz-Rainey 2, and that said statement be deemed served by alternative means.

F. **WHY THE SUBSTANTIVE REQUIREMENTS ARE MET IN THIS CASE**

i. **Cause of action**

61. The Claimant seeks a final *quia timet* injunction founded on apprehended acts of trespass and interference with the Claimant's rights to hold races at Epsom Racecourse under the Act (Amended Claim Form, §§1A, 2.1) [HB/8/509].

62. As noted at paragraph 25 above (citing *Valero*, §54), a landowner whose title is not disputed is *prima facie* entitled to an injunction to restrain a threatened or apprehended trespass on his land. The Claimant's title has not been disputed in this case, and Sir Anthony Mann held that he was "*satisfied that there is sufficient freehold title to sustain a trespass claim*" (§31).

63. Considering the sections of the Act set out under Section D above, and in particular, sections 2, 4, 11 and 17, Sir Anthony Mann stated as follows: "*It is sufficient to record that combining the Company's rights as freeholder with the rights given under that Act, the Company has very significant rights to control the public's rights, what would otherwise be the public's full rights of access to Epsom Down.*" Sir Anthony Mann went on to state as follows:

"I am satisfied that were the acts which the Company fears to take place, they would amount to actionable trespasses and, if a sufficient danger of their being carried out is established, the Company would be entitled to an injunction to restrain them. I am satisfied that as a matter of title, the Company is entitled to the relief sought for the reasons given."

64. The Claimant respectfully submits that those matters of title have not changed since the interim injunction was granted, and that the first substantive requirement is met.

ii. **Full and frank disclosure by the Claimant**

65. In the Claimant's respectful submission, it has complied with its duty of full and frank disclosure, in accordance with the principles set out above. As addressed at Section E above, the Claimant has, with reasonable diligence and research, sought to place before the Court, all facts and matters which, it considers might affect the Court's decision. It has done so having regard to the one-sided nature of proceedings against persons unknown, and the continuing nature of its duty. The Claimant also addresses in its submissions below, the arguments it considers could properly be raised by the Defendants.

iii. **Compelling justification for the injunction**

66. In the Claimant's submission, there is compelling justification for the final injunction on the basis that: (i) there is a real and imminent risk of serious and irreparable harm caused by deliberately disruptive protests; (ii) all alternative remedies and measures have been exhausted; and (iii) the balance of respective Convention rights falls, emphatically, in favour of granting the final injunction.

(1) *Imminent and real risk*

67. Absent injunctive relief, there is, it is submitted, an imminent and real risk of trespass and interference with the Claimant's statutory rights, which would cause the Claimant real harm. The Claimant sets out, below, in turn its submissions on (i) the strong probability of the unwanted acts occurring, and (ii) the potentially severe harm which may be caused, if such acts were to occur.

68. **First**, there is a strong probability of trespass and/or disruption to the races, interfering with the Claimant's statutory rights. Animal rights protesters have caused significant disruption to horse races in recent years: Truesdale 1, §§35-48 [HB/4.5/249], Truesdale's Affidavit, §§55-58 [HB/1/4], White,

§§19-27 [HB/4.7/407]; Truesdale 2, §11-14 [HB/15/531]. It is true that Epsom Derby was not disrupted in 2024 as it was in 2023. It is submitted that this is likely due in no small part to the salutary treatment of Mr Newman after his reckless breach of the Interim Injunction Order. The smooth running of this year's Derby shows the deterrent effect of the committal of the Ninth Defendant (who spent some weeks in custody following his arrest at the 2023 Derby). As explained in *Valero*, it is probable that, were the interim injunction allowed to lapse, there would be a resurgence in protest activity at Epsom.

69. AR continues to champion its previous disruptions on social media. Most notably, a youtube video featuring AR's co-founder Alex Lockwood, celebrates the Ninth Defendant's actions at the 2023 Epsom Derby (Truesdale 2, §14) [HB/15/531]. He describes this as AR's "*biggest ever press day*", which helped the group to further its aims and agenda. Moreover, on 6 March 2024, AR published an article on its website, citing a report which it says supports the position that its disruption of the Grand National in 2023 was followed by heightened support for policy changes, including a ban on horse racing (Truesdale 2, §16) [HB/15/531]. There remains a strong probability, therefore, that animal rights protesters will be inspired by AR's actions and rhetoric, to take action themselves.
70. AR does not operate as a corporate entity, or with any hierarchical structure known to the Claimant (Truesdale 2, §21) [HB/15/531]. There remains a real and imminent risk that whatever position is adopted by the amorphous group known as AR, those behind it and or sympathetic to it will, absent injunctive relief, be moved to disrupt future races.
71. Moreover, the Claimant is not only fearful of trespass and disruption by AR or other animal rights protest groups or individuals. Groups such as Just Stop Oil and Extinction Rebellion continue to target widespread sporting

events seemingly unrelated to their causes (Truesdale 2, §§24-30) [HB/15/531]. Indeed, Extinction Rebellion stated publicly at the start of 2024 that it intended to carry out “escalating actions and tactics throughout the course of the year” (Truesdale 2, §27) [HB/15/531]. Insofar as the Claimant is given permission to rely on Diaz-Rainey 2, it highlights that Extinction Rebellion has remained true to its word: most recently, it blocked the entrance to the KLM Golf Open in Amsterdam, and threw red and white powder onto the green during the Travelers Championship (§16).

72. The unique nature of the Epsom Racecourse means that if, even one protester were motivated to disrupt the races at Epsom, the probability of their achieving that aim is much greater than at other racecourses. This was acknowledged by Sir Anthony Mann, in his judgment, as follows:

“10. Because of the odd physical nature of and title to Epsom Downs, the racecourse is vulnerable to greater degrees of invasion than might otherwise be the case. The whole area of the racecourse is not securely fenced. There are rails along the edge of the racetrack to delineate it, but there is no clearly delineated part or delineated area on the ground which necessarily secures the area of the racecourse from incursion by members of the public.

11. The public have access to the area which is loosely enclosed by the racetrack itself, but under the Act, only across certain crossing points, Nonetheless, those crossing points are normally open and provide a route, in theory, onto the racetrack, but as I will come to, the public or not allowed on to that. Suffice it to say, for present purposes, the absence of a clearly delineated, fenced area around the area of the whole racecourse, means that the site is vulnerable to incursions by persons who are not supposed to be there, at least on race days.

12. Horses are therefore vulnerable to incursions on the racetrack itself. They are also vulnerable to distraction and potentially some form of frightening and/or attack as they move around the areas ancillary to the racetrack; that is to say, the areas from the stable to the parade ring and from the parade ring to the course, but those are not areas which are securely fenced off from members of the public. A persistent member of the public would and could have access to those areas if he or she wished to do so, even if they have been legitimately admitted by a ticket through one of the permitted public entrances.

13. There are times when the horses are making their way from the parade ring to the track when their passage is protected by men holding ropes, but that is, at

that point, the only delineation of the horse area from the human area. There is therefore plenty of theoretical scope for protesters who wish to disrupt the meeting to have access to areas of the racecourse where that disruption can take place."

73. There is, therefore, in the Claimant's submission, a strong probability of the apprehended acts being carried out.
74. **Second**, were such acts to be carried out, the harm they would be likely to cause is potentially severe: Truesdale 1, §§52-67 [HB/4.5/249], Truesdale 2, §§31-37 [HB/15/531], Knapp, §§8-14) [HB/4.8/441]. Such risks as relate in particular to the Epsom Derby were considered in detail by Sir Anthony Mann, as follows:

"19. As I have already pointed out, and as is clearly vouched in the evidence, the horses that participate in the Derby are young horses who are inexperienced and have been likened by a vet to adolescents on testosterone. They are twitchy, they are nervous, and they will be hyped up before the event. If there are attempts to interfere with them it is unknown how some or all of them will react. They may react by bolting, by backing into people, by throwing jockeys, and/or by somehow damaging themselves. There is, in my view, no doubt that that is a very serious risk.

20. I have received evidence from a vet as to all these matters and as to the serious risk of danger to the horses if disruption of the type which is feared takes place, it might of course be a little ironic that those behind Animal Rising will be prepared to risk such things, and they may have an answer to the point, but there is no doubt that there is risk to the horses. There is also risk to the life and limb of jockeys, which is obvious. There is also a risk to life and limb of members of the public who may be affected by horses over whom there is less than full control. I accept all that evidence.

21. I also accept that there is potential financial risk if the meeting is disrupted and there are delays in the race where races are postponed. The Derby race meeting is attended by tens of thousands of people and it is broadcast to millions and its reputation will hardly be enhanced if there is unjustified disruption by protesters or anyone else."

75. Also particular to the Epsom Racecourse are blind corners such as Tattenham Corner (where the suffragette, Emily Davison, famously entered the track before she was knocked down and fatally injured by the King's

horse) (Truesdale 1, §26) [HB/4.5/249]. Protesters accessing the track, and/or security personnel following them, may not be aware of the extent to which a race is underway and how proximate horses are and, as Ms Davison's grisly fate demonstrates, may be at risk of very serious harm.

76. Moreover, whereas AR has championed the effect of the 15-minute delay at the 2023 Grand National (as set out above), the trainer of a horse which suffered a fatal fall in that race has stated that that delay was a major reason for the three fallen horses and five unseated jockeys (White, §32.1) [HB/4.7/407]. In the Claimant's submission, this underscores, in the words of Sir Anthony Mann, the "*ironic*" nature of the acts the Claimant seeks to restrain, and the compelling justification for an injunction to that effect.
77. In accordance with the Claimant's duty of full and frank disclosure, it is noted that in the successful Committal proceedings against the Ninth Defendant, the Claimant agreed that "*measures were in place to stop the race in the event of disruption to the race track and that the race could have been stopped in time had the system [...] been operated as it should have done*" (Committal Judgment, §25) [AB/2/15]. Such procedures are required by the British Horseracing Authority ("**BHA**") and include visual monitoring of the race, and the use of flags and whistles to signal to jockeys and other relevant stakeholders to stop the race if a major hazard is detected (Committal Judgment, §15) [AB/2/15].
78. However, it was also agreed between the Claimant and the Ninth Defendant that such procedure "*involves an element of risk in terms of its implementation, and the speed and timeframe of flat races exacerbates this*", and that "*the earlier the clerk can make the decision the better, in that it potentially increases the number of flags that can be deployed.*" Accordingly, such procedures do not eliminate what are potentially very serious risks to (human and equine) participants and attendees. While no one was actually

harmed on 3 June 2023, the stop procedures in no way guarantee that horses and humans would not be, if future races are disrupted. Indeed, as noted above, the risks which materialised on 3 June 2023 were such that the police officers who apprehended Mr Newman were fearful for their own safety.

79. Further to the risks to all participants and attendees, and as touched upon by Sir Anthony Mann (cited above), a delayed race is deeply damaging to the reputation of the Claimant. It harms the Claimant's relationships with sponsors, patrons and broadcasters (who of course operate to a tightly defined schedule), among others (Truesdale 1, §§62-67) [HB/4.5/249].
80. The threat of trespassing disruption to Race Meetings has been hugely costly to the Claimant, which has been required to divert considerable management time from the normal running of its business, and to implement additional security measures (Truesdale 2, §§35-37) [HB/15/531].
81. In light of all of the above, therefore, there is a strong probability of acts of trespass and statutory breach being carried out which could cause serious and irreparable harm. In the Claimant's submission, the "real and imminent risk" threshold is clearly met, and the justification for the injunction is compelling.

(2) Reasonable alternatives

82. The Claimant has exhausted all reasonable alternatives to the grant of a final injunction, and taken all appropriate steps to control the unwanted activity using other measures and powers at its disposal.
83. **First**, prior to the disruption at the 2023 Derby, the Claimant invited AR to desist from its plans, and offered a location for peaceful, non-disruptive protest (Starkey, §§20-21) [HB/4.6/382]. The Claimant also drew AR's attention to criminal offences which may apply to its actions, including pursuant to the Byelaws, set out above [HB/4.6/398-399]. None of this was

sufficient, however, to prevent the disruption at the 2023 Derby, even after the Interim Injunction Order had been made. It is clear that media-grabbing disruption is a core strategy for a number of protest groups, which have not been deterred by the existence of criminal sanctions.

84. **Second**, not only has the Claimant been forced to expand its own security measures to seek to secure the races, but also Surrey Police has provided a “*significantly increased*” security presence at the Epsom Racecourse and carried out extensive operations in the run up to key race days (Truesdale 2, §37) [HB/15/531]. Numerous arrests were made prior to the Derby on 3 June 2023 which may well have prevented an even more serious threat to the safe running of the Derby than Mr Newman’s reckless actions posed: Truesdale Affidavit, §31 [HB/1/4], Committal Judgment, §13 [AB/2/15].
85. **Third**, the Claimant noted at paragraph 77 above that it has stop procedures in place, in accordance with BHA guidelines. Such procedures are of utmost importance in safeguarding the physical welfare of all participants and attendees. However, as noted above, they do not eliminate the risk of harm were someone deliberately to disrupt a race and in any case they are, obviously, not a sufficient alternative to an injunction, not least because the Claimant’s business is running horse races, not safely abandoning them.
86. In accordance with the duty of full and frank disclosure, the Claimant further notes that it could be argued that it could, and perhaps should, pursue an amendment to the Byelaws, or the creation of new Byelaws, before seeking an injunction. The Supreme Court stated in *Wolverhampton* that the possibility of byelaws to control the apprehended acts should be considered in applications for injunctions against persons unknown (§§209-216). That is particularly true as regards the obligations of local authorities towards Gypsy and Traveller communities. However, the context of that case is rather different in this regard. It is not clear in this case what further

byelaws the Conservators could make which would provide a reasonable alternative to the grant of a final injunction. In particular, as set out above, the fines which may be imposed under byelaws created by the Conservators are limited by primary legislation to £50. It is unclear, therefore, how anything close to a sufficient deterrent effect could be achieved through amended or new byelaws.

87. In light of the above, the Claimant has, it is submitted, exhausted all reasonable alternatives, and taken all appropriate steps to control the imminent and real risk, such that there is compelling justification for the final injunction sought.

(3) Balance of Rights

88. In the Claimant's submission, the grant of the final injunction is necessary and proportionate, considering, in particular, the balance of the parties' respective Convention rights.
89. While the balancing exercise must be carried out in respect of deliberately disruptive protests, such protests do not fall within the core of Art. 11 (Ziegler, §67; Cuadrilla, §§42-44). This must be weighed against the Claimant's rights under A1P1 and the well-established position that "[i]nterference by trespass will rarely be a necessary and proportionate way of pursuing the right to ... protest" (emphasis added; Cuciurean, §9(2), cited in Valero, §65; see also *City of London Corp'n* and *Ziegler*, which highlight the property rights of owners of the land in question as a factor to be weighed in the balance).
90. Further factors to be considered in accordance with the guidance in *City of London Corp'n* and *Ziegler*, include "the extent to which the continuation of the protest would breach domestic law" and "the extent of the actual interference the protest causes to the rights of others". In this regard, the fact that the

apprehended disruption would likely interfere with the Claimant's statutory rights under the Act and constitute a criminal offence, at least under the Byelaws, further supports the injunction. Moreover, as set out above, interference with the Claimant's lawful rights to run horse races is apt to cause significant damage to its lawful commercial interests.

91. The Supreme Court and the Court of Appeal in the abovementioned cases, also highlighted that Courts should weigh in the balance, the extent of the interference caused by the protest "*the rights of any members of the public*". In the Claimant's submission, the extensive risks to public safety set out above, significantly tip the balance in favour of granting the injunction.
92. As noted above, the Court may also consider whether the views giving rise to the protests relate to important issues, which many would consider of considerable breadth, depth and relevance and whether the protesters believed in them (*Ziegler*, §72). As to these factors, the Claimant underscores the following, which in its submission, tips the balance in favour of granting the injunction:
 - (1) While enough people are evidently concerned by the issues in respect of which AR and other protest groups purport to act, such that there is, in the Claimant's submission, a real risk of disruption, this must be balanced against the legitimate, widespread public enjoyment of horseracing. The Claimant's events are frequently sold out, drawing attendees from many demographics and socioeconomic groups across the UK, and record levels of television and online spectators (*Truesdale 2*, §20) [**HB/15/531**].
 - (2) Furthermore, animal welfare is at the heart of the sport, which is heavily regulated and attracts significant investment (*Truesdale 1*, §§28-34) [**HB/4.5/249**]. No race runs unless BHA criteria are satisfied, while industry statistics show that 99.5% of horses that race finish safely

(Truesdale 1, §30) [HB/4.5/249]. At races run at Epsom, both the Applicant and BHA provide specialist veterinary teams (Truesdale 1, §34) [HB/4.5/249].

93. Considering the balance of Convention rights at the interim stage, Sir Anthony Mann held that there was “*a good arguable case, if not an absolutely clear case, that the Claimant has a right to restrain foreseen trespassers*” (§§46-47) [AB/1/3].

94. The Claimant submits that the ‘balancing’ exercise points very decisively in favour of granting the injunction.

iv. Damages not an adequate remedy

95. Damages would not be an adequate remedy in this case. As Sir Anthony Mann rightly noted, the question of whether damages would be an adequate remedy “*hardly require[d] any elaboration*” (§47) [AB/1/3].

G. WHY THE PROCEDURAL REQUIREMENTS ARE MET IN THIS CASE

i. Clear identification of the persons unknown

96. The Persons Unknown Defendants are identified by reference to the apprehended conduct, as set out at §4 of the draft Order. In the Claimant’s submission, the defendants are clearly identified and so the first procedural requirement is met.

ii. Clear, non-technical injunction terms

97. The terms of the injunction describe the prohibited conduct by reference to what an individual may not do where and when. While the terms correspond to the causes of action (as set out below), they are not described by reference to said causes of action. They are, in the Claimant’s submission,

clear and readily understandable by the general public, such that the second procedural requirement is met.

iii. The prohibitions must match the claim

98. The prohibitions set out at paragraph 4 of the draft Order match those at subparagraph 2.1 of the Amended Claim Form, by which the Claimant seeks to restrain “acts of trespass and/or interfering with the Claimant’s rights under the Act to hold and conduct Racing Fixtures” [HB/8/509].

iv. Geographic boundaries

99. The terms at subparagraphs 4(1)-(5) of the draft Order specifically seek to prevent trespass on the areas of the Epsom Racecourse which are crucial for the smooth and safe running of the races, namely: (i) the Race Track, (ii) the Parade Ring, (iii) the Horses’ Route to the Parade Ring, and (iv) the Horses’ Route to the Race Track (as described at paragraph 3 of the draft Order, by reference to the Plan: “**the Protected Areas**”).

100. As to this, Sir Anthony Mann held at §22: “*The Claimant does not claim some overall single form of blanket injunction, such as restraining protesters from invading the course or anything like that. The relief sought is targeted at specific areas of the racecourse area*” [AB/1/3]. At §55, having considered the *Canada Goose* requirements, Sir Anthony Mann stated he was satisfied that the terms of the interim injunction included appropriate geographical limits. The terms of the final injunction sought are the same as those granted at the interim stage, which were carefully considered by Sir Anthony.

101. In light of the above, the Claimant submits that the fourth procedural requirement is met.

v. Temporal limits - duration

102. The Claimant seeks a final injunction to last for five years, subject to annual review. In the Claimant's submission, and in accordance with the factors which justified a five-year injunction against acts of protest in *Valero*, this period is appropriate in light of: (i) the threats posed by several protest groups, not only AR, which deliberately target sporting events, including events which are seemingly unconnected to their cause (perhaps because of the broadcasting of the sporting events ensuring that the protest is also likely to be broadcast/available for endless and everlasting dissemination on social media); (ii) the widespread and serious nature of disruptive protests at sporting events in recent years; and (iii) the significant expense of injunction proceedings.
103. Moreover, the five-year period is justified given that the injunction sought would not operate in respect of the Protected Areas at all times, but only on the day of any racing fixture: the 'five year' period has to be seen in that context. Members of the public are allowed to access the Protected Areas, save for when such areas are closed for the purpose of a race, when they may do so, only with special authorisation.
104. In light of all of the above, the Claimant submits that a five-year duration is reasonably necessary to protect the Claimant's rights, and proportionate to the risks in question.

vi. Service

105. The Claimant submits that it has taken all practical steps to notify the Defendants of each stage of these proceedings, in compliance with s. 12 HRA 1998. The Claimant has done so in accordance with the Orders of Sir Anthony Mann and Roth J by way of the Sanctioned Alternative Service Methods.¹² Such methods are on a par with similar methods used in

¹² Sir Anthony Mann also required that the Interim Injunction Order be posted at 50-metre intervals

analogous cases, noted at paragraph 42 above. Moreover, it is clear that such methods have been effective to bring the relevant documents to the attention of those concerned in these proceedings (as demonstrated, for example, by Mr Newman's BBC Radio interview in advance of the 2023 Derby, noted above).

vii. The right to set aside or vary

106. The draft Order provides liberty to any person affected by the terms of the injunction to apply to vary or discharge the whole or any part of the Order. In the Claimant's submission this accords with the "generous" right (the Supreme Court's term in *Wolverhampton*) to set aside or vary, as required in persons unknown cases.

viii. Review

107. The Claimant has included, at §4 of the draft Order, provision for the injunction to be reviewed on an annual basis, in accordance with the position adopted in *Valero*. The Claimant submits that more frequent reviews are unnecessary, and would put the Claimant to disproportionate expense, in circumstances in which it is unlikely to recover any costs of these proceedings from the Defendants.

ix. Undertaking

108. Insofar as this may be relevant (see *Wolverhampton* at §234 cited above) the Claimant has included at Schedule 2 to the draft Order an undertaking to the effect that, if the Court later finds that the Order has caused loss to the Defendants or any other party served with or notified of the Order and decides that the Defendants or other Party should be compensated for that loss, the Claimant will comply with any Order the Court may make. As to

along that part of the perimeter of the Race Track marked with an orange line on the Plan on 2 and 3 June 2023 (§5(1)).

the Claimant's capability to satisfy any such undertaking in the very unlikely event that it is ever called to do so, see the financial statements appended to this skeleton, which update those exhibited to Truesdale 1 [HB/4.5/343]¹³.

F. CONCLUSION

109. In light of all of the above, the Claimant submits that each of the substantive and procedural requirements necessary for the grant of a final injunction have been met.
110. The Claimant, therefore, respectfully invites the Court to make a final injunction Order in the terms set out in the draft Order.

**ALAN MACLEAN KC
ANTONIA EKLUND
Blackstone Chambers
4 July 2024**

¹³ The financial statements exhibited to Truesdale 1 are those filed with Companies House for the year ended 2021. The Claimant has provided the most recent financial statements filed with Companies House, which are those for the year ended 2022.

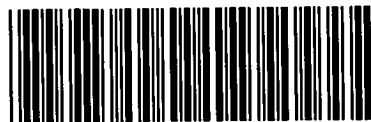
Company Registration No. 02909409

Jockey Club Racecourses Limited

Report and Financial Statements

31 December 2022

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Jockey Club Racecourses Limited

Report and financial statements 2022

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Jockey Club Racecourses Limited

Corporate information

Directors

S Clark
I Renton
A Starkey
N Truesdale

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

HSBC
129 New Bond Street
London
W1S 1EA

Solicitors

Pinsent Masons LLP
30 Crown Place
Earl Street
London
EC2A 4ES

Registered Office

Sandown Park Racecourse
Surrey
KT10 9AJ

Jockey Club Racecourses Limited

Strategic report

The directors present their strategic report and audited financial statements for the year ended 31 December 2022.

Business review and principal activities

The principal activity of the company is to manage and operate thirteen owned racecourses and two leased racecourses. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's income statement on page 13, the company's turnover has increased by 62.2% over the prior year. The increase in turnover is primarily due to spectators returning to racecourses for the full year. The prior year was impacted by the Government's COVID-19 restrictions which required racing to take place behind closed doors until 17 May 2021 with spectators returning to racecourses from this date in line with the Government's easing of COVID-19 lockdown restrictions. Media incomes were 3.0% ahead of the prior year, driven by increases in revenue from streaming and international markets offset partly by media income from betting shops being lower due to shop closures throughout the year. The increased activity in the year resulted in a 64.9% increase in cost of sales, which includes an increase in total prize money paid of £11.6m. Administrative expenses were 23.5% higher than the prior year. Included in administrative expenses is the full cost of employee remuneration. Employee costs increased in line with the increased level of activity as capacity restrictions were for the full year, along with additional cost of living payments made to our employees in the year.

In relation to the company's statement of financial position, the directors draw the reader's attention to note 20 to the financial statements concerning the background to the Grant Account. The Grant Account represents capital grants received from the Horserace Betting Levy Board to which the company has an absolute entitlement. In the event therefore that Shareholders' Deficit was restated to include the full extent of this entitlement, Shareholders' Funds would total £101.9m (2021: £92.4m).

Key performance indicators

The key performance indicators for the company are attendances, revenue (above), operating profit margin and net debt (below). Aggregate attendances across the racecourses increased from 646,000 to 1,504,000 largely due to the lack of COVID-19 related capacity restrictions for the full year. Operating profit margin decreased to 5.7% (2021: 15.3%) driven by the lower insurance income generated in the year with all major festivals being held with spectators. Insurance income is recognised below the gross profit line, and therefore results in a higher operating profit margin than when the same income is generated through revenue and associated expenditure. Operating profit margin is above the 2019 level (5.4%), the last full financial year uninterrupted by COVID-19. There were 16 abandoned fixtures in 2022 (2021: 15).

The level of Prize Money remains a key focus of the company, as we continue to act in the long-term benefit of British Horseracing. During the year, we contributed £28.4m to Prize Money, an increase of 70.4% from the prior year. We look to continue to support participants, trainers and owners through our prize money contribution.

Principal risks and uncertainties

The company is subject to a number of risks and uncertainties that are continuously considered by the directors.

Our financial planning indicates that the company will continue to operate as a going concern. However, we continue to monitor the impacts and we will set our investment plans accordingly.

Competition within the UK leisure market is a continuing risk for the company and racing sector, which could see it losing leisure market share. The company manages this by continuing to invest in quality racing as well as re-investing in its facilities to encourage both race day and non-race day customers as well as owners, trainers & jockeys who are so vital to our sport. The company will also continue to evolve, having also changed its structure and operating culture over the past few years and this has equipped it to meet the challenges of what is a very competitive leisure marketplace.

Jockey Club Racecourses Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

The general performance of the UK economy and continued uncertainty following the COVID-19 pandemic may affect attendances and the levels of customer spend on racedays and conference and event income even after the spectator restrictions have been lifted. To mitigate this, we continue to review rigorously the cost base of the business and assess growth initiatives such as expanding the scope and reach of our brand to grow new revenue streams, investment in a number of marketing-led initiatives such as new membership products, and investment in new customer-focused technology such as our new website and app. This also includes further investment to maximise value from our major festivals and we continue to maintain momentum around improvements to the quality of customer experience.

With regards to credit risk the company's principal financial assets are bank balances and cash, trade and other receivables and investments. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and offset by loans from the same financial institutions. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The company is continuing its policy of generating free cash flows to fund reinvestment back into racing and its racecourses.

External net debt has increased during the year from £50.9m to £51.7m. As at the year end, the company held cash of £19.6m (2021: £20.0m), drawn bank facilities of £70.0m (2021: £70.0m) and finance leases of £1.3m (2021: £0.9m). The company has loaned £6.4m (2021: £6.3m) to Epsom Racecourse Hotel Company Limited. The company has an intercompany loan from The Jockey Club Racecourse Bond Company Plc of £3.1m (2021: £3.5m). During the year, the company repaid £0.4m (2021: £5.4m) of the intercompany loan as part of the ongoing strategy to reduce gross debt.

The company signed a revised banking facility in December 2018. The total facility is £92m (2021: £92m) and includes a £50m term loan and a £42m (2021: £42m) revolving credit facility. The facility is for a 12-year term, repayments commenced at the end of 2021. During 2021 the company obtained a £20m Coronavirus Large Business Interruption Loan Scheme (CLBILS) facility from its existing banking syndicate which was fully drawn down at 31 December 2022 (2021: £20m). The company has entered into interest rate swap arrangements in order to limit the exposure to interest rate fluctuations. These swaps are matched with the period of the facility on an amortising basis.

One external risk factor that we are monitoring and working hard to mitigate is the UK regulatory environment for gambling. The UK Government is undertaking a 'major and wide-ranging' review of UK gambling laws, to update the 2005 Gambling Act. Online restrictions on amounts which can be staked, marketing collateral, sponsorships, advertising and promotional offers and extra protections for young adults may be examined by the Department for Digital, Culture, Media and Sport.

Among the potential reforms are stringent affordability checks for bettors. Analysts at Regulus Partners consider such action could result in an "immediate" reduction of levy income for British Racing, with a further impact on media rights income. British racing's finances could also be negatively impacted should the streaming of sports events by bookmakers be curbed, while any ban on sponsorship and advertising by gambling companies could jeopardise mainstream television coverage. The Jockey Club supports the objective of the Gambling Act Review seeking to reduce gambling-related harm and ensure relevant legislation is fit for the digital age. However, we are also asking the Government to ensure that any reforms are evidence-based and targeted at those most at risk, while resulting impacts on British Racing are fully considered and mitigated.

Results, dividends and transfers from reserves

The results of the year are set out in the income statement on page 13. The company's Articles of Association forbid the payment of dividends.

Future developments

In line with our mission to act for the long-term benefit of British Horseracing, we are supporting an industry stakeholder review of the current governance structure of the sport and specifically the role of the governing body and regulator, the British Horseracing Authority.

Jockey Club Racecourses Limited

Strategic report (continued)

Future developments (continued)

We have also undertaken a strategic review of our own business as part of a process to inform our growth plans and investment choices over the coming years. This has involved in-depth analysis of our commercial drivers and the issues and choices we face both as a business and across the wider industry to ensure we continue to invest in the areas of highest return. Diversifying our revenue streams in order to de-risk our business is a key focus, along with maximising the utilisation of our venues, increasing engagement amongst existing racing fans and attracting new audiences to horseracing.

Section 172 statement

Jockey Club Racecourses Limited operates in support of the overarching mandate of The Jockey Club, its ultimate parent undertaking. The Jockey Club operates under Royal Charter with a mandate to consider and promote the wider interests of the sport of horseracing and a number of adjacent activities such as thoroughbred breeding. This Royal Charter was renewed and updated in 2017 to reflect the Club's status and role in the sport, as well as the critical responsibilities that it now fulfils as the sport's largest commercial operator. This follows the transfer of regulatory and governance powers to the British Horseracing Authority in the early 2000s.

The success of Jockey Club Racecourses Ltd, and therefore the extent to which the board of directors (referred to hereafter as 'the Board') have discharged their duties to Jockey Club Racecourse Ltd is measured against the above mandate.

It is only with a successful commercial operating model that the company can continue to function effectively and all stakeholder interests are considered in making key decisions around this.

Section 172 of the Companies Act 2006 requires directors, to take into consideration the interests of stakeholders and other matters in their decision making. The Board has regard to the interests of the company's employees, customers, suppliers and other stakeholders, the impact of its activities on the community, the environment and the company's reputation for good business conduct. In this context, acting in good faith and fairly, the Board considers what is most likely to promote the success of the Jockey Club for its members and in accordance with its Charter, in the long term. We explain in this annual report, and below, how the Board engage with stakeholders.

- Relations with key stakeholders such as employees, shareholders and suppliers are considered in more detail below.
- The Board is fully aware of its responsibilities to promote the success of the company in accordance with section 172 of the Companies Act 2006.
- The nature of the Jockey Club's Royal Charter, and the way that the Board has discharged their duties in this regard, is considered to be consistent with the underlying objectives of Section 172: to operate in line with good corporate practice. More formally, Section 172 is now to be included as a specific consideration when making key decisions at board meetings. Legal Counsel provide support to the Board to help ensure that sufficient consideration is given to issues relating to the matters set out in s172(1)(a)-(f).
- The Board regularly reviews the company's principal stakeholders and how it engages with them. This is achieved through information provided by the Stewards of The Jockey Club and also, within the Racing industry, by direct engagement with stakeholders themselves.
- We aim to work responsibly with our stakeholders, including suppliers. The Board continues to have a diligent adoption policy for statutory measures which most recently have included anti-corruption and anti-bribery, equal opportunities and whistleblowing policies, the Corporate Criminal Offences Act and IR35.

Jockey Club Racecourses Limited

Strategic report (continued)

Approach to engagement with stakeholders

- Jockey Club Racecourses Limited is able to take a long term view and this approach is reflected also in the engagement with the various stakeholders expected to be impacted by the Board's decisions. As part of this, the Board maintains an ethos of being held to the highest possible standards of corporate conduct.
- The Board is in regular communication with all key racing stakeholders (e.g. RCA, BHA, The Horsemen's Group) to gauge potential views and reactions to important decisions made that impact across the industry. The company also engages with a range of stakeholders, including, but not limited to, employees, sponsors, residents in areas where our racecourses operate, suppliers, media and commercial partners.

Approach to engagement with stakeholders (continued)

- The Board engages with all of the above stakeholders either directly or through the company's various management teams, at formal industry and other events, on racedays at our racecourses and elsewhere and through various industry forums.
- There are Employee Days, Town Hall' sessions and team meetings across the company which inform, celebrate success and allow employees to voice any suggestions or challenges they may have. In addition, we have entered into a partnership with Culture Amp, the market leading Engagement Platform, enabling us to regularly measure our colleague engagement and take action on the results. We have also set up a Business Involvement Group, with representatives from all areas of the business, focusing on two way communication and collaboration. The Board and management also engage regularly with suppliers, media partners and sponsors, as well as taking feedback from customers. In addition, the Board and management foster strong relationships across all our locations with both Local Authorities, including individual councillors, and the local community in general via trade bodies, community groups and other relevant forums. We do this with a passionate commitment to ensure that racing is truly a sport for everyone.

Key Board Decisions

During the year, the Board made a number of key decisions which are considered to be in the interests of the overall success of the company and the wider sport. These decisions have impacts on certain stakeholder groups that have, to the extent considered appropriate by the Board, been reflected in the decision-making process.

Cheltenham Festival

The Cheltenham festival is a key driver of performance for the entity, both financially in terms of profit-generation and driving interest in the sport. During the year, we announced that the Cheltenham Festival would continue to be staged over four days after a six-month consultation with key stakeholders on whether to extend the Festival for a 5th day. The Board took this decision as it continues to prioritise the Jockey Club's mission to act in the benefit for the long-term good of the sport.

Additionally, we announced a cap to ticket sales to 68,500 visitors on Day 3 and 4 of the Cheltenham Festival, a decision which was made using key stakeholder feedback. This is after over 73,000 visitors attended the festival in 2022. Despite the financial implications of reducing attendance numbers, we recognise the importance of ensuring that the festival remains an attractive and enjoyable experience for the long-term. Both the capping of the ticket sales and the decision not to extend the Cheltenham Festival received a positive reaction throughout the racing industry.

Jockey Club Racecourses Limited

Strategic report (continued)

Key Board Decisions (continued)

Prize Money Executive Contribution

The level of Prize Money contribution we make into our race programme is one of the most material decisions that the Board takes in any year. This impacts on the competitiveness of our business in attracting the best runners at each level of racing to our racecourses, and provides direct and indirect financial support to owners, trainers, jockeys, horsemen and their own employees. We aim to strike a balance between ensuring our leading races and festivals maintain their global status and competitiveness in horse racing, while ensuring that we are supporting all levels of the ownership and breeding industry at both small and large racecourses.

Our decision on Prize Money contribution is traded off against other competing priorities for the company, such as investments into property infrastructure at our racecourses, which are required to maintain the highest level of sporting and customer experience and safety for racing participants and spectators alike.

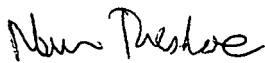
Approval of 2023 Budget and Five Year Plan

In approving the Annual Company Budget and Five Year Plan, the Board (and the Finance Review Committee) carried out a detailed review of the various commercial drivers and sensitivities in the business, including forecast admissions and hospitality performance and developments in the betting industry which have had negative impacts on the business.

The Board also considered continued investment in our employees, awarding a business-wide wage increase and in signing off specific budgets for training, employee medical and other benefits and a Diversity & Inclusion programme.

The interests of racing stakeholders were also inherent in agreed investment in prize money (above) and other racecourse facilities.

The above considerations were given in the context of ensuring ongoing bank covenant compliance, commitments to the company's Defined Benefit Pension Scheme, investment in customer experience, continued capital expenditure.



N Truesdale

Director

02 May 2023

Jockey Club Racecourses Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

Directors

The directors during the year and since the year end were:

S Clark
I Renton
A Starkey
N Truesdale

None of the directors had any interests in the share capital of the company or of any other group company during the year.

The following information is not shown in the directors' report as it has been included in the strategic report under s414C(11):

- Financial risk management, objectives and policies
- Exposure to risks
- Future developments
- Post balance sheet events

Environment

The company recognises the importance of its environmental responsibilities and takes corporate social responsibilities seriously. The company is mindful of the need to conserve all forms of energy in order to minimise the impact upon the environment. As well as moving towards more efficient uses of energy, the company will strive to source energy from renewable sources.

The Streamlined Energy and Carbon Reporting disclosures can be found in the group financial statements for Jockey Club Racecourses (Holdings) Limited.

Employee engagement

The Board considers it very important that colleagues are kept informed about both the financial performance of the Group, factors impacting the wider industry and more general employment related matters. Every business day an email is sent to all colleagues summarising the instances where companies within the Group have been mentioned in the media along with other important news events in both horseracing and the wider sport industry. Regular communications are sent to all colleagues updating them on new Group policies such as safeguarding or CCO compliance. There is also a regular 'five in five' communication sent to all colleagues covering noteworthy events, colleague achievements, and calls to action.

Colleague feedback is actively sought by management. The Board has sponsored the creation of a Business Involvement Group which has representatives from all areas of the group. The BIG Chair and/or Deputy Chair will attend the Executive Board meeting every quarter to update on actions and initiatives. The focus of the BIG is to improve two way communication throughout the group. Colleagues are routinely consulted regarding changes in their working environment and organisational changes. Consultations can be on a one to one basis, in a group and/or a combination of both (including via the BIG). We have also invested in a partnership with Culture Amp, the market leading Colleague Experience platform, enabling us to measure and take action on our colleagues' engagement and feedback.

There are a number of regular communications meetings. We regularly hold virtual all colleague 'Town Hall' meetings to share and update on group activities. Group-wide Colleague Days are held every 18 months along with more regular senior management forums and regular regional update meetings. In addition, specialist functional areas meet on a regular basis such as the bi-annual Clerks of the Course meetings, the annual Head Groundpersons' meeting, bi-annual marketing conferences, General Managers' meetings and quarterly Health and Safety meetings.

We encourage the involvement of employees in the Group's performance through a bonus scheme called Sharing in our Success. This is calculated and paid annually based on the financial performance of the Group compared to its

Jockey Club Racecourses Limited

Directors' report (continued)

Employee engagement (continued)

annual budget target. In addition, a number of employees are eligible for a bonus scheme which is which linked to both individual KPIs and the financial performance of the Group. All colleagues have a performance review once a year, with regular check-ins throughout the year. This includes a review of KPIs/objectives which are aligned to the business and the setting of new KPIs/objectives for the next year. We hold a full awards ceremony at the Colleague Day – and are planning to focus on recognition in line with our values in 2023.

Whilst the group wide 'Newmarket Induction' has been disrupted by the pandemic, we plan to refocus on new joiner experience and on-boarding in 2023. We will maintain the Newmarket event, where colleagues attend a dinner, attend a tour of Newmarket racecourse, The National Stud and the Newmarket training grounds, and attend a presentation on The Jockey Club vision along with an overview of the business. Monthly board meetings are held at our locations around the country and Directors and local colleagues have lunch together.

We are inclusive and actively seek to attract people with unique backgrounds and perspectives. Diverse, collaborative teams are pivotal to our success and support the potential and growth of all our people. We are focused on increasing awareness of inclusive management practices across our Board, Members, Committees and teams at every level.

The Allies Programme has developed to become the Networks, and we have added a fifth network 'race' to our existing four (workability; mental health; working families and carers; and pride within) to encourage diversity and inclusion across the business. These all have senior sponsorship at Director level. We are proud to have signed the industry commitment to improve diversity and inclusion across the sport to ensure racing truly is a sport for everyone and to help the sport grow and thrive in the future

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for all of the directors of the company.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Approved by the Board of Directors and signed on behalf of the Board



N Truesdale
Director
02 May 2023

Jockey Club Racecourses Limited

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Jockey Club Racecourses Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Jockey Club Racecourse Limited ("the Company") for the year ended 31 December 2022 which comprise Income statement, Statement of comprehensive income, Statement of financial position, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report, Directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Jockey Club Racecourses Limited (continued)

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtaining an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Companies Act, United Kingdom Generally Accepted Accounting Practice and tax legislation.
- making enquiries of management regarding the Company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

Independent auditor's report to the members of Jockey Club Racecourses Limited (continued)

- reviewing minutes of the board of Directors in order to identify any instances of fraud or non-compliance with laws and regulations
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur in the financial statements and any potential indicators of fraud. We identified potential for fraud in the following areas and performed the following procedures:
 - management override of controls: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements. Audit procedures performed included:
 - challenging assumptions made by management in their significant accounting estimates in particular in relation to depreciation rates on tangible fixed assets, impairment of tangible fixed assets, provisions, actuarial assumptions and recognition of deferred tax asset
 - identifying and testing journal entries, in particular any journal entries to revenue not in line with expectations and reviewing journal entries for journals inconsistent with the usual transactions of the Company.
 - revenue recognition: application of cut off and existence. We reviewed transactions pre and post year end to check that the associated revenue is reflected in the correct period. We reviewed manual postings to revenue to ensure that no manipulation had occurred in the general ledger.
- communicating relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.


Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Gareth Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
1 June 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Jockey Club Racecourses Limited

Income statement Year ended 31 December 2022

	Notes	2022 £m	2021 £m
Turnover	3	223.2	137.6
Cost of sales		(133.6)	(81.0)
Gross profit		89.6	56.6
Other operating income	5	-	26.7
Administrative expenses		(76.8)	(62.2)
Operating profit	10	12.8	21.1
Income from other investments	6	1.2	1.2
Interest receivable and similar income	7	0.4	0.3
Interest payable and similar charges	8	(3.5)	(3.7)
Other finance income	9	9.7	4.4
Profit on sale of fixed assets		0.4	-
Profit on ordinary activities before taxation		21.0	23.3
Tax charge on profit on ordinary activities	11	(5.3)	(2.2)
Profit for the financial year transferred to reserves		15.7	21.1

All amounts derive from continuing operations.

Statement of comprehensive income Year ended 31 December 2022

	Notes	2022 £m	2021 £m
Profit for the financial year		15.7	21.1
Actuarial gains on defined benefit pension schemes	18	2.3	11.0
Movement on deferred tax relating to pension liability	19	(0.6)	(2.8)
Other comprehensive income for the year		1.7	8.2
Total comprehensive income for the year		17.4	29.3

The notes on pages 16 to 36 form part of these financial statements.


Jockey Club Racecourses Limited

Statement of financial position At 31 December 2022

	Notes	£m	2022 £m	£m	2021 £m
Fixed assets					
Tangible assets	12	178.1		180.1	
Investments	13	2.2		2.2	
			180.3		182.3
Current assets					
Stocks		-		-	
Debtors	14	73.0		67.8	
Cash at bank and in hand		19.6		20.0	
		92.6		87.8	
Creditors: amounts falling due within one year	15	(85.9)		(85.0)	
Net current assets			6.7		2.8
Total assets less current liabilities			187.0		185.1
Creditors: amounts falling due after more than one year	16		(77.7)		(81.6)
Net assets excluding pension liability			109.3		103.5
Pension deficit	18		(7.4)		(11.1)
Net assets			101.9		92.4
Accruals and deferred income					
Grant account	20		80.4		88.3
Capital and reserves					
Called up share capital	21	0.1		0.1	
Profit and loss account		21.4		4.0	
Total shareholders' funds			21.5		4.1
			101.9		92.4

The financial statements of Jockey Club Racecourses Limited registered number 02909409 were approved and authorised for issue by the Board of Directors on 02 May 2023.

Signed on behalf of the Board of Directors



N Truesdale

Director

The notes on pages 16 to 36 form part of these financial statements.

Jockey Club Racecourses Limited
Statement of changes in equity
Year ended 31 December 2022

	Share capital £m	Profit and loss account £m	Total equity £m
At 1 January 2021	0.1	(25.3)	(25.2)
Comprehensive income for the year			
Profit for the year	-	21.1	21.1
Actuarial gains	-	11.0	11.0
Deferred tax on actuarial gains	-	(2.8)	(2.8)
Other comprehensive profit for the year	-	8.2	8.2
Total comprehensive income for the year	-	29.3	29.3
At 31 December 2021	0.1	4.0	4.1
Comprehensive income for the year			
Profit for the year	-	15.7	15.7
Actuarial gains	-	2.3	2.3
Deferred tax on actuarial gains	-	(0.6)	(0.6)
Other comprehensive profit for the year	-	1.7	1.7
Total comprehensive income for the year	-	17.4	17.4
At 31 December 2022	0.1	21.4	21.5

The notes on pages 16 to 36 form part of these financial statements.

Jockey Club Racecourses Limited

Notes to the financial statements

Year ended 31 December 2022

1. Accounting policies

The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on page 1. The principal activity of the company is described in the Strategic Report on pages 2 to 6.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

In preparing these financial statements, advantage has been taken of the following disclosure exemptions available in FRS102:

No statement of cash flows has been presented.

This exemption is available because the company is a member of the Jockey Club Racecourses (Holdings) Limited group. The group's consolidated financial statements are publicly available at Companies House.

As the company is wholly owned by Jockey Club Racecourses (Holdings) Limited and is included in the consolidated financial statements of this entity, the company has taken advantage of the exemption from preparing consolidated financial statements under s400 of the Companies Act 2006. These financial statements therefore present information on the company alone.

The following principal accounting policies have been applied:

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 6 of these financial statements.

In relation to the statement of financial position, the directors draw the reader's attention to note 20 to the financial statements concerning the background to the Grant Account. The Grant Account represents capital grants received from the Horserace Betting Levy Board to which the company has an absolute entitlement. In the event therefore that Shareholders' Funds/Deficit were restated to include the full extent of this entitlement, Shareholders' Funds would total £101.9m (2021: £92.4m).

The financial position of the company, liquidity position and borrowing facilities are described in the Strategic Report on pages 2 to 6.

The company meets its day-to-day working capital requirements through use of its cash, overdraft and banking facilities (see notes 15 and 16). The company signed a revised banking facility in December 2018. The total facility is £92m and includes a £50m term loan and a £42m revolving credit facility. The facility is for a 12-year term, until 2030, repayments commenced at the end of 2021. The company continues to be contracted to interest rate swap arrangements in order to limit the exposure to interest rate fluctuations. These swaps are matched with the period of the facility on an amortising basis. Overall, we are satisfied that our debt is at a long-term sustainable and manageable level.

There has been a significant improvement in revenue streams during 2022 which can be seen in the income statement on page 13 and is discussed in the Strategic Report on pages 2 to 6. The net current asset position of the company has improved from £2.8m to £6.7m in the year. Racing remained uninterrupted throughout 2022, with improvements in both admissions and media revenue. In both the base case and reasonable down-side scenarios, the Group is forecasting to remain significantly cash positive and compliant with covenants during the remainder of 2023 and 2024.

The directors have reasonable expectations that the company is well placed to manage business risks and continue in operational existence for the foreseeable future (which accounting standards require to be at least a year from the date of this report) and have not identified any material uncertainties to the company's ability to do so. The company therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Jockey Club Racecourses Limited

Notes to the financial statements

Year ended 31 December 2022

1. Accounting policies (continued)

Turnover

Turnover represents income receivable (excluding VAT) on performance of the principal activities of the company of operating and managing racecourses, their facilities and broadcasting rights and is recognised in the period to which it relates. Turnover is recognised only when it is probable that the company will receive the previously agreed upon payment and that this amount can be measured reliably. Turnover arises wholly within the United Kingdom.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and provision for impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised through fixed asset disposals. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

Depreciation

Depreciation is not provided on freehold land. On other assets it is provided on cost or revalued amounts in equal annual instalments over the estimated lives of the assets as follows:

Freehold buildings	-	twenty to fifty years
Long/short leasehold buildings	-	over period of lease
All-weather track surface	-	ten years
Plant, machinery and equipment	-	four to ten years
Groundworks, including course drainage and car parks	-	ten to thirty years
Fixtures, fittings and computer equipment	-	three to ten years
Vehicles	-	four or five years

Assets in the course of construction are not depreciated until they are brought into use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and, where material, are recognised within 'other operating income' in the income statement.

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU)) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Jockey Club Racecourses Limited

Notes to the financial statements

Year ended 31 December 2022

1. Accounting policies (continued)

Investments

Shares in group companies, associates and other investments, all of which are unlisted, are stated at cost less provision for any impairment in value.

Stocks

Stocks comprising goods for resale are valued at the lower of cost (purchase price) and net realisable value.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the company can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Capital grants

Capital grants are received from the Horserace Betting Levy Board ("HBLB") in respect of capital expenditure.

The company has adopted the accruals model for accounting for capital grants. Capital grants received are taken to the grant account. Credits are made to the income statement by equal annual instalments that match the period over which the relevant fixed assets are depreciated, typically a period of 30 years. The grants are shown within capital and reserves as the associated work has been performed and is not, in any way, repayable.

Leases

Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Jockey Club Racecourses Limited

Notes to the financial statements

Year ended 31 December 2022

1. Accounting policies (continued)

Sale and leaseback

When a sale and leaseback transaction results in a finance lease no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

Pension costs

For the company's defined benefit scheme, the full service cost of pension provision for the period, together with the cost of any benefits relating to past service is charged to the income statement. The expected increase in the present value of scheme liabilities and the long term expected return on assets based on the market value of the scheme assets at the start of the period, are included in the income statement under interest payable. The difference between the market value of the scheme assets and the present value of accrued pension liabilities is shown as an asset or liability on the face of the statement of financial position. Any difference between the expected return on assets and that achieved is recognised in the statement of comprehensive income together with the difference from experience or assumption changes.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Special contributions into the scheme are recognised as an increase in the scheme assets. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the statement of financial position.

The company's defined benefit scheme was closed to new entrants from November 2011 and was closed to all future accruals on 31 March 2012.

Contributions to the company's defined contribution schemes are charged to the income statement in the year in which they become payable. The assets of these schemes are held separately in independently administered schemes.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs) and subsequently at cost less impairment or amortised cost, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

Jockey Club Racecourses Limited

Notes to the financial statements

Year ended 31 December 2022

1. Accounting policies (continued)

Financial instruments (continued)

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transactions) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise or to which they relate. Debt issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

(ii) Investments

Investments in subsidiaries and associates are measured at cost less impairment.

(iii) Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Jockey Club Racecourses Limited

Notes to the financial statements

Year ended 31 December 2022

1. Accounting policies (continued)

Reserves

The company's reserves consist solely of the profit and loss account, which represents cumulative profits or losses, net of dividends paid and other adjustments.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 12)

Tangible fixed assets, other than land, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as asset replacement and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Deferred tax (see note 19)

Deferred tax assets are recognised for unused tax losses, unabsorbed capital allowances and other deductible timing differences to the extent that it is probable that taxable profits will be available against which the losses, capital allowances and other deductible timing differences can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

- Defined benefit pension scheme (see note 18)

The cost of the defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The discount rate is based on a yield curve derived from bonds in the ICE Bank of England Sterling AA Corporate Index and takes account of the duration of the liabilities and implied approximate shape of future cash flows. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates.

3. Analysis of turnover

	2022	2021
	£m	£m
Analysis by class of business		
Horse racing	206.0	127.1
Conference and events	17.2	10.5
	<u>223.2</u>	<u>137.6</u>

Turnover arises wholly within the United Kingdom.

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2022

4 Information regarding directors and employees

	2022 £m	2021 £m
<i>Directors' remuneration</i>		
Directors' emoluments (excluding pension contributions)	-	-
Company contributions to defined contribution pension schemes	-	-
	<u>£m</u>	<u>£m</u>
Remuneration of the highest paid director (excluding pension contributions)	<u>-</u>	<u>-</u>
	No.	No.
Number of directors serving at 31 December 2022 who are members of a defined benefit pension scheme	<u>-</u>	<u>-</u>

The Directors receive remuneration from The Jockey Club in respect of services to the group. It is not possible to determine the amount of remuneration that relates to the services to the company.

During the year, there were no retirement benefits accruing to directors (2021: nil) in respect of defined contribution schemes.

Company pension contributions of £nil (2021: £nil) were paid into a defined contribution scheme on behalf of the highest paid director.

The defined benefit scheme was closed to new entrants from 1 November 2011 and was closed to all future accruals on 31 March 2012.

	2022 £m	2021 £m
Employee costs during the year		
Permanent employees:		
Wages and salaries	20.7	18.0
Social security costs	2.5	2.2
Other pension costs	1.4	1.4
	<u>24.6</u>	<u>21.6</u>
Raceday employees:		
Wages and salaries	1.2	0.7
Social security costs	-	-
	<u>1.2</u>	<u>0.7</u>
Total employee costs	<u>25.8</u>	<u>22.3</u>
Average number of employees (full time equivalents)		
	No.	No.
Administration and maintenance	512	431
Raceday	59	39
	<u>571</u>	<u>470</u>

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2022

5. Other operating income

	2022 £m	2021 £m
Insurance claims	-	25.3
Compensation for early termination of contract	-	1.0
Furlough grants	-	0.4
	<u>-</u>	<u>26.7</u>

6. Income from other investments

	2022 £m	2021 £m
Dividends received from associated undertakings	<u>1.2</u>	<u>1.2</u>

7. Interest receivable and similar income

	2022 £m	2021 £m
Intercompany loans	<u>0.4</u>	<u>0.3</u>

8. Interest payable and similar charges

	2022 £m	2021 £m
Bank loans and overdrafts	3.4	3.4
Intercompany loans	<u>0.1</u>	<u>0.3</u>
	<u>3.5</u>	<u>3.7</u>

9. Other finance income/(costs)

	2022 £m	2021 £m
Change in fair value of interest rate swap (notes 15 and 16)	9.7	4.6
Net interest on net defined benefit liability (note 18)	(0.1)	(0.3)
Effective interest credit on fair value of loans	<u>0.1</u>	<u>0.1</u>
	<u>9.7</u>	<u>4.4</u>

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2022

10. Operating profit

	2022 £m	2021 £m
Operating profit is after including:		
Income in respect of:		
Amortisation of capital grants (note 20)	7.9	8.0
HBLB contributions	<u>28.2</u>	<u>28.3</u>
Charges in respect of:		
Rentals of land and buildings	0.2	0.2
Rentals of plant and equipment	1.3	1.0
Depreciation:		
Owned and leased assets	<u>12.9</u>	<u>13.4</u>
Fees payable to the company's auditors for the audit of the company's annual accounts	<u>0.1</u>	<u>0.1</u>
Fees payable to the company's auditors for other services to the company:		
Tax services	0.1	0.1
Other advisory services	<u>-</u>	<u>-</u>
Total non-audit fees	<u>0.1</u>	<u>0.1</u>

11. Tax charge on profit on ordinary activities

a) Analysis of charge in the year

	2022		2021	
	£m	£m	£m	£m
<i>Current tax:</i>				
UK corporation tax on the profit for the year	1.5		3.3	
Adjustments in respect of previous years	<u>0.1</u>		<u>0.2</u>	
<i>Total current tax</i>		1.6		3.5
<i>Deferred tax:</i>				
Adjustments in respect of prior years	0.1		(0.2)	
Origination and reversal of timing differences	2.7		1.3	
Adjustment in respect of change of rate of corporation tax	<u>0.9</u>		<u>(2.4)</u>	
<i>Total deferred tax</i>		<u>3.7</u>		<u>(1.3)</u>
Tax charge on profit on ordinary activities		<u>5.3</u>		<u>2.2</u>

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2022

11. Tax charge on profit on ordinary activities (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: lower than) the standard rate of corporation tax in the year. The differences are explained below:

	2022	2021
	£m	£m
Profit on ordinary activities before taxation	21.0	23.3
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 19.00% (2021: 19.00%)	4.0	4.4
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1.9	1.8
Income not taxable	(1.5)	(1.6)
Group relief claimed	-	(0.1)
Short-term timing differences	(0.2)	(0.2)
Adjustments in respect of previous years	0.2	-
Transfer pricing adjustments	-	(0.1)
Adjustment in respect of change of rate of corporation tax	0.9	(2.3)
Deferred tax not recognised	-	0.3
Total tax charge for the year	5.3	2.2

Factors affecting future tax charge

The Chancellor announced in his Budget on 23rd March 2022 that the main rate of corporation tax will increase to 25% from April 2023. This rate was substantively enacted on 24th May 2021. The closing deferred tax balances as at 31 December 2022 have therefore been calculated at a rate of 25.00%, reflecting the tax rate which was substantively enacted at the balance sheet date.

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2022

12. Tangible fixed assets

	Land £m	Freehold Buildings £m	Long leasehold land and buildings £m	Plant, equipment, furniture and vehicles £m	Total £m
Cost					
At 1 January 2022	4.5	231.0	73.3	115.4	424.2
Additions	-	5.1	-	5.8	10.9
Disposals	-	-	-	-	-
At 31 December 2022	4.5	236.1	73.3	121.2	435.1
Depreciation					
At 1 January 2022	-	123.4	19.0	101.7	244.1
Charge for the year	-	6.8	1.4	4.7	12.9
On disposals	-	-	-	-	-
At 31 December 2022	-	130.2	20.4	106.4	257.0
Net book value					
At 31 December 2022	4.5	105.9	52.9	14.8	178.1
At 31 December 2021	4.5	107.6	54.3	13.7	180.1

The net book value of plant and machinery includes £1.7m (2021: £1.1m) in respect of assets held under hire purchase contracts and finance leases. Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the company has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount. The assets are ground care, agricultural and access equipment and are generally leased over 5 to 7 years. Title typically reverts to the company at the end of the lease.

13. Investments

	Investment in subsidiary undertakings £m	Investments in associate undertakings £m	Other investments £m	Total £m
Cost				
At 31 December 2021	20.5	1.6	0.2	22.3
Additions	-	-	-	-
At 31 December 2022	20.5	1.6	0.2	22.3
Provision				
At 31 December 2022 and 2021	19.9	0.2	-	20.1
Net book value				
At 31 December 2022	0.6	1.4	0.2	2.2
At 31 December 2021	0.6	1.4	0.2	2.2

Jockey Club Racecourses Limited

Notes to the financial statements

Year ended 31 December 2022

13. Investments (continued)

The company's subsidiaries, all of which are incorporated in Great Britain and registered in England and Wales, are:

	Registered address
Epsom Racecourse Hotel Company Limited	75 High Holborn, London, WC1V 6LS
Racecourse Holdings Trust Limited	75 High Holborn, London, WC1V 6LS
Racecourse Investments Limited	75 High Holborn, London, WC1V 6LS
Barnard & Hill Limited	75 High Holborn, London, WC1V 6LS
Kempton Park Holding Company Limited	75 High Holborn, London, WC1V 6LS
Epsom Downs Racecourse Limited	75 High Holborn, London, WC1V 6LS
Kempton Racecourse Investments Limited	75 High Holborn, London, WC1V 6LS
Sandown Park Limited	75 High Holborn, London, WC1V 6LS
The Kempton Park Racecourse Company Limited	75 High Holborn, London, WC1V 6LS
The Epsom Grand Stand Association Limited	75 High Holborn, London, WC1V 6LS
Jockey Club Farming Company Limited	101 High Street, Newmarket, Suffolk, CB8 8JL
Aintree Racecourse Company Limited	Aintree, Liverpool, L9 5AS
The Carlisle Racecourse Company Limited	Grandstand Office, The Racecourse, Durdar Road, Carlisle, CA2 4TS
The Haydock Park Racecourse Company Limited	Newton-Le-Willows, Merseyside, WA12 0HQ
Haydock Park Leisure Company Limited	Newton-Le-Willows, Merseyside, WA12 0HQ
Huntingdon Steeplechases Limited	Westfield House, The Links, Newmarket, Suffolk, CB8 0TG
Market Rasen Racecourse Limited	Legsby Road, Market Rasen, Lincolnshire, LN8 3EA
Newmarket Racecourses Limited	Westfield House, The Links, Newmarket, Suffolk, CB8 0TG
Nottingham Racecourse Company Limited	Westfield House, The Links, Newmarket, Suffolk, CB8 0TG
The Steeplechase Company (Cheltenham) Limited	Prestbury Park, Cheltenham, Glos, GL50 4SH
Warwick Racecourse Company Limited	Prestbury Park, Cheltenham, Glos, GL50 4SH
The Wincanton Races Company Limited	Prestbury Park, Cheltenham, Glos, GL50 4SH
Devon & Exeter Racecourse Limited	Prestbury Park, Cheltenham, Glos, GL50 4SH
Devon & Exeter 2007 Limited	Prestbury Park, Cheltenham, Glos, GL50 4SH
Devon & Exeter Steeplechases	Prestbury Park, Cheltenham, Glos, GL50 4SH

The company directly owns 100% of the ordinary shares of all of the subsidiaries listed above with the exception of Devon & Exeter Steeplechases which is a 100% indirect subsidiary through ownership of Devon & Exeter Racecourse 2007 Limited. With the exception of Epsom Racecourse Hotel Company Limited and Jockey Club Farming Company Limited, all companies are dormant although they operate under management agreements with a view to the day to day management of operations of fifteen racecourses and file unaudited accounts.

The company holds the whole of the share capital of all subsidiaries with the exception of 600 (2021: 600) 6% preference shares of £1 each in The Wincanton Races Company limited, being 8.3% (2021: 8.3%) of that class.

The principal activities of the subsidiaries, with the exception of Epsom Racecourse Hotel Company Limited which owns and operates a hotel at Epsom Downs racecourse and Jockey Club Farming Company Limited which manages farmland, are the supply of horseracing and leisure facilities to the public as agent for Jockey Club Racecourses Limited.

Associates and Joint Ventures

The company owns 14 class A shares (38.88% of the total) (2021: 38.88%) of Racecourse Retail Business Limited, a company registered in England with company number 09776843 whose registered office is at 71 Queen Victoria Street, London, EC4V 4BE. Racecourse Retail Business Limited is treated as a joint venture in the consolidated accounts of the company's parent company, Jockey Club Racecourses (Holdings) Limited, where further details can be found.

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2022

13. Investments (continued)

During 2017, the company became a member of Britbet Racing LLP (formerly July 2018 LLP), a limited liability partnership incorporated and registered in England and Wales with registered number OC413330 and whose registered office is at c/o Alaska House, Bootle, L30 4AB. The company had a membership interest of 34.1% at 31 December 2022 (2021: 34.1%). The partnership has been set up to operate pool betting activities and started trading in July 2018.

14. Debtors

	2022	2021
	£m	£m
Trade debtors	21.0	18.5
Other debtors	4.1	4.7
Amounts owed by group undertakings	7.4	7.6
Interest rate swap	6.3	-
Corporation tax	0.3	0.2
Deferred tax	1.6	6.5
Prepayments and accrued income	32.3	30.3
	<u>73.0</u>	<u>67.8</u>

Other debtors include £2.1m (2021: £2.1m) due after more than one year. The interest rate swap includes £5.2m (2021: £nil) due after more than one year.

The impairment loss recognised in the company profit or loss for the period in respect of bad and doubtful trade debtors was £0.5m (2021: £0.6m).

Amounts owed by group undertakings includes a loan of £6.4m (2021: £6.3m) to Epsom Racecourse Hotel Company Limited. The loan is unsecured and repayable on demand. Interest is charged at the same interest rate as the company's external debt. Other amounts owed by group undertakings are repayable on demand. No interest is charged on these amounts.

15. Creditors: amounts falling due within one year

	2022	2021
	£m	£m
Trade creditors	7.0	6.7
Amounts owed to subsidiary undertakings	0.8	0.7
Amounts owed to group undertakings	4.6	5.0
Other creditors	8.0	5.7
Other taxes and social security	0.9	1.3
Interest rate swap	-	0.8
Obligations under finance leases and hire purchase contracts	0.5	0.3
Accruals and deferred income	64.1	64.5
	<u>85.9</u>	<u>85.0</u>

Amounts owed to subsidiary and group undertakings are repayable on demand. No interest is charged on these amounts.

Jockey Club Racecourses Limited
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16. Creditors: amounts falling due after more than one year

	2022	2021
	£m	£m
Bank loans	70.0	70.0
Issue costs associated with refinancing	(0.7)	(0.8)
Other loans	0.3	0.3
Deferred income	4.0	5.0
Deferred tax	-	0.6
Interest rate swap	-	2.6
Obligations under finance leases and hire purchase contracts	0.8	0.6
Amount owed to group undertakings	3.1	3.1
Amount owed to ultimate parent company	0.2	0.2
	<u>77.7</u>	<u>81.6</u>

Repayment terms

	2022			2021		
	Jockey Club Racecourse			Jockey Club Racecourse		
	Bank Loans	Bond Company	Finance Leases	Bank loans	Bond Company	Finance Leases
	£m	£m	£m	£m	£m	£m
Repayable within one year	-	-	0.5	-	0.4	0.3
Repayable between one and two years	-	3.1	0.5	-	-	0.3
Repayable between two and five years	20.0	-	0.3	20.0	3.1	0.3
Repayable after five years	50.0	-	-	50.0	-	-
	<u>70.0</u>	<u>3.1</u>	<u>1.3</u>	<u>70.0</u>	<u>3.5</u>	<u>0.9</u>
Less: amounts falling due within one year	-	-	(0.5)	-	(0.4)	(0.3)
	<u>70.0</u>	<u>3.1</u>	<u>0.8</u>	<u>70.0</u>	<u>3.1</u>	<u>0.6</u>

Bank loans

The bank loans consist of a £92m (2021: £92m) senior facility to Jockey Club Racecourses Limited, of which £50m (2021: £50m) is drawn down and is repayable in 2030. The bank loans are secured on the freehold land and buildings owned by the company and interest is charged at a rate depending on the performance of the company and its immediate holding company against the bank leverage covenant which is the ratio of total net debt to EBITDA. The lowest interest rate chargeable is 2.25% above SONIA RFR Compound Reference. The £20m CLBILS facility from its existing banking syndicate remains fully drawn down at 31 December 2022 (2021: £20m). Interest is chargeable at 1.65% above SONIA on £10m of the loan and at 1.75% above SONIA on the remaining £10.0m.

Other loans

Amounts owed to group undertakings includes £3.1m (2021: £3.5m) which is subject to an interest rate of 4.25% (2021: 4.25%) pa, repayments began in 2020. This loan is attached to an Unlisted Retail Bond issued by The Jockey Club Racecourse Bond Company Plc and is repayable in line with Bondholders' redemptions, the timings of which are not fixed. Other amounts due to group undertakings are interest free and repayable on demand. Other loans include a loan of £0.3m (2021: £0.3m) from Jockey Club Estates Limited which has no fixed repayment date and is interest free. The amounts owed to group undertakings are interest free with no fixed repayment terms.

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2022

17. Financial instruments

The carrying values of the company's financial assets and liabilities are summarised by category below:

Financial Assets	2022	2021
	£m	£m
Measured at undiscounted amount receivable		
• Trade and other debtors (note 14)	25.1	23.2
• Amounts due from group undertakings (note 14)	7.4	7.6
• Cash	19.6	20.0
Measured at fair value through profit or loss		
• Interest rate swap (note 14)	6.3	-
Financial instruments measured at cost less impairment		
• Fixed asset unlisted investments (note 13)	0.2	0.2
	58.6	51.0
	58.6	51.0
Financial Liabilities	2022	2021
	£m	£m
Measured at fair value through profit or loss		
• Interest rate swap (notes 15 and 16)	-	3.4
Measured at amortised cost		
• Loans payable (notes 15 and 16)	70.3	70.3
• Obligations under finance leases (notes 15 and 16)	1.3	0.9
Measured at undiscounted amount payable		
• Trade and other creditors (note 15)	15.0	12.4
• Accruals (note 15)	19.7	20.3
• Amounts owed to group and parent undertakings (notes 15 and 16)	8.7	9.0
	115.0	116.3
	115.0	116.3

The company's income, expense, gains and losses in respect of financial instruments are as follows:

	2022	2021
	£m	£m
Interest income and expense		
Total interest income for financial assets at amortised cost (note 7)	0.4	0.3
Total interest expense for financial liabilities at amortised cost (note 8)	(3.5)	(3.7)
Fair value gains and losses		
On financial liabilities measured at fair value through profit or loss (note 9)	9.8	4.7
	6.7	1.3
	6.7	1.3

Jockey Club Racecourses Limited

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18. Pension schemes

Defined benefit pension scheme

Until 31 March 2007, all group companies operated a contributory pension scheme providing benefits based on final pensionable pay ("FS Section"), which changed on 1 April 2007 to being based on Career Average Earnings ("CAE Section"). The assets of the scheme are held separately from those of the group.

The company operates a defined benefit pension scheme. The Final Salary section of the Scheme closed to accrual with effect from 31 March 2007, although the link to Pensionable Pay was maintained until 31 March 2010. Pension benefits in the Final Salary section of the Scheme are therefore based on the members' Final Pensionable Earnings as at 31 March 2010 (or date of leaving if earlier) and service to 31 March 2007 (or date of leaving if earlier). The Career Average Earnings (CAE) section of the Scheme opened on 1 April 2007 and closed to future accrual with effect from 31 March 2012. Pension benefits in the CAE section of the Scheme are built up each year based on the members' Pensionable Pay in that year.

The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are two categories of Scheme members:

- Deferred members: former active members of the Scheme not yet in receipt of a pension.
- Pensioner members: members in receipt of a pension.

Following the acquisition of United Racecourses in 1994, the group created a single contributory pension scheme providing benefits based on final pensionable pay. Accordingly the existing Racecourse Holdings Trust non-contributory scheme and the United Racecourses contributory scheme were closed in respect of future membership. Both schemes were based on final pensionable pay and all members of each scheme were offered the ability to switch into the newly created group pension arrangements.

A number of employees elected to remain in each of the closed schemes. As a result the closed schemes continue to be operated in respect of these members.

With effect from 1 April 2010, the benefits in the Final Salary Section ceased to be linked to Final Pensionable Salary and, from that date, increases on the excess over the Guaranteed Minimum Pension ("GMP") are in line with increases in the Retail Prices Index (capped at 5% over the period). The GMP is increased in line with National Average Earnings. The defined benefit scheme was closed to new entrants from 1 November 2011 and was closed to all future accruals on 31 March 2012.

Future funding obligation

The Trustees are required to carry out an actuarial valuation every 3 years. The latest actuarial valuation was carried out as at 31 July 2020 which revealed a funding shortfall (technical provisions minus value of assets) of £18.8m. To eliminate this funding shortfall, the Trustees and the Employer agreed that the Employer will pay contributions over the period from 1 August 2020 to 31 December 2029. The Employer has paid £3.1m in contributions between 1 August 2020 and 31 December 2022 and expects to pay contributions between 1 January 2023 and 31 December 2029 as follows:

- £164,500 per month from 1 January 2023 to 31 December 2029 inclusive, increasing by 3.3% pa each 1 January, with the first increase applying on 1 January 2024.

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Notes to the financial statements
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18. Pension schemes (continued)

The company therefore expects to pay £2.0m, to the Scheme during the accounting year beginning 1 January 2023 and £18.4m over the period to 1 August 2020 to 31 December 2029.

In addition to the contributions set out above, all expenses involved in running the Scheme and the cost of any levies (including the PPF levy) will be paid directly by the company as and when they fall due unless otherwise agreed by the Trustees.

Reconciliation of Scheme's assets and defined benefit obligations

	Assets £m	Liabilities £m	Total £m
At 1 January 2022	68.2	(79.3)	(11.1)
Benefits paid:	(1.9)	1.9	-
Employer contributions	1.7	-	1.7
Administrative expenses	(0.2)	-	(0.2)
Interest income/(cost)	1.3	(1.4)	(0.1)
Remeasurement gains:			
Actuarial gains	-	26.4	26.4
Return on assets excluding interest income	(24.1)	-	(24.1)
	<u>45.0</u>	<u>(52.4)</u>	<u>(7.4)</u>
At 31 December 2022	<u>45.0</u>	<u>(52.4)</u>	<u>(7.4)</u>

Scheme assets

The fair value of the assets of the scheme were:

Asset class	2022 £m	2021 £m
Equities	14.3	27.1
Gilts	14.1	20.7
Secured property leases	5.6	6.3
Diversified growth funds	5.2	4.3
Diversified credit funds	5.4	9.2
Cash	0.4	0.6
	<u>45.0</u>	<u>68.2</u>

The return on assets was:

	2022 £m	2021 £m
Interest income	1.3	0.8
Return on assets excluding interest income	(24.1)	5.6
	<u>(22.8)</u>	<u>6.4</u>

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18. Pension schemes (continued)

Reconciliation to the statement of financial position

	2022	2021
	£m	£m
Market value of assets	45.0	68.2
Present value of defined benefit obligation	(52.4)	(79.3)
	<u>(7.4)</u>	<u>(11.1)</u>

The following amounts have been recognised in the financial statements:

	2022	2021
	£m	£m
Income statement		
<i>Amounts included in</i> Administrative expenses:		
Past service cost	-	-
Administrative expenses	(0.3)	(0.3)
	<u>(0.3)</u>	<u>(0.3)</u>

Amounts included in other finance income/(costs):

Net interest cost	(0.1)	(0.3)
	<u>(0.1)</u>	<u>(0.3)</u>
Total included in income statement	<u>(0.4)</u>	<u>(0.6)</u>

	2022	2021
	£m	£m
Other comprehensive income/(loss)		
Changes in assumptions underlying the present value of scheme liabilities	26.4	5.4
Actual return on assets less interest	(24.1)	5.6
	<u>2.3</u>	<u>11.0</u>

Jockey Club Racecourses Limited
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18. Pension schemes (continued)

Principal actuarial assumptions used at the reporting date:

Description	2022	2021
Discount rate	4.80% pa	1.95% pa
RPI inflation	3.10% pa	3.30% pa
CPI inflation	2.70% pa	2.90% pa
Revaluation of deferred pensions:		
GMP (S148)	4.90% pa	5.10% pa
Non GMP	2.70% pa	2.90% pa
CAE pension	0.00% pa	0.00% pa
Pension increases:		
Pre 88 GMP	0.00% pa	0.00% pa
Post 88 GMP	2.20% pa	2.30% pa
Pre 05 pension	3.00% pa	3.20% pa
Post 05 pension	2.20% pa	2.20% pa

S3PMA/S3PFA

S3PMA/S3PFA

Mortality (before and after retirement)	CMI 2021 model with a long term rate of improvement of 1.25% pa and a +1 year age rating	CMI 2020 model with a long term rate of improvement of 1.25% pa and a +1 year age rating
Allowance for cash commutation	75% of members are assumed to take the maximum tax-free cash available	75% of members are assumed to take the maximum tax-free cash available
Proportion married	85% for males 75% for females	85% for males 75% for females

Defined contribution pension scheme

The amount recognised in the income statement as an expense in relation to the company's defined contribution scheme is £1.4m (2021: £1.4m). There was £0.2m (2021: £0.1m) owing at the year end.

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19. Deferred Tax

	£m
Deferred tax movement for the year:	
Net deferred tax asset at 1 January 2022	5.9
Charged to the income statement	(3.7)
Charged to other comprehensive income	(0.6)
	<u>1.6</u>
Net deferred tax asset at 31 December 2022	<u>1.6</u>

	2022	2021
	£m	£m
Provision has been made for deferred taxation as follows:		
Accelerated capital allowances	1.9	2.5
Short term timing differences on interest rate swap	(1.3)	1.2
Defined benefit pension scheme	1.8	2.8
Capital gains	(0.8)	(0.6)
	<u>1.6</u>	<u>5.9</u>

The precise timing of utilisation of deferred tax assets depends on a number of factors, in particular the timing and extent of taxable profits. It remains probable that the company will remain profitable and fully utilise its deferred tax assets in a reasonable timeframe and the board does not anticipate the tax profile of the company changing significantly over the forthcoming year.

20. Grant Account

	2022	2021
	£m	£m
Balance at 1 January	88.3	96.3
Capital grants credited to the income statement	(7.9)	(8.0)
	<u>80.4</u>	<u>88.3</u>
Balance at 31 December	<u>80.4</u>	<u>88.3</u>

Under the Horserace Betting Levy Board's (HBLB) capital credits scheme, capital grants are available for certain qualifying expenditure. In accordance with accounting principles these are not initially shown as part of shareholders' funds but are released to the income statement over the life of the related assets. The grants are shown within capital and reserves as the associated work has been performed and is not, in any way, repayable.

21. Called up share capital

	2022	2021
	£m	£m
Authorised, allotted and fully paid:		
100,000 ordinary shares of £1 each	0.1	0.1
	<u>0.1</u>	<u>0.1</u>

22. Capital commitments

	2022	2021
	£m	£m
Expenditure contracted for but not provided in the financial statements	1.1	0.5
	<u>1.1</u>	<u>0.5</u>

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23. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2022	2021
	£m	£m
Within one year	0.4	0.4
In two to five years	1.0	1.0
In over five years	-	0.2
	1.4	1.6

24. Contingent liabilities

At 31 December 2022 there were the following contingent liabilities:

The company has guaranteed a loan of £1,362,285 (2021: £1,321,958) payable by Jockey Club Farming Company Limited to Jockey Club Estates Limited.

25. Ultimate parent undertaking

The company's ultimate parent and controlling undertaking is The Jockey Club, a company incorporated in Great Britain by Royal Charter and registered in England and Wales. The company's immediate parent company is Jockey Club Racecourses (Holdings) Limited, a company registered in England and Wales whose registered address is Sandown Park Racecourse, Surrey, KT10 9AJ. The largest and smallest group for which statutory group accounts are prepared is headed by Jockey Club Racecourses (Holdings) Limited. The group financial statements for Jockey Club Racecourses (Holdings) Limited are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.

26. Related party transactions

Jockey Club Racecourses Limited has loans from its ultimate parent undertaking, The Jockey Club, and its fellow subsidiaries, Jockey Club Estates Limited and The Jockey Club Racecourse Bond Company Plc, details of which are set out in note 15 and 16.

Jockey Club Racecourses Limited has loaned Epsom Racecourse Hotel Company Limited £6.4m (2021: £6.3m) and National Stud Limited £0.4m (2021: £0.4m).

The income statement includes £32.0m (2021: £38.8m) in licence fees receivable from, and £1.0m (2021: £1.2m) in Racetech fees payable to, Racing UK Limited; £1.2m (2021: £nil) dividends receivable from Racecourse Media Services Limited; and £26.3m (2021: £17.9m) in licence fees receivable from Racecourse Retail Business Limited

At 31 December 2022, the company was owed the following amounts by related parties:

British Champions Series Limited £0.3m (2021: £0.5m)
Racecourse Retail Business Limited £4.9m (2021: £2.2m)
Britbet Racing LLP £1.8m (2021: £1.8m)

At 31 December 2022, the company owed the following amounts to related parties:

Britbet Racing LLP £1.2m (2021: £1.5m)

Key management personnel include all directors of the company who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £2.9m (2021: £0.8m).