

Good morning.

I am writing to you today to share details of our 2024 prize money investment plans, which we will be announcing publicly later this morning.

I am pleased to inform you that we will be offering a total of £60.1 million in prize money across the 334 fixtures due to be staged at our 15 racecourses in 2024.

This is the first time our overall prize money will have exceeded £60 million and includes an increase in our executive contribution - the amount The Jockey Club reinvests into prize money from its own funds – to £31.8 million. These figures are budgeted and subject to abandonments and potentially significant economic changes.

The 2024 figures are a small increase on the same numbers for 2023, which saw executive contribution at £31.1 million and total overall prize money of £59 million for the 342 fixtures scheduled to be staged last year.

We are committed to maximising and growing the level of prize money we invest back into the sport and over the last 10 years we have increased our contribution by 66% from £19.1 million in 2014. However, as you will no doubt have experienced yourself, 2023 presented the country and our sport with a number of significant financial challenges and these have impacted our ability to contribute more this year.

Inflation continued to rise throughout 2022, with CPIH (Consumer Price Index with Housing costs) peaking at 9.6% in October 2022, remaining at around this level until the second quarter of 2023 and falling gradually to 3.9% in November. These pressures have seen costs rise significantly for a second year running, impacting the cost of food and beverage, maintenance and capital projects. The increase in the National Minimum Wage drove a significant increase in raceday costs, while permanent staff costs rose by almost 6%. Although energy costs now appear to have peaked, our electricity costs in 2023 were £3.7m higher than 2019 and are still forecast to be £2.2m higher in 2024 than in 2019. Our business rates have also increased by 28% in 2023 to £5.1m.

Further, the economic uncertainty facing the UK has also resulted in consumer discretionary spend being under significant pressure in 2023. On top of this, online betting turnover is around 8% down on 2022 and therefore for the first time in more than a decade our media income is under downward pressure.

Although all of our key revenue lines are growing and many of our major fixtures grew year on year, we have been unable to grow our raceday revenue lines by more than the amount by which our costs have been increasing.

Taken together, all of these challenges have had a very material impact on our business and our ability to continue to grow investment, including prize money, at the levels we would like.

Despite these challenges we remain resolute in our commitment to continuing to grow our investment in the sport including prize money, equine welfare and improving the raceday experience for participants, owners and racegoers. By doing so, we will expand and grow our fan base and increase engagement and attendance for the good of the sport.

We rely on the ongoing trust and support of industry partners and stakeholders which is why, over the last two and a half years, we have held 39 meetings with industry partners like you, seeing 120 different individuals to be as transparent as possible to explain our performance, the challenges we are facing and how all the profit we make is invested in racing's future. With that in mind we will not only continue to hold these transparency meetings in 2024 but will also be extending our commitment to share financial information with the Thoroughbred Group, including figures relating to individual

racecourse media rights and other revenues and disclosing other factors which impact decisions on prize money and other investment plans.

To oversee this process and to ensure that effective, open and two-way communication continues, The Jockey Club's Small Courses Director, Nadia Powell, is now the designated point of contact for the Thoroughbred Group and racing industry stakeholders.

I hope that the information provided above has been useful in explaining context for our prize money announcement. While we will work tirelessly to grow our investment in the sport, I am very proud that we are able to increase our prize money at all in such challenging circumstances.

Our mission is to help power racing's future and to ensure that our sport thrives for generations to come. That would not be possible without our participants and all those whose jobs not only help British racing prosper but rely on the industry and I would like to thank you and all your colleagues for your continued commitment and support.

Please find below a media release which will be distributed this morning. If you have any questions at all please do not hesitate to contact me.

Yours sincerely,

Nevin Truesdale



**NEWS: THE JOCKEY CLUB ANNOUNCES 2024 PRIZE MONEY WILL EXCEED £60 MILLION AND EXTENDS TRANSPARENCY COMMITMENT WITH THE THOROUGHBRED GROUP**

**Tuesday 9<sup>th</sup> January 2024**

Total prize money at The Jockey Club's 15 racecourses will exceed £60 million for the first time in 2024, after British horseracing's largest commercial operator increased its executive contribution.

The Jockey Club has also announced it will extend its existing commitment to share financial information with the Thoroughbred Group - which represents the industry's owners, trainers, jockeys, stable staff and breeders – by providing greater transparency on everything from the organisation's business performance to revenues and investment plans.

An overall prize money total of £60.1 million will be offered across the 334 fixtures due to be staged by The Jockey Club this year, with £31.8 million coming from executive contribution – the amount the organisation puts in from its own funds – which is up 66.5 per cent from the £19.1 million it reinvested into prize money 10 years ago.

The 2024 figures are an increase on the same numbers for 2023, which saw executive contribution projected at £31.1 million and total overall prize money of £59 million for the 342 fixtures scheduled to be staged last year.

The prize money figures are budgeted and subject to abandonments and potentially significant economic changes. The Jockey Club will confirm and announce values for specific races and fixtures in due course.

As well as prize money The Jockey Club has budgeted to spend £11.7 million over the next 12 months on upgrades to its racecourses, which includes investment into improving racing surfaces, equine facilities and welfare standards.

**Nevin Truesdale, Chief Executive of The Jockey Club**, explained: “Given the unprecedented financial headwinds the horseracing industry is currently facing, we are pleased to be able to announce today that The Jockey Club’s executive contribution to prize money will be increased to £31.8 million in 2024, taking our overall prize money past the £60 million mark for the first time.

“Our mission is to power racing’s future and to ensure that our sport thrives for generations to come. That would not be possible without our participants and all those whose jobs not only help British racing prosper but rely on the industry.

“So, while we continue to take important steps to improve our business efficiency in the face of significant and unprecedented economic challenges, there is also an ongoing focus on investing across our estate and in participants, which includes a commitment to prize money. This has led us to some very difficult decisions in our financial planning for 2024 and we are pleased to be able to deliver an increase in prize money investment in these very challenging circumstances.

“In addition to prize money The Jockey Club will continue to invest in many other areas of the sport, including equine welfare and improving the raceday experience for participants, owners and racegoers. We hope that by doing so, we will drive engagement, expand our fan base and increase attendances for the good of the sport.”

In the last two and a half years The Jockey Club has conducted 39 ‘transparency meetings’ with 120 industry individuals including participants, owners and a range of other stakeholders and organisations. These sessions – many of which were held with pre-eminent trainers – have explained business performance, prize money, media rights and investment plans.

The Jockey Club today announces it is extending its commitment to openness to provide more information to the Thoroughbred Group from 2024 onwards, including figures relating to individual racecourse media rights and other revenues and disclosing other factors which impact decisions on prize money and other investment plans.

Explaining the decision, Truesdale added: “It’s really important to us at The Jockey Club to continue to be transparent in sharing details of our business performance with industry participants and stakeholders.

“By agreeing to extend this commitment to provide the Thoroughbred Group with more information around our revenues and costs, we are seeking to drive critical industry collaboration to work together

to grow the sport, while also providing a clearer picture of the challenges we face as a racecourse operator.”

Today’s announcement has been praised by **Julian Richmond-Watson, Chair of the Thoroughbred Group**. He said: “The Thoroughbred Group welcomes The Jockey Club’s further commitment to the sharing of financial information, which will now be provided on a more extensive basis than previously received.

“This enhanced visibility will allow us to focus on working together to grow the sport’s revenues and, in turn, increase the prize money levels upon which our participants rely.”

**Paul Johnson, Chief Executive of the National Trainers’ Federation**, also welcomed the news. He added: “The announcement from The Jockey Club is most welcome on two fronts. Firstly, amid concerns that the sport’s financial headwinds could see prize money fall from 2023 levels, it is very positive to see that The Jockey Club have been able to deliver an increase. Secondly, and looking further forwards, we are delighted to be able to have agreed on a commitment to greater transparency over finances.

“We believe that this is an enormously important step in being able to agree commercial partnerships with racecourses, something that we see as a foundation stone for working together to improve the sport’s future.”

## **About The Jockey Club**

The Jockey Club is the largest employer and commercial organisation in British horseracing and one of the leading sports businesses operating in the UK today, with record annual turnover of £236 million in 2022.

The Jockey Club runs 15 of the UK’s racecourses – large and local – and is charged with looking after some of the nation’s biggest events, including the Randox Grand National Festival at Aintree, The Cheltenham Festival, The Derby Festival at Epsom Downs and the QIPCO Guineas Festival in Newmarket.

Thousands of racehorses a year also use The Jockey Club’s training centres in Newmarket, Lambourn and Epsom, while the organisation also runs The National Stud in Newmarket and the charity, Racing Welfare, which makes help available to all of racing’s people.

The Jockey Club is governed by Royal Charter to act for the long-term benefit of British Racing, which is Britain’s second biggest spectator sport.

For more information, please visit [www.thejockeyclub.co.uk](http://www.thejockeyclub.co.uk)

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