

THE THOROUGHBRED BREEDERS' ASSOCIATION
106th ANNUAL GENERAL MEETING
HELD IN THE JOCKEY CLUB ROOMS, NEWMARKET
ON FRIDAY 6th OCTOBER 2023

The 106th Annual General Meeting of the Thoroughbred Breeders' Association (the "**Company**") was convened at 6.30pm. Attended by 30 and a panel of 9, comprised of Chief Executive, Mrs. Claire Sheppard; Board Members Mr. Tom Blain, Mr. Colin Bryce, Mr. James Crowhurst (MRCVS), Mr. Philip Newton (Deputy Chairman), Mr. Matthew Prior, Miss Kate Sigsworth, Mrs. Anita Wigan; and headed by TBA Chairman Mr. Julian Richmond-Watson. Apologies had been received from Trustees Mr. Sam Bullard, Mr. Simon Cox, Mr. Ted Voute and Ms. Jessica Westwood.

The Chief Executive welcomed everyone to the 106th Annual General Meeting of the Thoroughbred Breeders' Association, announced that a quorum was present and declared the meeting open. Apologies for absence had been received from some members and were available on request.

An advance Notice of Meeting had been circulated in line with the Articles of Association and the format for this meeting would follow that agenda order. The Chief Executive explained that following the formal business of the meeting including the Chairman's Address, there would be two presentations and an opportunity for any questions and answers.

With the consent of all the Members present the Notice convening the meeting was taken as read. 76 proxy voting forms had been received prior to the meeting with 74 allocated to the Chairman and 2 allocated to Tom Blain. Three agenda items (One, Four and Six) required a Member vote.

The Chief Executive confirmed that there were two vacancies on the Board due to the conclusion of the Terms of Office of Tom Blain and Ted Voute. Ted Voute had concluded his second Term of Office and was confirmed to be standing down following the AGM. Both trustees were thanked for all of their hard work on behalf of the Association, as elected members of the TBA.

The Trustees also recorded their thanks to Ted for his significant contribution during his eight years as a TBA Trustee including Chairman of the Sales Consignors Committee and the TBA representative for the Bloodstock Industry Forum.

The TBA Board had asked James Crowhurst to continue as a Co-opted Trustee for a second term and they wished to record their thanks to James for his outstanding support to the TBA, including as Chair of the Veterinary Committee.

The four duly nominated candidates for the two vacancies on the Board would be announced along with the results of the election during Item 7 of the agenda before opening to the floor for specific questions relating to the agenda under Item 8. There were two presentations to follow the agenda items and an opportunity for general questions to be asked in an open forum.

A number of non-TBA members had been invited to the AGM and they were reminded not to raise their hands during any votes on the official business of the AGM.

The following items were covered:

1. To approve the Minutes of the last Annual General Meeting held 14 September 2022.

The Chief Executive asked for the approval, by way of a show of hands, for the Minutes of the previous Annual General Meeting held on Wednesday 14th September 2022, copies of which

had been circulated in advance of the meeting and had been made available via the TBA website. The motion was carried unanimously, and the minutes of the 2022 AGM were approved.

2. To consider any matters arising from those minutes.

There were no matters arising.

3. To receive, discuss and consider the Report of the Board and Accounts for the year ended 31 December 2022.

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

The Chief Executive stated that the auditors, Price Bailey had reported a clean audit for the year and Mr. Martin Clapson, Mrs. Janice Clapson and Mr. Gary Frear from Price Bailey were in attendance and available for questions.

The Chief Executive advised that in 2022 the Board had agreed to fully distribute any incoming resources to delivering the association's core strategic objectives. The Association's total income amounted to £1.89 million (up from £1.76 million in 2021). After total expenditure of £1.74 million, there was a net surplus of resources of £153,779.

The TBA Trustees were aiming to reduce reserve levels, with funds already committed to two new multi-year veterinary research projects starting in 2023 and increased investment in breeding industry training initiatives, including the TB-Ed online learning platform.

The Chief Executive explained that the Sales Levy remains the main source of income for the TBA, and the Board wished to record thanks to Tattersalls and Goffs for their continued support in collecting this essential funding and to all the breeders and vendors who had supported the work of the TBA through the Sales Levy. The Racing Foundation and Horserace Betting Levy Board were also acknowledged for their valuable grant funding support towards TBA initiatives.

The Chief Executive asked that the Report of the Board and Statement of Accounts for the year ended 31st December 2022 be formally adopted. This was proposed by Mr. Colin Bryce and seconded by Mrs. Anita Wigan.

4. To agree the Subscription Rate for 2023

The Chief Executive explained that the Subscription Rates needed to be ratified at each Annual General Meeting. It was noted that despite the challenging economic headwinds, the number of TBA Full members had held steady at 1529.

The TBA was facing increasing costs and the trustees had reviewed the current subscription rates and proposed a change in the price of the TBA Full membership from 1st January 2024. It was proposed that the Full membership subscription was raised by £15 to £170. This raise reflected the current rate of inflation.

The Full TBA membership would still offer members an expanded range of membership benefits of real financial value including;

- A £200 discount per foal for foal registrations to the Great British Bonus Scheme.

- Free access to the TB-Ed digital learning platform and its bespoke breeding industry courses and resources.
- Free access to the new carbon calculator, a presentation was due to follow the AGM.
- Free events including the Bloodstock conference and educational workshops.
- The TBA had also secured breeders badges to the major race meetings for the next 2 years thanks to the support of the Jockey Club, ARC, Ascot, Goodwood, and York.

The Trustees also proposed that the joining fee for a new member was increased to £50 so anyone joining the TBA for one year would pay £220 and therefore a similar amount to the discount being offered to a TBA member when registering one filly foal to the Great British Bonus Scheme.

The Access membership aimed at those new to breeding, students and enthusiasts had doubled in numbers in the last year and would remain a major area of focus for the TBA over the course of the next year. It was proposed that this membership remain unchanged for 2024 at £60.

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

5. To re-elect the Auditors

The Chief Executive proposed that Price Bailey were re-appointed as the Association's auditors for 2023/2024, at a fee to be agreed by the Board. This action was proposed by Mrs. Anita Wigan and seconded by Mr. Matthew Prior. This motion was carried.

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

6. To vote on and pass a special resolution as set out below

The Chief Executive explained that Item 6 was to vote on and pass a Special Resolution to agree that the draft Articles of Association attached to this resolution and, for the purposes of identification, initialled by the Chair, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the Company's existing Articles of Association. The Special Resolution states:

That, with effect from the conclusion of the meeting, the draft Articles of Association attached to this resolution, including a new article 21, "Honorary President", and for the purposes of identification initialled by the Chair, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of the Company's existing Articles of Association.

The draft Articles of Association have been proposed to enable the discretion of the Board to appointment an Honorary President to work alongside the Board in an advisory capacity.

Philip Newton, Deputy Chair, explained the reasons for this change in the Articles on behalf of the TBA Board;

"Good evening, an Honorary President is not a new thing for the TBA over its years of existence, Honorary Presidents have appeared and disappeared at different times, there is no explanation as to why. The TBA's remit has grown and grown and grown, not only do we represent the breeders on the production line, but we are also involved in industry decisions and that, I think all of you know that currently the industry is facing some big questions and we need to find the right answers. We have concluded that we need some help in this respect and an Honorary President might be able to assist in

one specific area and be able to unlock a door that otherwise might remain closed to us. That's why we have brought this forward to tonight and I hope you will support this resolution".

A vote by a show of hands was asked for and the motion was carried unanimously, and the passing of the special resolution was approved.

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

Mr Will Kinsey and Mr Tom Blain (the latter due to commence a second Term of Office) were announced as elected directors of the TBA, with their Terms of Office due to formally commence as of the date of this meeting.

The Chief Executive thanked all four candidates for standing as Trustees and we look forward to welcoming Will to the TBA Board and working with them both, Will and Tom, over the next four years.

8. To transact any other business which may properly be transacted at an Annual General Meeting

Two questions were received in advance of the meeting from Louise Kemble, and they would be answered after the presentations in the general Q and A session later in the agenda

No additional business items were raised.

9. To receive the Chairman's Address

The Chairman outlined that the achievements of the TBA over the past year were documented within the association's Annual Report, which was comprehensive and informative, the report had been made available via the TBA website to all members prior to the meeting.

The Chairman went on to explain that the Thoroughbred Breeders' Association was exactly what you would expect it to be, an association that represents and supports all thoroughbred breeders in Great Britain, and the Trustees of the TBA have had to examine all the risks and opportunities for the industry and make an assessment on where to prioritize time and efforts, whether it be on international, political, racing, or veterinary fields.

All of this work is done by a voluntary non-executive Board of Trustees and a small office team based at Stanstead House, and as British breeders we get excellent support and service from them.

The Chairman shared that in the 12 or so years he had been a trustee of the TBA, our industry has seen an enormous increase in the complexity of the rules and regulations that governs us, not only internally in our sport but externally through the consequences of Brexit and the ever-increasing focus on welfare and environmental issues. The TBA has been up to speed with all of these challenges and has responded in the areas that affected the TBA members and breeders.

Enormous strides had been made with welfare and the 30-day notification system has

given us an excellent tool to help trace the whereabouts of every thoroughbred. We cannot underestimate the importance of traceability and accountability are going to be to our industry. Welfare would be increasingly important within our industry.

The Carbon Calculator tool would feature in a presentation later in the evening and the Chairman shared how proud he was that the TBA were leading the way, with support from the Racing Foundation, in our sport as environmental issues would keep pushing forward and the TBA had recognized this.

The Chairman informed attendees that there had been a proliferation of racing's Committees, which had increased everyone's workload, avoiding representation on some of these committees was tempting however it was inevitable that some decisions made would spill over and affect breeders in some way or another and if the TBA was not there we would not be able to influence those decisions. The TBA Executive have had to adapt to these internal and external pressures and the Board has had to evaluate and prioritise and support the team, as necessary.

It was noted that an enormous amount of work was done behind the scenes during Brexit and Covid, contacts developed along the way were vital and we would need to be in touch with these important decision makers on a number of ongoing issues.

The Chairman voiced that whilst Covid might seem a distant memory it did make us realise how vulnerable our industry is to outside events beyond our control and that we must be prepared and have a Plan B ready to go if something similar happens again in the future.

There had been some success with the Treasury on VAT for temporary imports into this Country whilst our trading partners in Ireland and France were still negotiating. Transport and inspection post problems, as well as increased costs are still to be resolved.

The TBA had published an updated version of the Economic Impact Study earlier in 2023, many of the figures were concerning, nevertheless they gave us ammunition to argue for breeder support across the industry and from within government. The GBB scheme was born out of a previous EIS study and continues to be of vital importance to the British Breeding industry. It was noted that almost every other racing nation gave substantial support to domestic breeders and that we need to continue and grow this support in Great Britain.

The Chairman advised that as a member of the Thoroughbred Group, the TBA work wherever possible to advance the position of those involved with horses, their ownership and welfare; and prize money is the key to unlocking so many of these issues. It is recognized that prize money is not high enough in this country and there is an obvious discrepancy between what the betting industry pays to the sport and how much the participants receive which must be addressed, so that the income coming into racing is fairly shared.

The TBA as a founder shareholder member of the BHA and will wherever possible work with the governing body to advance racing in Great Britain. The TBA may not always agree with the BHA but bold decision making intended to arrest the decline in racing's fortunes is essential if we are to move forward.

The Chairman expressed that the TBA and breeders inevitably have issues that do not relate to other participants in the sport and so we have to focus on these ourselves and

make sure you are all kept in touch with what we are doing. There is very little understanding of breeding within racing and the supply of racehorses is taken far too much for granted. It is up to the TBA to make sure our issues and constantly brought to the fore. Without breeders there is no racing.

The Chairman repeated that the TBA is your association. The team and I are enormously grateful for your support both financially and in person and I know the team will strive to make your life easier and make the difference that will help you in your breeding of the magnificent racehorse, the Thoroughbred.

The Chairman expressed his thanks to the Board of Trustees for their support, citing they had been through interesting times over the last few years but hopefully the TBA was being left in good order with plenty of ongoing work. There were thanks voiced to Ted Voute who was leaving the Board of Trustees for all his hard work for the TBA over the last eight years and welcome back for Tom to serve for a second term as a TBA Trustee.

The Chairman thanked the Executive team for their hard work and support and in particular Claire, who had worked closely with the Chairman for the last 6 years.

Finally, the Chairman thanked his Deputy Chair, Philip Newton, by saying “we have worked incredibly well together complimenting each other enormously and working together towards the same aims. We have worked tirelessly for the benefit of the breeders, and I really have enjoyed working with you Philip, so thank you very much”.

Announcement of Chairman and Deputy Chair

The Chairman announced that from the end of the meeting Philip Newton would start his term as Chairman of the TBA with Kate Sigsworth becoming Deputy Chair. The Chair wished both Philip and Kate all the best as they take the TBA forward.

Two presentations, which were part of the TBA’s Strategic plan, followed on;

- **Economic Impact study – intervention and incentive the way forward** – delivered by TBA Deputy Chairman, Mr. Philip Newton.
- **Introduction to the TBA’S Stud Farm Carbon Calculator** – delivered by Sara Wynn, MD ADAS Climate and Sustainability.

Questions and Answers

Two questions had been received in advance of the AGM meeting from Louise Kemble as follows;

a) Sustainable Farming Incentive

There are several Sustainable Farming Incentive actions that Stud Farms could access but would require the support of specialist advisors, for example options to access funds for Herbal Leys in existing grazing. Could you summarise what you see as actions that will work alongside stud land and provide access to specialist guidance.

Answered by Tom Blain, member of the TBA’s Environmental Sustainability Committee;

“Grassland management is going to be a key focus of the TBA's environmental sustainability educational initiatives next year. The committee has already started to consider the best approach to this, and we have secured match-funding from the Racing Foundation to ensure adequate resource and consultancy expertise can be directed to this project. We plan to explore options for increasing biodiversity on stud farms, whilst ensuring we do not negatively impact the palatability, digestibility,

and quality of pasture for pregnant and lactating mares, as well as raising young thoroughbreds. There is often scope for introducing a broader range of plant species and alternative management techniques on grassland margins, laneways and ungrazed areas of the stud farm and these can be a good place to test any new practices. As you mention, there are financial incentives available for this, as well as planting trees and hedgerows.

Terry Finch gave a presentation on agri-environmental schemes at the Bloodstock Conference and the recording is available to view on TB-Ed. There is also some information on ELMS on the TBA website."

Further information can be found on TB-Ed website and likewise further details on the ELMS scheme can be found on the TBA website within the resources section, including a link to access free advice from ADAS, which has been funded by Defra under the Future Farming Resilience Fund".

b) Stud Farm Rating concession

The National Non- Domestic ratings bans have been revised upwards and a number of medium sized studs will now find themselves included within business rates or facing significant increases. Can/has the TBA taken measures to ensure that the Stud Farm rating concession is also revised in line with the increase in rating bands and share this with members.

Answered by Colin Bryce, member of the TBA's Policy and Strategy Committee;

"The stud farm relief figure of up to £4,200 has not been altered in the latest valuation. However, data from our ratings advisors suggest that on the whole stud farm valuations have remained relatively stable, with some increases and decreases in certain areas, with Newmarket showing an increase. If any member feels that they have had an unexpected increase, we would encourage them to contact the TBA to make use of the retained business rates advisors, who will be able to advise on the reasons and potential solutions. Initial advice is part of the TBA membership package.

Engagement with the VOA prior to the next revaluation in 2026 is on the agenda".

The meeting was opened for general questions

- a) It's a small point but one of my sort of specialist subjects, the Bloodstock Tax Guide on the website appears to have disappeared, I know it was a bit of dry document, but it has been replaced by generic links to HMRC which are even worse. Is it coming back because I thought it was quite useful and I would like to think other people would to?
Kevin Needham, BBA Racehorse transporters.

Answered by TBA Trustee Matt Prior, member of the TBA Audit Committee;

"The last version as you pointed out was revised in 2014 so some details were incorrect and out of date so hence the reason is had disappeared (from the website). We have realized it is a valuable member benefit and have recently set up an editorial team and have accepted a tender from a team to revise and update the document. It should be available early next year"

- b) Regarding the staff skills shortage, migration of foreign workers, I believe the TBA has been doing good work lobbying to try and get stud staff on the special skill list. Where have we got to with that and which jobs might qualify?
Ed Harper, Whitsbury Manor Stud

Answered by Deputy Chair and member of the Education and Employment Committee, Kate Sigsworth;

"We, the TBA, have worked with the NTF and the BHA, we have submitted extensive evidence to support this, and it is a really significant step forward that we have managed to get these roles onto the Shortage Occupation List (SOL) and have the Migration

Advisory Committee (MAC) looking at it. We want to thank the individual breeders that we asked to provide evidence and support this and put their name behind the support as without their support we would not have got this through. I believe that the jobs that have been added on the stud side are Stallion Handler, Stud hand, Stud Handler, and Stud Groom however the hard work now starts. It has to be formally sanctioned by government with formal approval from the Home Secretary which we hope will be by the end of the year. We need to continue to lobby the relevant parties and individuals in the meantime. What this exactly means is also to be confirmed but we are hopeful of it being a more cost effective and a more efficient process.

I would like to point out that this doesn't mean we will stop upskilling domestic staff in this country, education is vital to upskilling. We do realise that there is a staff shortage in this country and if we can get the Home Office to agree, it will start to ease the staffing crisis considerably. It is a really skilled job which I am sure the rest of you in here will appreciate".

Ed Harper; "Should we be emailing our MP about this?"

Kate Sigsworth added "I am not going to say no, every little helps."

Claire Sheppard, Chief Executive of the Thoroughbred Breeders' Association; "We are coordinating a campaign, we are just preparing a letter to go back to all those MP's that have supported so far and continue to press for this. Very few jobs have been recommended via this committee to be added to the list, so this is a really positive step for racing and recognising the skills required to look after these thoroughbreds in this way. We thought hard and I think our submission had really positive feedback and they actually said the data we had, with thanks to the Racing Foundation and the surveys they have conducted starting with data from 2017, really showed a really clear case, you couldn't argue that this was not an issue across the industry. It really highlighted how the situation had got worse in the last 3-4 years so that has been really crucial to us. So, support please, if you have any government ministers in your area as your MP in particular it would be very useful. We will be coordinating that across the piece of work so thank you very much"

- c) I know the TBA were looking into Red Diesel and the usage on Stud Farms, I just wondered where we were and if there had been any progress?
Simon Mockridge, General Manager UK, Juddmonte Farms

Answered by Claire Sheppard, Chief Executive of the TBA;

"It is an issue we are consistently raising; it has been a very difficult one and maybe there will be a change from the Conservative Conference this week. The point the government have been making is that it is contrary to their environmental agenda and that then jettisons the vat that might be different I think. We obviously have very good information and support for the financial challenges that stud farms are facing, the data across the equine industry has been making a case as well as individually so to date its slightly fallen on deaf ears unfortunately. It remains on our agenda and I'm afraid its not good news at present and we will continue to raise it.

There were no further questions raised.

Philip Newton was invited back to the rostrum to say a few words about the outgoing Chairman.

"You won't be surprised to hear that Julian said he didn't want a fuss and that I don't intend to give him too much of a fuss, but I think it would be inappropriate to not publicly record our appreciation and thanks for the great job he has done for the TBA. I have alluded to the great agenda that the TBA has, it has increased exponentially through Julian's Chair. He has steered us through some very

difficult waters, he has developed a Board of Trustees that are not just competent but excellent in what they do, and he has made sure we have had the right balance. The Trustees as you would expect have already said their thank yous personally and privately at his last board meeting. I have been lucky all my life, I've had some reasonably big corporate jobs in the Plc sector, and I have sat on a few major boards, I can tell you that the TBA Board would bear comparison to any of them and its all down to Julian's leadership. I think probably I am a good example of that, I'm not always everyone's cup of tea and as Julian said we might be the "odd couple", but he was absolutely prepared to look at me and look at what I could bring to the party, and he encouraged me to do it and he has done the same for every other trustee.

I am going to tell you one small story, which is absolutely true, someone senior in the industry three years ago said the TBA has the ideal Chair and Deputy Chair. If the TBA trustees were kidnapped and locked in a room, Julian would scratch on the door he would get the kidnappers' attention, he would whisper through the keyhole, a key would be slipped underneath the door, he would unlock the door and slip out himself, he would relock the door and he would negotiate the Trustees release while Philip Newton would just blow the bloody doors off! And I think that that is right and it's for that reason that I am really pleased to say that Kate Sigsworth had agreed to be my deputy because I need some reining back.

There is one project that, you will excuse the fact that I need to be confidential about it currently, that Julian is best placed to lead and it's for that reason that I ask for your support that he is the Honorary President for the time being. I need to be reined back in and I am sure that Claire will do so, and Kate will certainly do so and all my fellow trustees will do so. Having Julian still available, for one specific reason, is really important for the industry and for the TBA. He has been an exceptional Chairman, an exceptional friend, he has supported us, he has supported the membership and he has supported the industry unflinching and he deserves all of our appreciation"

A gift as was presented to Julian Richmond-Watson as an appreciation of his time as Chair for the TBA.

The Chief Executive thanked the Jockey Club Rooms team for hosting the AGM and for all the TBA team for organising the AGM. Thanks were given to all the Trustees who voluntarily give up their time for the vital work done by this association.

A reminder that nominations were open for the 2024 Thoroughbred Industry Employee Awards, anyone could nominate, not just employees and the deadline for nominations was 7 November

Final thanks were to all attendees for their continued support for everything that the TBA does.

The Chief Executive closed the meeting at 7.35pm. The 106th AGM was concluded.

All attendees, trustees and guests were invited for drinks in the morning room.