



Patterson, who joined Animal Rebellion in 2020 and now masterminds the group's protests, released a video on Instagram last week announcing the group's name change.

'We feel that the change we need will come through our connection with animals by challenging those industries that exploit them, from our food system to animal testing to zoos to horse racing,' she said.

'Our actions this year are going to be bigger than ever. This summer will be the summer of Animal Rising.'



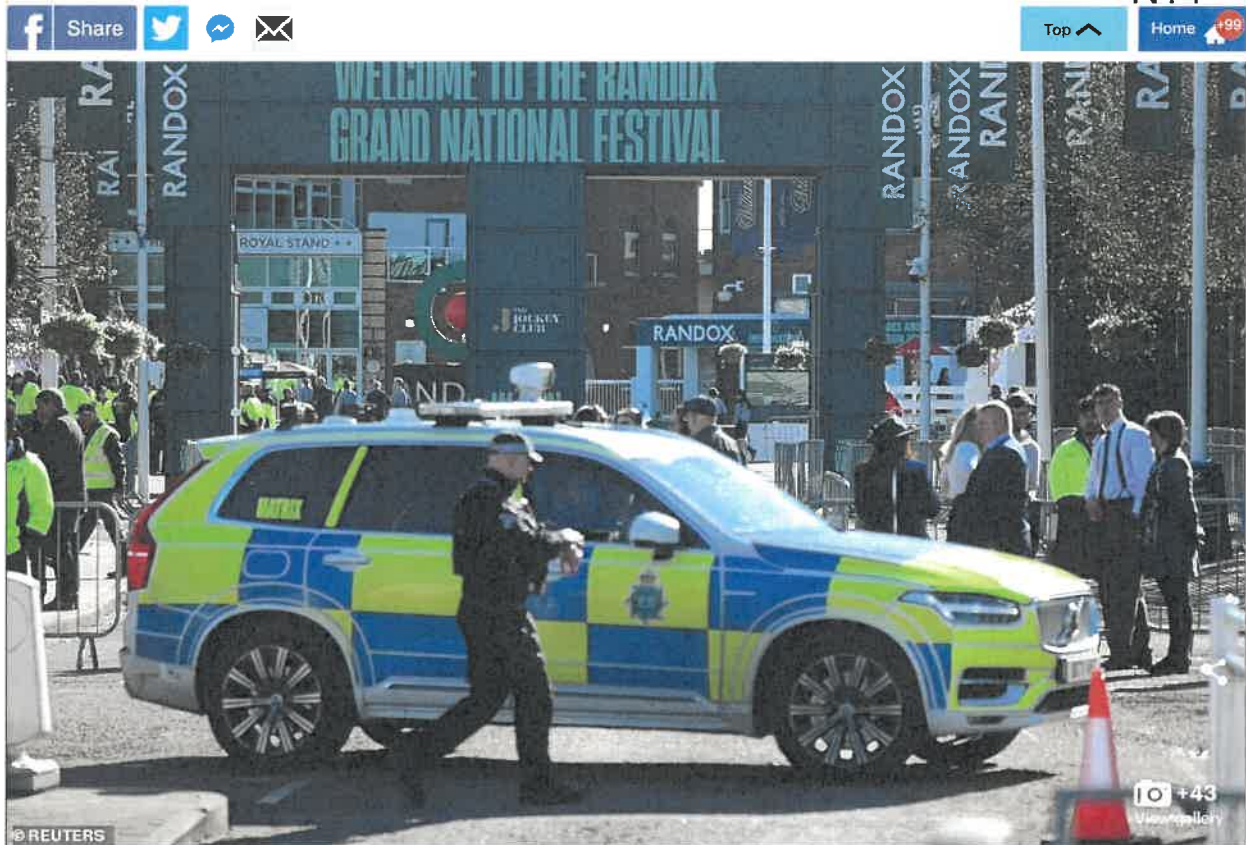
Police said they respect the right to peaceful protest, but stated 'criminal offences will not be tolerated and will be dealt with robustly'. Pictured: outside Aintree Racecourse



Racegoers enjoying day three of the Randox Grand National Festival at Aintree Racecourse



Animal Rising have vowed that their 'biggest action yet' will 'cancel the Grand National' at Aintree Racecourse



The militant animal rights campaigners said up to 300 activists will flood Aintree Racecourse where they intend to prevent the main race at 5:15pm from starting



Animal Rising
@AnimalRising

...



Imagine a world where horses and other animals are able to live free from harm and exploitation. This is the world we are going to create. It's time to rise up and demand animal justice, for all life.

Tomorrow will be our biggest action yet! We will be taking direct action to protect the horses at Aintree - but this is just the beginning of the Summer of Animal Rising.

It's not too late to turn up from 9:30am onwards outside Aintree Racecourse to help us to cancel the Grand National, and end horseracing, along with all forms of animal cruelty.

The animal activist group announced their intention to stop the races going ahead

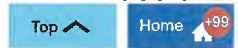
'We'll be doing open rescues, farm factory occupations and highly disruptive mass-participation actions.'

Earlier this week Animal Rising claimed that up to 300 activists would try to prevent the Grand National from starting, with some expected to block traffic by performing a slow march along Ormskirk Road, the main access route.

Around 80 protesters gathered outside the racecourse's entrance this morning. By midday on Saturday one man and one woman had been arrested on suspicion of conspiracy to commit a public nuisance.

Some activists chanted at race-goers entering the course: 'Shame on you.'

READ MORE HERE: The business guru turned eco-activist plotting to wreck the Grand National



The MoS investigation earlier this month revealed how ringleaders had already conducted two secret reconnaissance missions of the racecourse to pinpoint security weaknesses and how a network of safe houses was being arranged to accommodate protesters before the race.



Jim Edwards (pictured), the former founding editor of the UK website of Business Insider, is involved with militant Animal Rebellion



Merseyside Police has vowed to deal 'robustly' with any protesters. Pictured: Officers at the entrance of Aintree Racecourse



Armed police are present at the Aintree Racecourse for the Grand National Festival on Saturday

A spokesperson for Merseyside Police said the force 'has been working with the Jockey Club and other partners to keep people safe during the Grand National Festival.



'This has been factored into our plans. We respect the right to peaceful protest and expression of views, but criminal behaviour and disorder will not be tolerated and will be dealt with robustly.'

An Aintree Racecourse spokesperson said: 'We respect the right to peaceful protest, but sincerely hope that Animal Rising reflects on whether their proposed actions are legitimate and responsible.'

'Their actions could endanger the horses they purport to protect, as well as jockeys, officials and themselves.'

The British Horseracing Authority said: 'While we respect the rights of anyone to protest safely and legally, we condemn any action which is illegal, especially if it puts at risk the safety of horses, jockeys, officials or fans.'

Two horses have now died at this year's three-day Grand National Festival.



Activists outside the gates ahead of day three of the Randox Grand National Festival at Aintree Racecourse



A protestor holds a sign saying 'love animals' in front of police outside the racecourse

EXC: Mail reporter exposes AR's plot to storm the Grand National

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Animal welfare charity the League Against Cruel Sports has described the death toll at the Randox Grand National Festival as 'bleak'.

Emma Judd, head of campaigns and communications at the League Against Cruel Sports, said: 'The tragic death of Dark Raven at the Randox Grand National Festival - the second death in only three days - shows entertainment and gambling taking precedence over animal welfare and the lives of these horses.'

'It's time for change and for the introduction of tighter safety measures at Aintree and at racecourses across the UK.'

The death toll at the Aintree Festival has now reached 61 horses since the year 2000, with 15 deaths in the Grand National.

Envoye Special, ridden by James King, fell in the Foxhunters' Chase just after 4pm on Thursday.

Four horses died at the 2022 Aintree Festival, with two horses being destroyed after the Grand National.

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Animal Rising strike again: Police arrest protesters as they flood Scottish Grand National course in failed bid to delay race saying they are acting to 'protect animals' and vow more demos in future

- Animal Rising protesters invaded Scottish Grand National at Ayr Racecourse
- Activists also outside Parliament for Extinction Rebellion climate protest today

By OLIVER PRICE

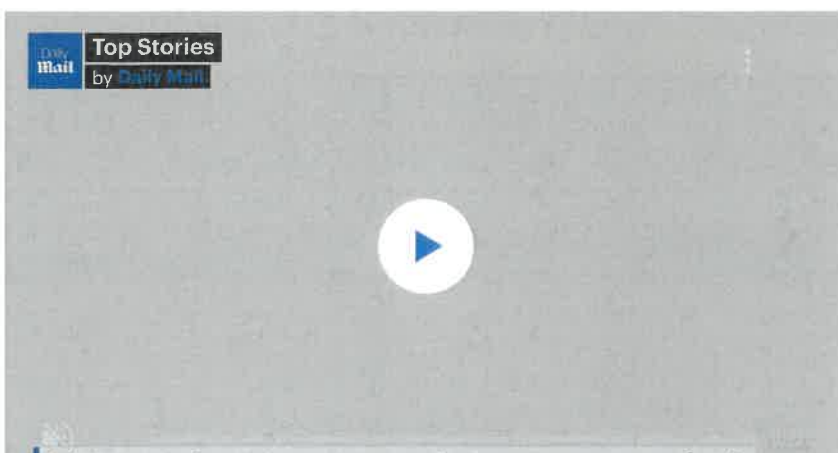
PUBLISHED: 16:00, 22 April 2023 | UPDATED: 17:07, 22 April 2023



Animal rights protesters have been arrested by police as they attempted to invade the race course during the Scottish **Grand National** today at Ayr Racecourse.

The Animal Rising group have taken responsibility for the incident on social media, sharing a video of 25 of their supporters storming underneath fencing and running to different positions around the track.

They attempted to attach themselves to the jumps and gates on the racetrack in an effort to 'cancel the big race'.



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Animal Rising said they will protest animals endangered that they will have more demos, adding that the protest at the **Aintree Grand National** last week was 'just the beginning'.



Animal Rising activists are apprehended by police officers as they attempted to invade the race course during the Coral Scottish Grand National festival at Ayr Racecourse



The Animal Rising group have taken responsibility for the incident on social media

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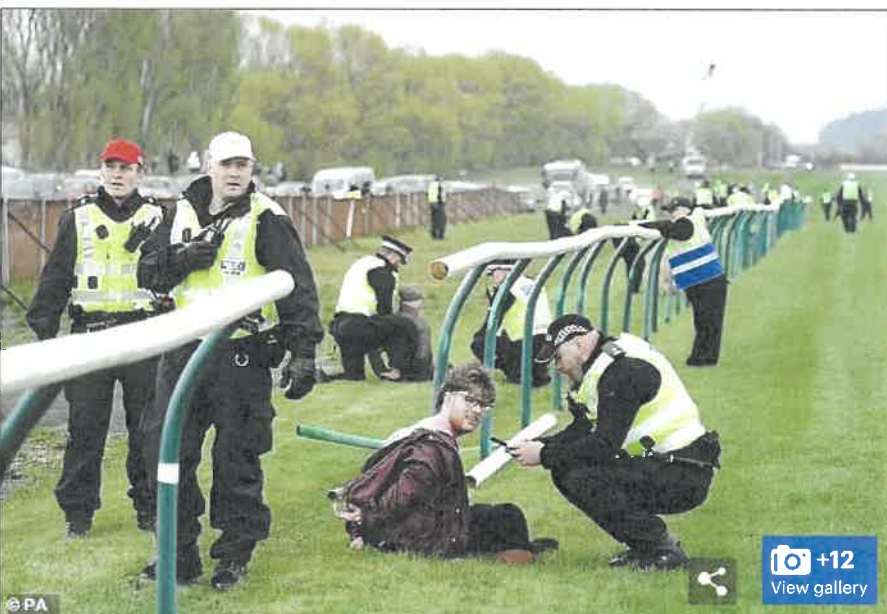


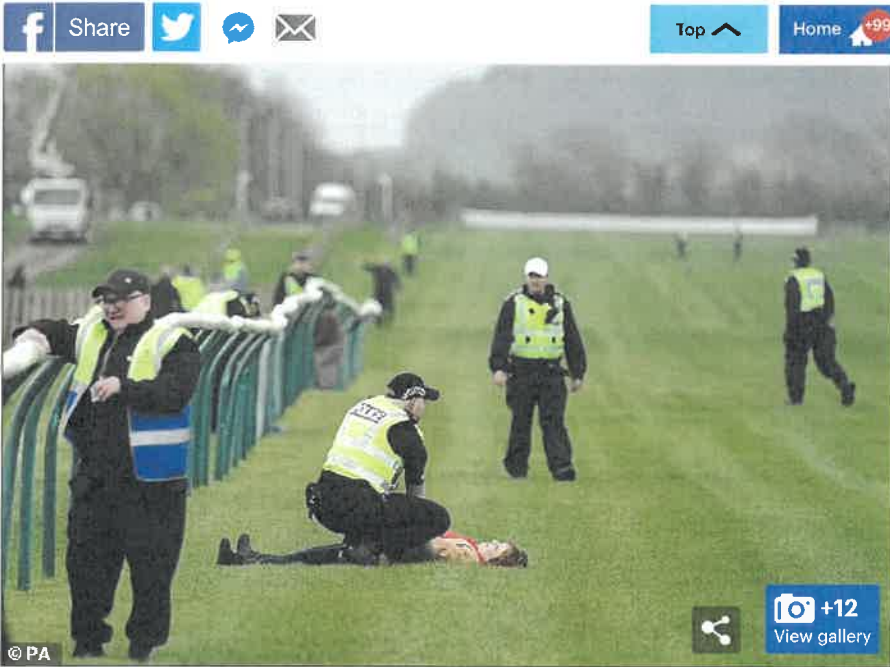
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Protesters attempted to attach themselves to the jumps and gates on the racetrack as an effort to 'cancel the big race'





A protester is held down by a police officer during the Scottish Grand National today



Police attempting to apprehend a Animal Rising protestor at Ayr Racecourse earlier today

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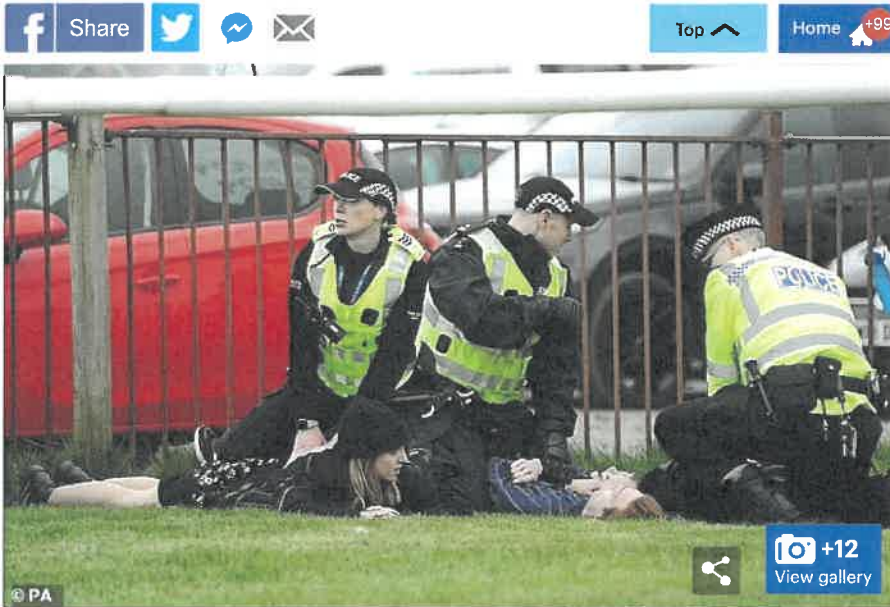
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Protesters on the racecourse before the start of the Scottish Grand National today as police apprehend them

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A Police Scotland spokesperson said: 'Officers are responding to a protest which is ongoing at Ayr Racecourse this afternoon.'

'A significant operation is underway to safely remove those involved.'

'A number of arrests have been made and an increased police presence remains at the scene.'

On social media at just before 4pm, Animal Rising said: '25 supporters of Animal Rising have made it onto the track at the Scottish Grand National, to put their bodies in the way of harm, and protect animals.'

The post added: 'They're attempting to attach themselves to jumps and gates in order to cancel the big race.'

'This afternoon 8 year old Oscar Elite died on the very same track. We take action today with them in our hearts.'

'A horse dies every other day in racing in the UK. We are here to protect horses by saying NO to this barbaric 'sport.'

'There are plenty of other things we can have fun doing on a Saturday afternoon that don't involve watching animals come to harm.'

'Last week at Aintree was just the beginning. The Summer of Animal Rising is upon us.'

Despite the protest, the race went ahead as planned, with horse Kitty's late taking the victory.

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Grandmother, 62, who was given three months to live is now cancer free nearly two decades after she was first diagnosed



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Activists attempted to disrupt the Grand National at Aintree by getting onto the racecourse and fixing themselves to fences and railings, causing the race to be delayed by 15 minutes



© AFP via Getty Images



A protester being detained as activists tried to disrupt the Grand National by getting into the racecourse and fixing themselves to fences and railings, causing the race to be delayed by 15 minutes on April 15

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Ten in hospital as double decker bus loses roof in Glasgow

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Woman is left 'shaken' after finding 'threatening' note left on car

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This comes after the **Grand National at Aintree was delayed** after Animal Rising protesters stormed the racetrack.

At least two protesters fixed themselves to a jump using glue and lock-on devices.

Animal Rising supporters have also been spotted at a climate protest outside Parliament today.



The Down

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ER nurse reveals the three things she would NEVER do - after years of seeing patients with HORRIFIC and even fatal injuries as a result of trying them



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the environmental failures' of government.

Animal Rising flags were pictured amongst activists carrying XR flags and posters.



Animal Rising supporters have also been spotted at a climate protest outside Parliament today



Thousands of protesters have gathered for their 'The Big One' campaign, organised by Extinction Rebellion (XR), as part of a four-day campaign designed to 'highlight the environmental failures' of government

XR says thousands of people protested outside government departments in London on Friday 'to highlight the environmental and social failures' of the government.

Today's protest focused on nature and biodiversity, and started from Westminster Abbey with attendees, many of them children, wearing animal costumes and masks.

'It's an emergency. Everybody needs to pull together so the future generations can enjoy our beautiful planet,' said 47-year-old Jenny O'Hara Jakeway, who made the six-hour journey from Wales with her two children.

'I should protest more but my life is work and family. Being passive is not an option anymore because of the urgency of the situation,' she told AFP.

Many had made banners for the occasion, with one reading: 'We defend the climate but police arrest us' and another 'Extinction is forever'. Others warned that a third of

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Michelle Yeoh exudes glamour in a sleek green gown and coordinating cape as she attends the star-studded Firebrand premiere at Cannes Film Festival



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Gigi Hadid wows in a figure hugging strapless gown as she attends the Firebrand premiere during the 76th Cannes Film Festival. Hard to miss



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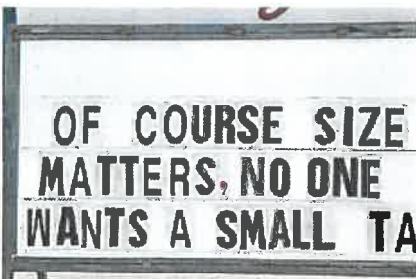
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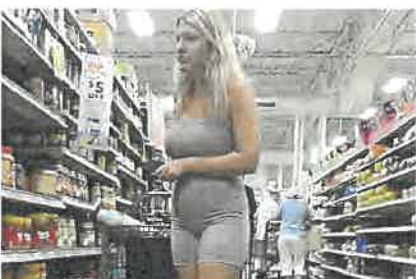
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This afternoon 8 year old Oscar Elite died on the very same track. We take action today with them in our

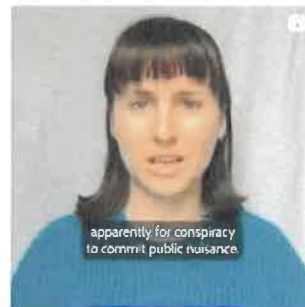


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involve watching animals come to harm.

Last week at Aintree was just the beginning. The Summer of Animal Rising is upon us.

Please donate to support actions like these. (Link in bio)

#CancelTheGrandNational
#AnimalRising

10:16 AM · Tue

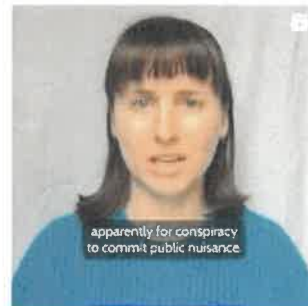


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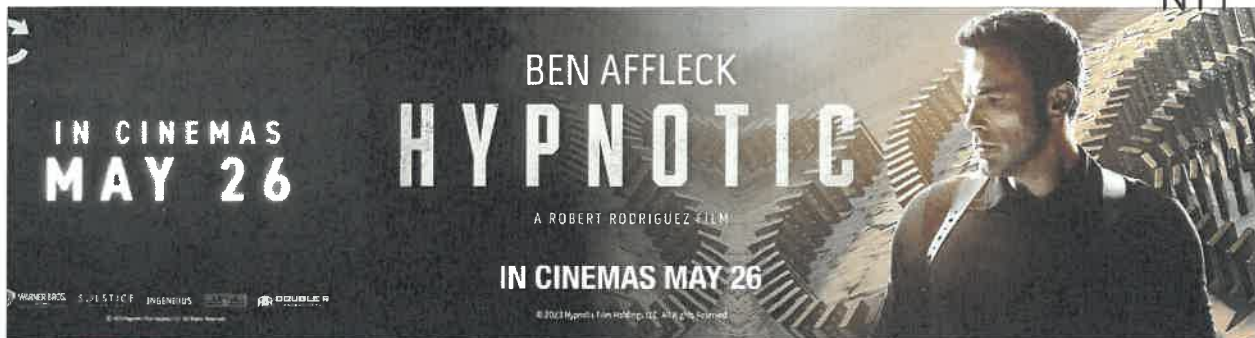
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Security staff remove protesters from the track at Doncaster

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Animal rights protesters delay racing at Doncaster after getting onto track

The 7.55pm race at Doncaster was held up while security staff removed three protesters who had sat down in the middle of the racecourse

By Jon Lees
 20:57, 6 May 2023

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Animal rights activists disrupted racing at Doncaster on Saturday after a small group of people got onto the track to attempt a sit-down protest.

The 7.55 race was delayed when three people were spotted sat down in the middle of the course at the Yorkshire venue.

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The intruders, dressed in pink T-shirts similar to those worn by protesters at the Grand National, appeared to be bound together.

They were approached by Doncaster's security team who dragged them off the course and under the rail, while another person filmed the incident on a mobile phone.

The race subsequently went ahead without further incident, nine minutes after the official start time.



Frankie Dettori wins 2,000 Guineas on final ride in British Classic race



Kentucky Derby favourite withdrawn hours before race after four deaths in week

The meeting was being covered live by Sky Sports Racing when the incident occurred.

Presenter Tony Ennis said: "We can see the protesters, there are three of them. I'm not sure exactly how they got there. That's the top turn down the side of the course.

"I can see some of the racecourse staff are out there. I can see them in those easy to spot pink t-shirts. It looks like it's Animal Rising again."

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THE DAILY FOODIES

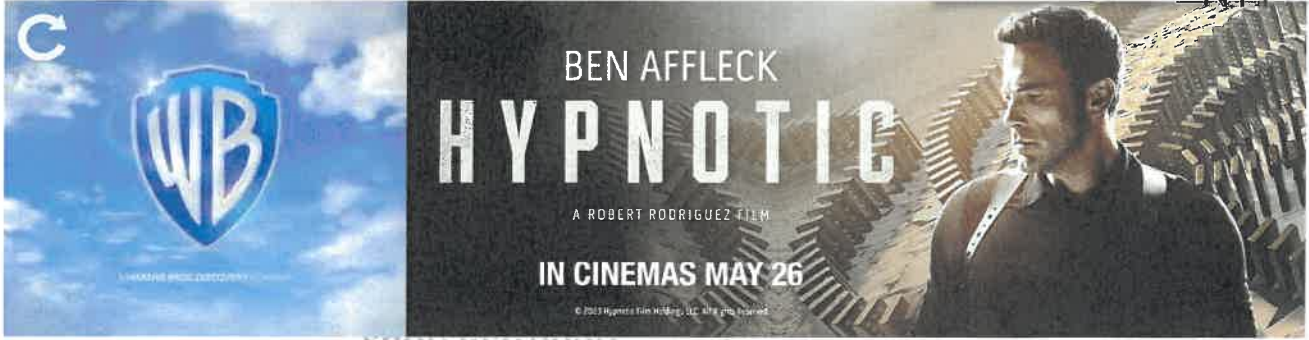
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He continued: "They seem to have their hands tied. There is a big bolt cutter there. The security staff are heading over and they are going to lift them up and try and get them off the track.

"They are using the security officers there to remove the protesters from the racecourse. Obviously they are still on the racecourse."





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Animal Rights protesters caused havoc at the Grand National last month (Image: AFP via Getty Images)

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A Doncaster Racecourse spokesman said: "We treat any incursion onto the track with the utmost seriousness, and are grateful to our security team who were able to remove the individuals in a swift and efficient manner."

PRIVACY





press3095 · May 6 · 3 min read

Coronation Royal Race Evening Disrupted At Doncaster: Animal Rising Occupy Track



- At around 19:45, 5 Animal Rising supporters ran onto the Doncaster Racecourse track. They could be seen walking down the track holding a large banner reading “Animal Rising, For All Life.”
- The individuals involved could be seen wearing pink t-shirts with the words “Animal Rising, For All Life” on them. The group claimed the action was to protect horses at the racecourse and also continue a national conversation on our broken relationship with other animals and nature that began with The Grand National.
- This comes weeks after the same group disrupted the Grand National and Scottish Grand National, and recently announced their plans to disrupt the Epsom Derby [1].
- Earlier today, 14 unprovoked arrests were made at an Animal Rising nonviolence training in London - despite the group making multiple public statements it had no plans to disrupt the coronation proceedings in Westminster [2]

Supporters of Animal Rising have disrupted the evening races at Doncaster Racecourse in a bid to stop the day's final race. The group climbed over fences around the track before entering the course itself. This is the third time the group has disrupted horse racing this year and the first time at a flat racing event.



Joshua Lane, 25, and Engineer from Derby and one of those on the track said:

“The need to address our heartbreaking disconnect from other animals and nature has never been more urgent. Horse racing is a clear example of how far we are from our ideals as a nation of animal lovers. How can it be right to force these beautiful horses into doing something purely for our use and entertainment? They deserve lives free from exploitation, just as all animals do - whether that's for entertainment or food.

We know this change can't happen overnight, but we can begin right now. That means stopping breeding horses for the racing industry and directing funds towards the happy retirement of the horses currently used. Combining this with a safe, secure food system and mass rewilding would create a British countryside we can all take pride in."

Whilst flat racing results in fewer track deaths for horses, Animal Rising states that this argument avoids the bigger issue - the use of animals for human entertainment. Furthermore, in flat racing horses are still subjected to the use of the "bit" to control their behaviour. This has been linked to impaired breathing and bone spurs, whilst also causing immense pain [3]. The use of whips is also still permitted, despite evidence from a decade-long study showing that they cause an immense amount of pain to the animals whilst having a little-to-no impact on race safety [4]. This year already three horses have died at Doncaster Racecourse [5].

Animal Rising is a social movement to create a new relationship with all beings and give us a chance for a safe ecological future. The group primarily calls for the transition to a secure and sustainable plant-based food system, alongside a mass rewilding programme.

ENDS.

Word Count: 506

High Quality Pictures and Videos: <https://show.pics.io/animal-rebellion-breaking-news->

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For more information or further comments, please contact:

Nathan (Press Back Office): 07466114387

press@animalrising.org

Notes to Editors:

[1] <https://www.animalrising.org/post/grand-national-disrupted-animal-rising-occupy-track> and <https://www.animalrising.org/post/scottish-grand-national-disrupted-by-animal-rising> and <https://www.animalrising.org/post/epsom-is-next-animal-rising-declares-intention-to-disrupt-the-derby-festival>

[2] <https://www.animalrising.org/post/arrests-made-as-government-crack-down-on-all-protest-and-dissent>

[3] <https://horsesport.com/magazine/training/are-bits-bronze-age-technology/>

[4] [https://www.sydney.edu.au/news-opinion/news/2020/11/12/first-conclusive-evidence-horses-hurt-by-whips--whips-don-t-](https://www.sydney.edu.au/news-opinion/news/2020/11/12/first-conclusive-evidence-horses-hurt-by-whips--whips-don-t-aid-.html#:~:text=Yet%20in%20two%20studies%20released,to%20whip%20these%20animals%20at)

[aid-.html#:~:text=Yet%20in%20two%20studies%20released,to%20whip%20these%20animals%20at](https://www.sydney.edu.au/news-opinion/news/2020/11/12/first-conclusive-evidence-horses-hurt-by-whips--whips-don-t-aid-.html#:~:text=Yet%20in%20two%20studies%20released,to%20whip%20these%20animals%20at)

[5] <https://www.horsedeathwatch.com/#c=48&j=&g=&sd=&ed=&p=1>



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TAKE ACTION FOR ALL LIFE: DISRUPT THE EPSOM DERBY

JOIN US ON THE TRACKS

How we achieve change

We follow in the footsteps of other nonviolent social movements who have brought about lasting change, such as the Civil Rights Movement. We are a love-based movement, and we believe compassion, kindness, commitment and taking responsibility are the values that will bring about a safer, fairer world.

We focus on creating “actions of the heart” balanced with campaigns that achieve high levels of media coverage. This is to create a crucial national conversation about our treatment of animals and the natural world.

We have three streams of nonviolent protest actions which will continue throughout the summer.

1.

Open animal rescues and farm occupations. Spotighting the stories of animals suffering through exploitation. Open rescuers hand themselves into the police and take accountability for their actions, because we know we have nothing to hide and are morally justified in preventing further harm.

2.

Mass trespass onto animal racing events. As a nation of animal lovers it is about time we put these cruel, outdated practices under the spotlight and bring them to an end. There are more fun ways to spend a weekend than watching animals die, and as a society we will find ways to love animals without harming them.



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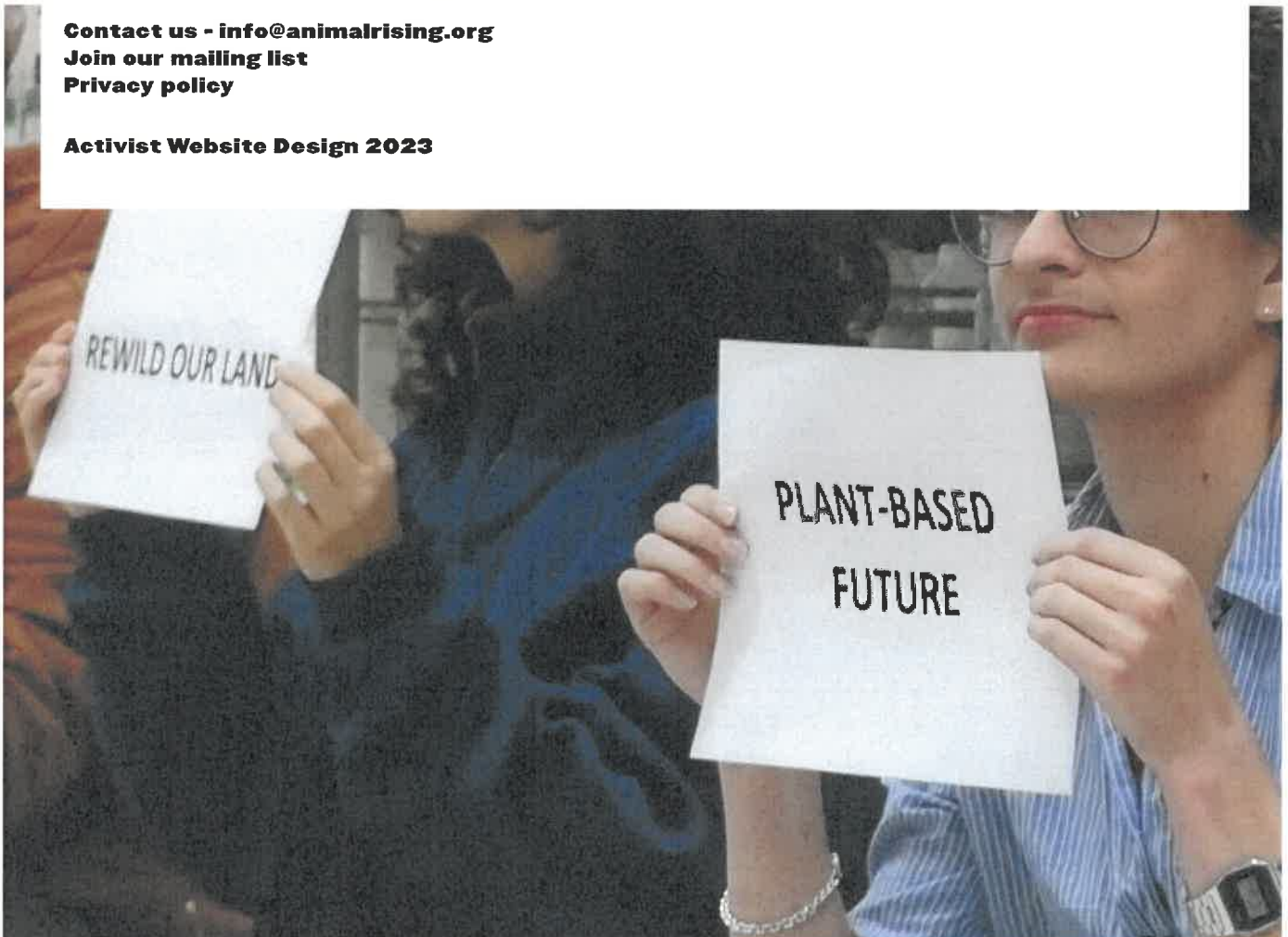
Public facing disruptions. This includes supermarket sit-ins, restaurant sit-ins, roadblocks, and more. All conducted peacefully and nonviolently. We do these attention-grabbing actions to help people rethink their connection with other living beings and the natural world.

If you want to help end the suffering of animals and speed up the transition to a plant-based food system, come and join us.

Sign up now

**Contact us - info@animalrising.org
Join our mailing list
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Activist Website Design 2023





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TAKE ACTION FOR ALL LIFE: DISRUPT THE EPSOM DERBY **JOIN US ON THE TRACK**



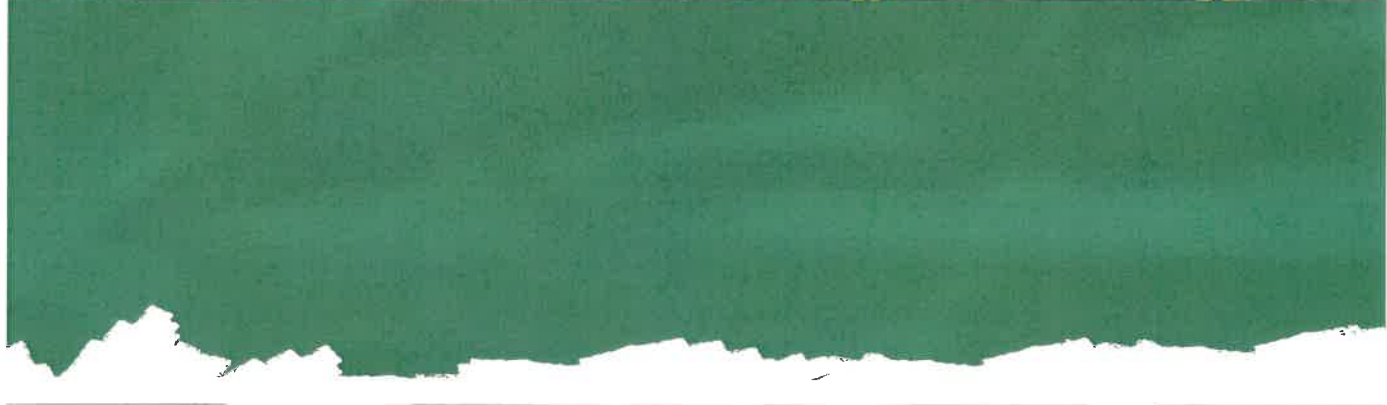


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Why should I get involved?

The Challenge

We love animals. But as a society we've lost our connection with them, as we continue to breed and kill billions of other beings each year for 'food' or 'fun'.

This cruel suffering is at the heart of our **climate and ecological** emergencies. Animal farming and fishing threatens our collective future, destroying our land, our forests, and our oceans. The **exploitation of animals** is directly responsible for global heating, extreme weather events, food insecurity, and the mass loss of **wildlife and nature**.

Unless we find a way to **repair this broken relationship**, we cannot fix either the climate or nature emergencies.

The Solution

If we act now, we can have a liveable future not just for us but **for all life.**



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safer, sustainable food system.

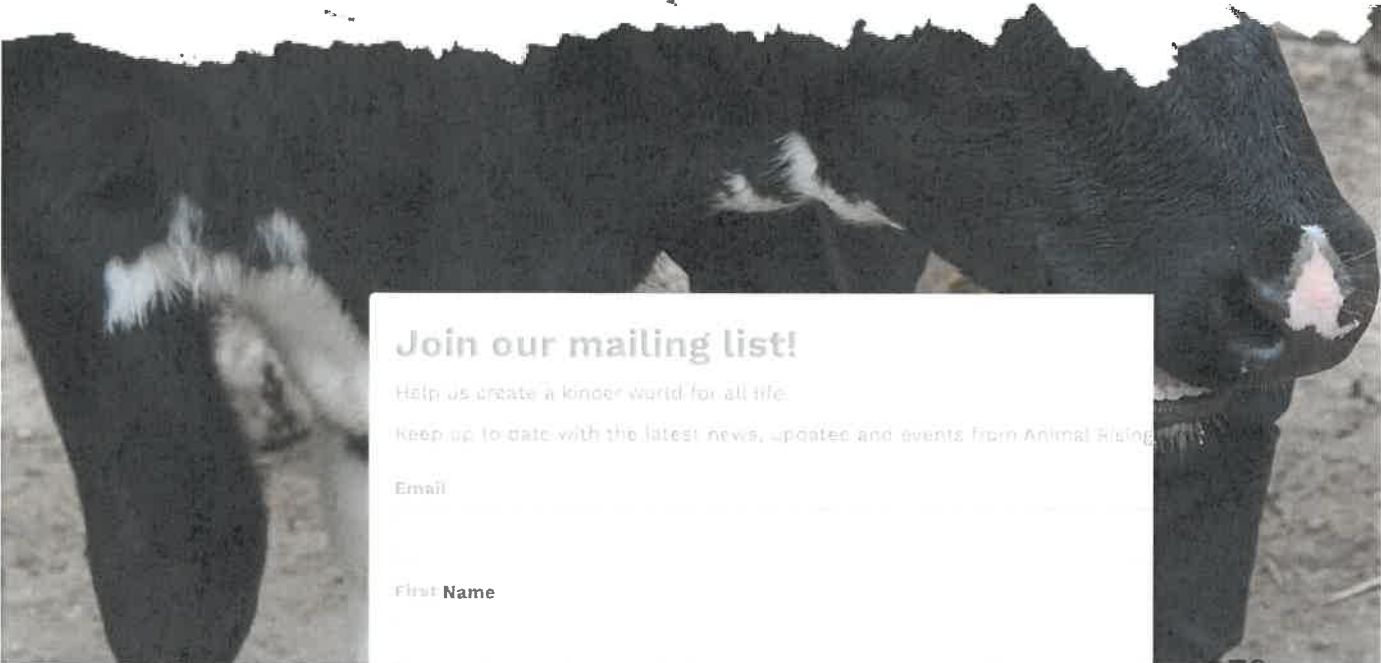
The science is clear: more than 70% of farmland can be freed up and rewilded to allow nature to recover, whilst still providing enough nutritious food for our growing population. It makes our rivers and seas cleaner, our air easier to breathe. Wild animals, bees and butterflies will return and flourish as animal farming and fishing comes to an end.

Act on what your heart is telling you. Together we can heal our relationship with other beings and create a safer, better future for all life.

Your Donation Counts!

We're asking people to donate **1 hour's wage every month** to support our work for animals, allowing us to rescue more animals, take high profile actions, and create a national conversation in the media.

DONATE NOW



Join our mailing list!

Help us create a kinder world for all life.

Keep up to date with the latest news, updates and events from Animal Rising.

Email

First Name



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Register

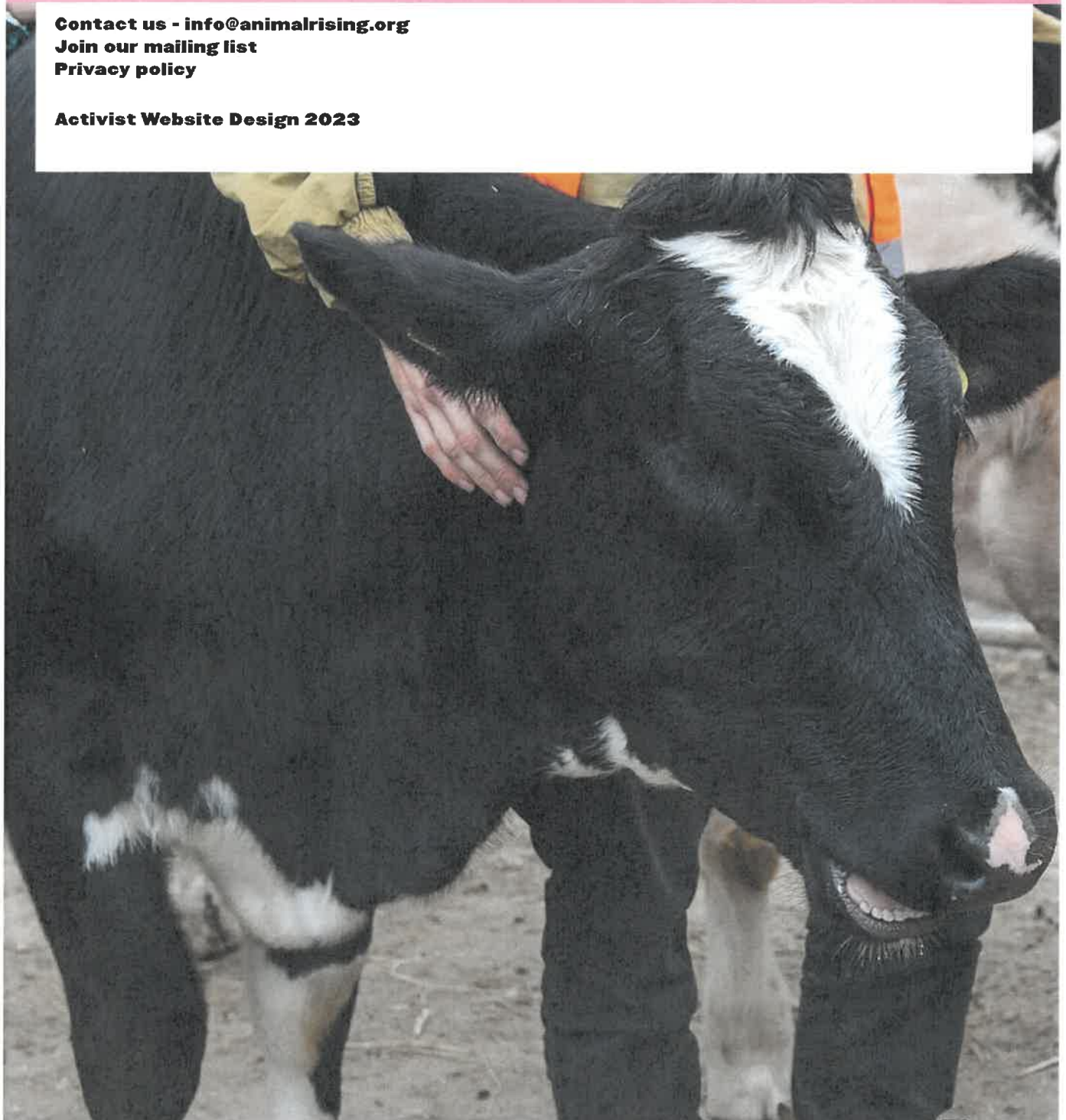
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Company Registration No. 02909409

Jockey Club Racecourses Limited

Report and Financial Statements

31 December 2021



Jockey Club Racecourses Limited
Report and financial statements 2021

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Jockey Club Racecourses Limited

Corporate information

Directors

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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

75 High Holborn
London
WC1V 6LS

Jockey Club Racecourses Limited

Strategic report

The directors present their strategic report and audited financial statements for the year ended 31 December 2021.

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 14, the company's turnover has increased by 23.4% over the prior year. The increase in turnover is primarily due to racing continuing to be staged throughout the year compared to 2020 when racing was cancelled between 18 March 2020 and 31 May 2020. Racing was held behind closed doors up 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 57.8% ahead of the prior year, principally driven by racing continuing throughout the year, albeit behind closed doors for a period as mentioned above. Betting shops were temporarily closed until 12 April 2021, again due to government restrictions which required non-essential retail shops to close. The increased activity in the year resulted in a 36.2% increase in cost of sales, which includes a prize money contribution increase of £7.8m. Administrative expenses were 6.8% higher than the prior year. Included in administrative expenses is the full cost of employee remuneration. Employee costs increased in line the increased level of activity as capacity restrictions were lifted during the year. Cost savings also included the impact of the business rates holiday which saved £4.2m compared to a normal year. Due to the restrictions on spectator capacity and significantly reduced conference and events we placed a number of employees on furlough during the first half of the year. The corresponding £0.4m (2020: £4.1m) of furlough grants are shown in Other Operating Income (note 9). Abandoned and curtailed fixtures covered by insurance during the year resulted in £25.3m (2020: £16.4m) worth of claims which is also presented in Other Operating Income.

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 £92.4m (2020: £71.1m).

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 398,000 to 646,000 largely due to the lifting of capacity restrictions during the year. Operating profit margin decreased to 15.3% (2020: 19.0%) with the movement reflecting the impacts noted above. There were 15 abandoned fixtures in 2021 (2020: 112).

Principal risks and uncertainties

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

The impact of COVID-19 continues to be a risk to revenue with the company no longer able to obtain insurance cover for abandonment or curtailment of racedays due to human related pandemics. However, the company maintains adequate cash balances, resources and credit facilities to mitigate the reasonably foreseeable potential financial impacts of this risk and to manage the company's cash position.

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.

Notwithstanding the impacts of COVID-19, which are addressed separately, 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 market place.

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 decreased during the year from £79.3m to £50.9m. As at the year end, the company held cash of £20.0m (2020: £16.9m), drawn bank facilities of £70.0m (2020: £95.0m) and finance leases of £0.9m (2020: £1.2m). The company has loaned £6.3m (2020: £6.3m) to Epsom Racecourse Hotel Company Limited. The company has an intercompany loan from The Jockey Club Racecourse Bond Company Plc of £3.5m (2020: £8.9m). During the year, the company repaid £5.4m (2020: £0.7m) 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 (2020: £95m) and includes a £50m term loan and a £42m (2020: £45m) revolving credit facility. The facility is for a 12 year term with repayments commencing at the end of 2021. During the year 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 2021 (2020: £nil). 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 14. 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.

Coronavirus Large Business Interruption Loan Scheme (CLBILS) facility

To help mitigate the uncertainty of our short to medium term cash flows which were impacted by the COVID-19 global pandemic, in May 2021, the company obtained a £20m Coronavirus Large Business Interruption Loan Scheme (CLBILS) facility from its existing banking syndicate. This facility is available until 28 May 2024 at which point it will need to be fully repaid. Although our base-case forecast net debt levels indicated that this facility was not required and it put an additional interest cost onto the business, it was decided that it was the prudent action to take in order to mitigate the cash flow risks resulting from the significant uncertainty created by the potential impact of the pandemic on our ability to stage horseracing and other events.

Media rights contract extension

In June 2021, the company extended its contract to licence its media rights to Racecourse Media Group (RMG) until 2028. RMG is owned by The Jockey Club and 20 other racecourses. This enables us to benefit from the scale yielded by the aggregation of our rights without a 3rd party broadcaster taking a margin, and therefore 100% of the profits generated by RMG goes directly to the racecourses. RMG has delivered consistently strong growth in media rights income over a sustained period, taking advantage of and adapting to ongoing changes in the marketplace since its inception in 2004. The long-term nature of the contract reflects the requirement for RMG to have long-term stability to be able to negotiate with key betting customers and terrestrial broadcasters for significant multi-year contracts, and to give the RMG business longer term certainty for key production, hiring and other long term investment decisions.

Jockey Club Racecourses Limited

Strategic report (continued)

Key Board Decisions (continued)

JCC contract extension

In March 2021, the company extended the contact with Compass plc to provide catering operations at all of our racecourses for an additional 3 years to June 2029. The company has been working with Compass since 2009 over which time we have achieved significant improvements in both the quality and consistency of our food offering and customer service, and the income generated from our raceday and conference and events catering operations.

Hospitality and catering is a significant income stream and the quality and robustness of delivery is a key differentiator between the company and other similar racecourse operators, therefore given the success of the contract with Compass to date, it was appropriate to lock in a long-term contract to give certainty to this key area of the business and to unlock investment into our facilities that will help drive future growth in this area.

Lifting of Capacity Restrictions

Since capacity restrictions began easing in May 2021, the company has been working proactively to ensure that we have been able to welcome attendees back at our events in a safe and COVID-19 secure environment in accordance with Government and local authority guidelines. From 17 May 2021, crowds of up to 4,000 (capped at 50% of capacity) were allowed to return to venues followed by the removal of most legal limits on social contact and crowd restrictions from 19 July 2021. The business had to make a number of operational decisions to ensure we were able to respond to changes to Government guidelines, including COVID-19 pass checking, and the timeline for lifting restrictions as quickly as possible.

While all of these decisions were made to help to protect the long-term financial position of the company and the long-term interests of the sport in general, some have had a short term negative financial impact. Increased operational costs were incurred to ensure that we were able to open our facilities, for both racing and other events, to customers and participants as quickly, efficiently and as safely as possible.

We acknowledged that on-course bookmakers have suffered significant financial hardship during the pandemic and we recognise they provide a valuable service to our customers. In order to support them in a small way, we decided to allow free access to on-course bookmakers for all racedays in 2020 and resumed fees at a reduced rate from 17 May 2021 when Government restrictions were eased.

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.

In 2021, our Prize Money decisions were made in the context of the Covid-19 pandemic and the significant impact that it has had on our key income streams. Therefore, rather than setting a Prize Money budget at the start of the year we had to take a rolling approach and commit to affordable levels of prize money as the underlying extent of the impact and duration of the pandemic. Despite the impacts of Covid-19, we were able to offer total prize money at levels at least as high as 2019 for all of our fixtures in the last quarter of 2021.

Jockey Club Racecourses Limited

Strategic report (continued)

Approval of 2022 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.

The impact of the Covid-19 pandemic continues to be a consideration both in the formulation of the initial budget but in the continuing review of the evolving situation and its potential impacts on our cash flows.



N Truesdale

Director

20 April 2022

Jockey Club Racecourses Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

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 2022.

Whilst the group wide 'Newmarket Induction' has been disrupted by the pandemic, we plan to refocus on new joiner experience and on-boarding in 2022. 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
20 April 2022

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 (continued)

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 2021 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 Racecourses Limited ("the Company") for the year ended 31 December 2021 which comprise the income statement, the statement of financial position, the 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 Report and Financial Statements, 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.

Other Companies Act 2006 reporting

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

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

- 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 has 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 and 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.
- 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:

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

- 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:

Ian Clayden

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Ian Clayden (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London

5 May 2022

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 2021

| | Notes | 2021 £m | 2020 £m |
|--|-------|------------|------------|
| Turnover | 3 | 137.6 | 111.5 |
| Cost of sales | | (81.0) | (59.5) |
| Gross profit | | 56.6 | 52.0 |
| Other operating income | 9 | 26.7 | 27.4 |
| Administrative expenses | | (62.2) | (58.2) |
| Operating profit | 10 | 21.1 | 21.2 |
| Income from other investments | 5 | 1.2 | 0.2 |
| Interest receivable and similar income | 6 | 0.3 | 0.3 |
| Interest payable and similar charges | 7 | (3.7) | (4.3) |
| Other finance income/(costs) | 8 | 4.4 | (2.4) |
| Profit on ordinary activities before taxation | | 23.3 | 15.0 |
| Tax charge on profit on ordinary activities | 11 | (2.2) | (2.1) |
| Profit for the financial year transferred to reserves | | 21.1 | 12.9 |

All amounts derive from continuing operations.

Statement of comprehensive income Year ended 31 December 2021

| | Notes | 2021 £m | 2020 £m |
|--|-------|------------|------------|
| Profit for the financial year | | 21.1 | 12.9 |
| Actuarial gain/(loss) on defined benefit pension schemes | 18 | 11.0 | (12.1) |
| Movement on deferred tax relating to pension liability | 19 | (2.8) | 2.3 |
| Other comprehensive income/(loss) for the year | | 8.2 | (9.8) |
| Total comprehensive income for the year | | 29.3 | 3.1 |

The notes on pages 17 to 37 form part of these financial statements.

Jockey Club Racecourses Limited

Statement of financial position At 31 December 2021

| | Notes | £m | 2021 £m | £m | 2020 £m |
|--|-------|--------|------------|--------|------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | 180.1 | | 189.1 | |
| Investments | 13 | 2.2 | | 2.2 | |
| | | | 182.3 | | 191.3 |
| Current assets | | | | | |
| Stocks | | - | | - | |
| Debtors | 14 | 67.8 | | 45.4 | |
| Cash at bank and in hand | | 20.0 | | 16.9 | |
| | | 87.8 | | 62.3 | |
| Creditors: amounts falling due within one year | 15 | (85.0) | | (53.3) | |
| Net current assets | | | 2.8 | | 9.0 |
| Total assets less current liabilities | | | 185.1 | | 200.3 |
| Creditors: amounts falling due after more than one year | 16 | | (81.6) | | (106.6) |
| Net assets excluding pension liability | | | 103.5 | | 93.7 |
| Pension deficit | 18 | | (11.1) | | (22.6) |
| Net assets | | | 92.4 | | 71.1 |
| Accruals and deferred income | | | | | |
| Grant account | 20 | | 88.3 | | 96.3 |
| Capital and reserves | | | | | |
| Called up share capital | 21 | 0.1 | | 0.1 | |
| Profit and loss account | | 4.0 | | (25.3) | |
| Total shareholders' funds/(deficit) | | | 4.1 | | (25.2) |
| | | | 92.4 | | 71.1 |

The financial statements of Jockey Club Racecourses Limited registered number 02909409 were approved and authorised for issue by the Board of Directors on 20 April 2022

Signed on behalf of the Board of Directors



N Truesdale

Director

The notes on pages 17 to 37 form part of these financial statements.

Jockey Club Racecourses Limited
Statement of changes in equity
Year ended 31 December 2021

| | Share capital £m | Profit and loss account £m | Total equity £m |
|--|------------------------|-------------------------------------|-----------------------|
| At 1 January 2020 | 0.1 | (28.4) | (28.3) |
| Comprehensive income for the year | | | |
| Profit for the year | - | 12.9 | 12.9 |
| Actuarial losses | - | (12.1) | (12.1) |
| Deferred tax on actuarial losses | - | 2.3 | 2.3 |
| Other comprehensive loss for the year | - | (9.8) | (9.8) |
| Total comprehensive income for the year | - | 3.1 | 3.1 |
| At 31 December 2020 | 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 |

The notes on pages 17 to 37 form part of these financial statements.

Jockey Club Racecourses Limited

Notes to the financial statements

Year ended 31 December 2021

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 7.

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 publically 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 7 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 £92.4m (2020: £71.1m).

The financial position of the company, liquidity position and borrowing facilities are described in the Strategic Report on pages 2 to 7.

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, with repayments commencing 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 2021 which can be seen in the income statement on page 13 and is discussed in the Strategic Report on pages 2 to 7. Racing continued throughout 2021 meaning revenues continued to be earned from media rights and sponsorship while racing carried on behind closed doors. Admissions for the last quarter of 2021 were high and ahead of the equivalent period in 2019.

In last year's financial statements we reported a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern. It is the directors' view that this material uncertainty no longer exists as the likelihood of a cancellation of racing is deemed to be remote. Factors contributing to this view include; the successful rollout of the COVID-19 vaccination programme, removal of all remaining restrictions by the Government including racing behind closed doors and capacity restrictions thereafter.

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 2022 and 2023. This is based on reasonable sensitivities against admissions, including the impact of a recurrence of racing behind closed doors coinciding with key fixtures in the Jockey Club's 2022 racing calendar. If an uninsured situation, such as a pandemic recurrence, arose and affected attendances at the Cheltenham Festival, then the Group would take steps to mitigate the effect on covenant compliance.

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2021

1. Accounting policies (continued)

Going concern (continued)

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.

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 2021

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.

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 2021

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.

(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.

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2021

1. Accounting policies (continued)

Financial instruments (continued)

(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.

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.

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2021

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

| | 2021 | 2020 |
|-------------------------------|--------------|--------------|
| | £m | £m |
| Analysis by class of business | | |
| Horse racing | 127.1 | 106.4 |
| Conference and events | 10.5 | 5.1 |
| | <u>137.6</u> | <u>111.5</u> |

Turnover arises wholly within the United Kingdom.

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2021

4 Information regarding directors and employees

| | 2021 £m | 2020 £m |
|---|------------|------------|
| <i>Directors' remuneration</i> | | |
| Directors' emoluments (excluding pension contributions) | - | 1.1 |
| Company contributions to defined contribution pension schemes | - | 0.1 |
| | <u>£m</u> | <u>£m</u> |
| Remuneration of the highest paid director (excluding pension contributions) | - | 0.2 |
| | <u>No.</u> | <u>No.</u> |
| Number of directors serving at 31 December 2021 who are members of a defined benefit pension scheme | - | 5 |

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 (2020: 6) in respect of defined contribution schemes.

Company pension contributions of £nil (2020: £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.

| | 2021 £m | 2020 £m |
|--|-------------|-------------|
| Employee costs during the year | | |
| Permanent employees: | | |
| Wages and salaries | 18.0 | 16.7 |
| Social security costs | 2.2 | 1.6 |
| Other pension costs | 1.4 | 1.4 |
| | <u>21.6</u> | <u>19.7</u> |
| Raceday employees: | | |
| Wages and salaries | 0.7 | 1.0 |
| Social security costs | - | - |
| | <u>0.7</u> | <u>1.0</u> |
| Total employee costs | <u>22.3</u> | <u>20.7</u> |
| Average number of employees (full time equivalents) | | |
| | <u>No.</u> | <u>No.</u> |
| Administration and maintenance | 431 | 493 |
| Raceday | 39 | 54 |
| | <u>470</u> | <u>547</u> |

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2021

| | | |
|--|-------------|--------------|
| 5. Income from other investments | | |
| | 2021 | 2020 |
| | £m | £m |
| Dividends received from associated undertakings | <u>1.2</u> | <u>0.2</u> |
| 6. Interest receivable and similar income | | |
| | 2021 | 2020 |
| | £m | £m |
| Intercompany loans | <u>0.3</u> | <u>0.3</u> |
| 7. Interest payable and similar charges | | |
| | 2021 | 2020 |
| | £m | £m |
| Bank loans and overdrafts | 3.4 | 3.8 |
| Intercompany loans | 0.3 | 0.4 |
| Other loans | - | 0.1 |
| | <u>3.7</u> | <u>4.3</u> |
| 8. Other finance income/(costs) | | |
| | 2021 | 2020 |
| | £m | £m |
| Change in fair value of interest rate swap (notes 15 and 16) | 4.6 | (2.3) |
| Net interest on net defined benefit liability (note 18) | (0.3) | (0.2) |
| Effective interest credit on fair value of loans | 0.1 | 0.1 |
| | <u>4.4</u> | <u>(2.4)</u> |
| 9. Other operating income | | |
| | 2021 | 2020 |
| | £m | £m |
| Insurance claims | 25.3 | 16.4 |
| Compensation for early termination of contract | 1.0 | 6.9 |
| Furlough grants | 0.4 | 4.1 |
| | <u>26.7</u> | <u>27.4</u> |

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2021

10. Operating profit

| | 2021 £m | 2020 £m |
|---|-------------|-------------|
| Operating profit is after including: | | |
| Income in respect of: | | |
| Amortisation of capital grants | 8.0 | 8.1 |
| HBLB contributions | <u>28.3</u> | <u>21.9</u> |
| Charges in respect of: | | |
| Rentals of land and buildings | 0.2 | 0.2 |
| Rentals of plant and equipment | 1.0 | 0.9 |
| Depreciation: | | |
| Owned and leased assets | <u>13.4</u> | <u>14.6</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 | - | - |
| 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

| | 2021 | | 2020 | |
|--|--------------|--------------|--------------|--------------|
| | £m | £m | £m | £m |
| <i>Current tax:</i> | | | | |
| UK corporation tax on the profit for the year | 3.3 | | 3.2 | |
| Adjustments in respect of previous years | <u>0.2</u> | | <u>(0.1)</u> | |
| <i>Total current tax</i> | | 3.5 | | 3.1 |
| <i>Deferred tax:</i> | | | | |
| Adjustments in respect of prior years | (0.2) | | - | |
| Origination and reversal of timing differences | 1.3 | | (0.5) | |
| Adjustment in respect of change of rate of corporation tax | <u>(2.4)</u> | | <u>(0.5)</u> | |
| <i>Total deferred tax</i> | | <u>(1.3)</u> | | <u>(1.0)</u> |
| Tax charge on profit on ordinary activities | | <u>2.2</u> | | <u>2.1</u> |

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2021

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

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the year. The differences are explained below:

| | 2021 £m | 2020 £m |
|---|-------------------|-------------------|
| Profit on ordinary activities before taxation | <u>23.2</u> | <u>15.0</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 19.00% (2020: 19.00%) | 4.4 | 2.9 |
| <i>Effects of:</i> | | |
| Expenses not deductible for tax purposes | 1.8 | 1.6 |
| Income not taxable | (1.6) | (1.6) |
| Group relief claimed | (0.1) | (0.1) |
| Short-term timing differences | (0.2) | - |
| Adjustments in respect of previous years | - | (0.1) |
| Transfer pricing adjustments | (0.1) | (0.1) |
| Adjustment in respect of change of rate of corporation tax | (2.3) | (0.5) |
| Deferred tax not recognised | <u>0.3</u> | <u>-</u> |
| Total tax charge for the year | <u><u>2.2</u></u> | <u><u>2.1</u></u> |

Factors affecting future tax charge

The substantively enacted tax rate remained at 19% as at the Balance Sheet date of 31 December 2021. It was announced on 3 March 2021 that the main rate of corporation tax would increase from 19% to 25% from 1 April 2023. For profits up to £50,000, the corporation tax rate will remain at 19% and for profits over £250,000, the corporation tax rate will be 25%. Marginal relief provisions will also be introduced for profits between the lower and upper limits. The Government included the above changes in the Finance Bill 2021 that had its third reading on 24 May 2021 and is now considered substantively enacted. The newly enacted rates are applicable for calculation of deferred tax balances to the extent that these are the rates expected at the time of reversal of the relevant deferred tax assets and liabilities.

Jockey Club Racecourses Limited
Notes to the financial statements
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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 2021 | 4.5 | 229.6 | 73.3 | 112.4 | 419.8 |
| Additions | - | 1.4 | - | 3.0 | 4.4 |
| Disposals | - | - | - | - | - |
| At 31 December 2021 | 4.5 | 231.0 | 73.3 | 115.4 | 424.2 |
| Depreciation | | | | | |
| At 1 January 2021 | - | 117.3 | 17.9 | 95.5 | 230.7 |
| Charge for the year | - | 6.1 | 1.1 | 6.2 | 13.4 |
| On disposals | - | - | - | - | - |
| At 31 December 2021 | - | 123.4 | 19.0 | 101.7 | 244.1 |
| Net book value | | | | | |
| At 31 December 2021 | 4.5 | 107.6 | 54.3 | 13.7 | 180.1 |
| At 31 December 2020 | 4.5 | 112.3 | 55.4 | 16.9 | 189.1 |

The net book value of plant and machinery includes £1.1m (2020: £1.3m) 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 2020 | 20.5 | 1.6 | 0.2 | 22.3 |
| Additions | - | - | - | - |
| At 31 December 2021 | 20.5 | 1.6 | 0.2 | 22.3 |
| Provision | | | | |
| At 31 December 2021 and 2020 | 19.9 | 0.2 | - | 20.1 |
| Net book value | | | | |
| At 31 December 2021 | 0.6 | 1.4 | 0.2 | 2.2 |
| At 31 December 2020 | 0.6 | 1.4 | 0.2 | 2.2 |

Jockey Club Racecourses Limited
Notes to the financial statements
Year ended 31 December 2021

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 (2020: 600) 6% preference shares of £1 each in The Wincanton Races Company limited, being 8.3% (2020: 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

During 2006, an associate of the company, Racecourse Media Services, subscribed for 500 ordinary shares (being 50% of that class) in Amalgamated Racing Limited, a company incorporated in the United Kingdom and registered in England and Wales. Amalgamated Racing 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. The company ceased trading on 31 March 2018 and was dissolved on 1 January 2020.

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13. Investments (continued)

The company owns 14 class A shares (38.88% of the total) (2020: 38.88%) of Racecourse Retail Business Limited, a company registered in England with company number 09776843 whose registered office is at 10th Floor, The Met Building, 22 Percy Street, London, W1T 2BU. 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.

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 75 High Holborn, London, WC1V 6LS. The company had a membership interest of 34.1% at 31 December 2020 (2020: 34.1%). The partnership has been set up to operate pool betting activities and started trading in July 2018.

14. Debtors

| | 2021 | 2020 |
|------------------------------------|-------------|-------------|
| | £m | £m |
| Trade debtors | 18.5 | 10.0 |
| Other debtors | 4.7 | 2.6 |
| Amounts owed by group undertakings | 7.6 | 7.3 |
| Corporation tax | 0.2 | - |
| Other taxes and social security | - | 0.1 |
| Deferred tax | 6.5 | 7.4 |
| Prepayments and accrued income | 30.3 | 18.0 |
| | <u>67.8</u> | <u>45.4</u> |

Other debtors include £2.1m (2020: £2.1m) 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 £641,000 (2020: £472,000).

Amounts owed by group undertakings includes a loan of £6.3m (2020: £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.

15. Creditors: amounts falling due within one year

| | 2021 | 2020 |
|--|-------------|-------------|
| | £m | £m |
| Trade creditors | 6.7 | 2.8 |
| Amounts owed to subsidiary undertakings | 0.7 | 0.7 |
| Amounts owed to group undertakings | 5.0 | 9.4 |
| Other creditors | 5.7 | 5.0 |
| Other taxes and social security | 1.3 | - |
| Bank loans | - | 3.0 |
| Interest rate swap | 0.8 | 1.4 |
| Obligations under finance leases and hire purchase contracts | 0.3 | 0.3 |
| Accruals and deferred income | 64.5 | 30.7 |
| | <u>85.0</u> | <u>53.3</u> |

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16. Creditors: amounts falling due after more than one year

| | 2021 | 2020 |
|--|-------------|--------------|
| | £m | £m |
| Bank loans | 70.0 | 92.0 |
| Issue costs associated with refinancing | (0.8) | (0.8) |
| Other loans | 0.3 | 0.3 |
| Deferred income | 5.0 | 3.5 |
| Deferred tax | 0.6 | - |
| Interest rate swap | 2.6 | 6.6 |
| Obligations under finance leases and hire purchase contracts | 0.6 | 0.9 |
| Amount owed to group undertakings | 3.1 | 3.9 |
| Amount owed to ultimate parent company | 0.2 | 0.2 |
| | <u>81.6</u> | <u>106.6</u> |

Repayment Terms

| | 2021 | | | 2020 | | |
|---|-------------|-------------------------------|------------|-------------|-------------------------------|------------|
| | Bank | Jockey Club | Finance | Bank | Jockey Club | Finance |
| | loans | Racecourse Bond Company | leases | loans | Racecourse Bond Company | leases |
| | £m | £m | £m | £m | £m | £m |
| Repayable within one year | - | 0.4 | 0.3 | 3.0 | 5.0 | 0.3 |
| Repayable between one and two years | - | - | 0.3 | 5.0 | 0.6 | 0.4 |
| Repayable between two and five years | 20.0 | 3.1 | 0.3 | 10.0 | 3.3 | 0.5 |
| Repayable after five years | 50.0 | - | - | 77.0 | - | - |
| | <u>70.0</u> | <u>3.5</u> | <u>0.9</u> | <u>95.0</u> | <u>8.9</u> | <u>1.2</u> |
| Less: amounts falling due within one year | - | (0.4) | (0.3) | (3.0) | (5.0) | (0.3) |
| | <u>70.0</u> | <u>3.1</u> | <u>0.6</u> | <u>92.0</u> | <u>3.9</u> | <u>0.9</u> |

Bank loans

The bank loans consist of a £92m (2020: £95m) senior facility to Jockey Club Racecourses Limited, of which £50m (2020: £95m) 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 LIBOR (replaced with the SONIA RFR Compound Reference Rate from 31 December 2021). During the year the company obtained a £20m CLBILS facility from its existing banking syndicate which was fully drawn down at 31 December 2021 (2020: £nil). 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

The amount owed to the ultimate parent company of £0.2m (2020: £0.2m) has no fixed repayment date and is interest free. Amounts owed to group undertakings includes £3.5m (2020: £8.9m) which is subject to an interest rate of 4.25% (2020: 4.75%) pa and is repayable from 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.

Jockey Club Racecourses Limited
Notes to the financial statements
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17. Financial instruments

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

| Financial Assets | 2021 | 2020 |
|---|--------------|--------------|
| | £m | £m |
| Measured at undiscounted amount receivable | | |
| • Trade and other debtors (note 14) | 23.2 | 12.6 |
| • Amounts due from group undertakings (note 14) | 7.6 | 7.3 |
| • Cash | 20.0 | 16.9 |
| Financial instruments measured at cost less impairment | | |
| • Fixed asset unlisted investments (note 13) | 0.2 | 0.2 |
| | <u>51.0</u> | <u>37.0</u> |
| Financial Liabilities | 2021 | 2020 |
| | £m | £m |
| Measured at fair value through profit or loss | | |
| • Interest rate swap (notes 15 and 16) | 3.4 | 8.0 |
| Measured at amortised cost | | |
| • Loans payable (notes 15 and 16) | 70.3 | 95.3 |
| • Obligations under finance leases (notes 15 and 16) | 0.9 | 1.2 |
| Measured at undiscounted amount payable | | |
| • Trade and other creditors (note 15) | 12.4 | 7.8 |
| • Accruals (note 15) | 20.3 | 9.4 |
| • Amounts owed to group and parent undertakings (notes 15 and 16) | 9.0 | 14.2 |
| | <u>116.3</u> | <u>135.9</u> |

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

| | 2021 | 2020 |
|---|-------------|--------------|
| | £m | £m |
| Interest income and expense | | |
| Total interest income for financial assets at amortised cost (note 6) | 0.3 | 0.3 |
| Total interest expense for financial liabilities at amortised cost (note 7) | (3.7) | (4.3) |
| Fair value gains and losses | | |
| On financial liabilities measured at fair value through profit or loss (note 8) | 4.7 | (2.2) |
| | <u>1.3</u> | <u>(6.2)</u> |

Jockey Club Racecourses Limited

Notes to the financial statements

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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 £1.6m in contributions between 1 August 2020 and 31 December 2021 and expects to pay contributions between 1 January 2022 and 31 December 2029 as follows:

- £125,000 per month from 1 January 2022 to 31 December 2022.
- An additional lump sum of £250,000 before 31 December 2023 if the Employer's Group Operating Profit for the year ended 31 December 2022 exceeds £11.5m.
- £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.

Jockey Club Racecourses Limited
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18. Pension schemes (continued)

The company therefore expects to pay £1,500,000, to the Scheme during the accounting year beginning 1 January 2022 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 2021 | 62.7 | (85.3) | (22.6) |
| Benefits paid | (1.7) | 1.7 | - |
| Employer contributions | 1.1 | - | 1.1 |
| Administrative expenses | (0.3) | - | (0.3) |
| Interest income/(cost) | 0.8 | (1.1) | (0.3) |
| Remeasurement gains: | - | - | - |
| Actuarial gains | - | 5.4 | 5.4 |
| Return on assets excluding interest income | 5.6 | - | 5.6 |
| At 31 December 2021 | 68.2 | (79.3) | (11.1) |

Scheme assets

The fair value of the assets of the scheme were:

| Asset class | 2021 £m | 2020 £m |
|--------------------------|-------------|-------------|
| Equities | 27.1 | 24.8 |
| Gilts | 20.7 | 17.1 |
| Secured property leases | 6.3 | 5.8 |
| Diversified growth funds | 4.3 | 6.9 |
| Diversified credit funds | 9.2 | 5.5 |
| Cash | 0.6 | 2.6 |
| | 68.2 | 62.7 |

The return on assets was:

| | 2021 £m | 2020 £m |
|--|------------|------------|
| Interest income | 0.8 | 1.2 |
| Return on assets excluding interest income | 5.6 | 3.8 |
| | 6.4 | 5.0 |

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18. Pension schemes (continued)

Reconciliation to the statement of financial position

| | 2021 £m | 2020 £m |
|---|---------------|---------------|
| Market value of assets | 68.2 | 62.7 |
| Present value of defined benefit obligation | (79.3) | (85.3) |
| | <u>(11.1)</u> | <u>(22.6)</u> |

The following amounts have been recognised in the financial statements:

| | 2021 £m | 2020 £m |
|---|--------------|--------------|
| Income statement | | |
| <i>Amounts included in</i> Administrative expenses: | | |
| Past service cost | - | (0.1) |
| Administrative expenses | (0.3) | (0.2) |
| | <u>(0.3)</u> | <u>(0.3)</u> |

Amounts included in other finance income/(costs):

| | | |
|------------------------------------|--------------|--------------|
| Net interest cost | (0.3) | (0.2) |
| | <u>(0.3)</u> | <u>(0.2)</u> |
| Total included in income statement | <u>(0.6)</u> | <u>(0.5)</u> |

| | 2021 £m | 2020 £m |
|---|-------------|---------------|
| Other comprehensive income/(loss) | | |
| Changes in assumptions underlying the present value of scheme liabilities | 5.4 | (15.9) |
| Actual return on assets less interest | 5.6 | 3.8 |
| | <u>11.0</u> | <u>(12.1)</u> |

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18. Pension schemes (continued)

Principal actuarial assumptions used at the reporting date:

| Description | 2021 | 2020 |
|-----------------------------------|----------|----------|
| Discount rate | 1.95% pa | 1.30% pa |
| RPI inflation | 3.30% pa | 2.90% pa |
| CPI inflation | 2.90% pa | 2.40% pa |
| Revaluation of deferred pensions: | | |
| GMP (S148) | 5.10% pa | 4.60% pa |
| Non GMP | 2.90% pa | 2.40% pa |
| CAE pension | 0.00% pa | 0.00% pa |
| Pension increases: | | |
| Pre 88 GMP | 0.00% pa | 0.00% pa |
| Post 88 GMP | 2.30% pa | 2.10% pa |
| Pre 05 pension | 3.20% pa | 2.90% pa |
| Post 05 pension | 2.20% pa | 2.20% pa |

S3PMA/S3PFA

S2PMA/S2PFA

| | | |
|---|---|---|
| Mortality (before and after retirement) | CMI 2020 model with a long term rate of improvement of 1.25% pa and a +1 year age rating | CMI 2019 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 (2020: £1.4m). There was £0.1m (2020: £0.2m) 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 2021 | 7.4 |
| Charged to the income statement | 1.3 |
| Credited to other comprehensive income | (2.8) |
| | <u>5.9</u> |
| Net deferred tax asset at 31 December 2021 | <u><u>5.9</u></u> |

| | 2021 £m | 2020 £m |
|---|------------|------------|
| Provision has been made for deferred taxation as follows: | | |
| Accelerated capital allowances | 2.5 | 1.9 |
| Short term timing differences on interest rate swap | 1.2 | 1.7 |
| Defined benefit pension scheme | 2.8 | 4.2 |
| Capital gains | (0.6) | (0.4) |
| | <u>5.9</u> | <u>7.4</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

| | 2021 £m | 2020 £m |
|---|--------------------|--------------------|
| Balance at 1 January | 96.3 | 104.4 |
| Capital grants credited to the income statement | (8.0) | (8.1) |
| | <u>88.3</u> | <u>96.3</u> |
| Balance at 31 December | <u><u>88.3</u></u> | <u><u>96.3</u></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

| | 2021 £m | 2020 £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

| | 2021 £m | 2020 £m |
|---|------------|------------|
| Expenditure contracted for but not provided in the financial statements | 0.5 | 0.4 |
| | <u>0.5</u> | <u>0.4</u> |

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23. Operating lease commitments

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

| | 2021 £m | 2020 £m |
|----------------------|------------|------------|
| Within one year | 0.4 | 0.5 |
| In two to five years | 1.0 | 1.0 |
| In over five years | 0.2 | 0.2 |
| | <u>1.6</u> | <u>1.7</u> |

24. Contingent liabilities

At 31 December 2021 there were the following contingent liabilities:

The company has guaranteed a loan of £1,312,958 (2020: £1,321,429) 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 75 High Holborn, London, WC1V 6LS. 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 £6.3m (2020: £6.3m) and National Stud Limited £0.4m (2020: £0.4m).

The income statement includes £38.8m (2020: £19.7m) in licence fees receivable from, and £1.2m (2020: £1.3m) in Racetech fees payable to, Racing UK Limited; £nil (2020: £0.2m) dividends receivable from Racecourse Media Services Limited; and £17.9m (2020: £21.9m) in licence fees receivable from Racecourse Retail Business Limited

At 31 December 2021, the company was owed the following amounts by related parties:

British Champions Series Limited £0.5m (2020: £0.6m)
Racecourse Retail Business Limited £2.2m (2020: £2.2m)
Britbet Racing LLP £1.8m (2020: £2.1m)

At 31 December 2021, the company owed the following amounts to related parties:

Britbet Racing LLP £1.5m (2020: £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 £0.8m (2020: £1.4m).