

Neutral Citation Number: [2005] EWCA Civ 999  
IN THE SUPREME COURT OF JUDICATURE  
IN THE COURT OF APPEAL (CIVIL DIVISION)  
ON APPEAL FROM THE HIGH COURT  
QUEEN'S BENCH DIVISION  
(MR JUSTICE TUGENDHAT)

Royal Courts of Justice  
Strand  
London, WC2

Wednesday, 20 July 2005

B E F O R E:

**LORD JUSTICE BUXTON**  
**LORD JUSTICE WALL**  
**SIR MARTIN NOURSE**

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**RACING UK LIMITED**

**Claimant/1st Respondent**

-v-

**(1) DONCASTER RACECOURSE LIMITED**

**1st Defendant/2nd Respondent**

**(2) DONCASTER METROPOLITAN DISTRICT COUNCIL**

**2nd Defendant/Appellant**

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(Computer-Aided Transcript of the Stenograph Notes of  
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(Official Shorthand Writers to the Court)

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**MR R SALTER QC AND MR R EDWARDS** (instructed by Irwin Mitchell Solicitors)  
appeared on behalf of the Appellant

**MR D WAKSMAN QC AND MR E CULLEN** (instructed by Wiggin & Co) Appeared on  
behalf of the 2nd Respondent

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J U D G M E N T

1. LORD JUSTICE BUXTON: The decision from which this appeal is brought concerned an agreement that was dated 25 March 2004. It took the form of a letter from the claimants, Racing UK Limited ("Racing UK"), which was addressed to the first defendant, Doncaster Racecourse Limited, ("DRL"), and which provided for its signature by "a duly authorised representative of DRL". It is was in fact signed by a Mr Sanderson, of whom more will be heard. Racing UK claimed, and the judge found, that the agreement that resulted was not with DRL, but with the second defendant, Doncaster Metropolitan Borough Council ("the Metropolitan Borough Council"), acting through the ostensible authority of DRL or Mr Sanderson. The Metropolitan Borough Council, the appellants in this case, say that the agreement was in fact with DRL acting as a principal; the Metropolitan Borough Council was not bound by it.

2. To understand the nature of the dispute, one must first set out the terms of the letter:

"We refer to the recent discussions between us concerning the possible acquisition of certain television picture rights from you by the Company. As you are aware, a group of racecourses (including Goodwood, Newbury, Ascot, Doncaster, York, Ayr, Chester and Bangor) are concerned to ensure that a successor television channel to the AtTheRaces service can be established in the event that the current negotiations between courses and AtTheRaces Plc fail to reach a satisfactory conclusion or the OFT issues a decision the effect of which is to bring to an end the grant of rights under the current AtTheRaces agreement. These racecourses have therefore established the Company with a view to owning and operating the business of a new television programme service (the 'Channel').

The Company is a wholly owned subsidiary of Projectgoal Limited (to be renamed), a company limited by guarantee. Each course who licenses its television picture rights to the Company will also be free to become an equal member in Projectgoal Limited, such membership to run for so long as the licence of rights subsists. In this way, it is intended that Projectgoal Limited and thus the Company will be jointly owned by all racecourses participating in the Channel.

The Company is in the process of making arrangements to ensure that all necessary technical services and the relevant broadcasting licence are in the place for the imminent launch of the Channel. The Company, and the courses which have established it, would like as many as possible the racecourses in Britain to participate in the Company and this venture and would also wish to use Racetech for the supply of pictures. This letter therefore constitutes an offer from Company inviting you to licence certain television pictures right to the Company and to participate on the following terms and conditions..."

3. Reference is made in the letter to "media" rights. That expression is important in this case, and was explained by the judge in paragraph 28 of the judgment in the following terms:

"The expression 'media rights' as used in these various documents needs explanation. Such rights might include copyright, or other statutory intellectual property rights, for example where the Council caused data or images to be recorded and transmitted. But what was principally under discussion was not a property right of that kind at all. There is no statutory property right in a sporting event, unlike, for example the copyright and performers' rights that arise in relation to the performance of a dramatic work. In relation to a sporting event, such rights as exist are rights to refuse access on to land to anyone who does not agree to abide by such terms as may be imposed on the grant of a license to enter the land. The grantor of the right of access to land is normally the person who owns a freehold or leasehold title to the land. This is a right arising out of title to land. It is not a property right separate from a property right in the land."

4. The factual background and circumstances of the dispute are set out in great detail and, if I might respectfully say so, with great clarity by the judge in terms which have not been challenged. I will repeat only as much as is necessary for understanding the dispute in this court, a dispute which is more limited in its compass than the dispute before the judge. Anyone requiring further enlightenment as to the circumstances of the case may turn with confidence to the judgment of Tugendhat J.
5. It is necessary to give a short lexicon of the parties and of some individuals involved in the case, and then set out the history, concentrating on earlier agreements which have a significant impact on the understanding of the letter agreement of 25 March 2004.
6. As to the parties, television rights had previously been controlled by a media rights agreement ("MRA") of May 2001. I shall have to return to this, but by it various racecourses (a term that for reasons which will appear is used neutrally at this stage) collectively granted television rights to a company called AtTheRaces ("ATR"). Difficulties with the competition authorities having arisen in regard to the MRA, a large proportion of British racecourses entered into the agreement that is epitomised by the letter of 25 March 2004, to guard against the possibility of the MRA being terminated: an event that in fact occurred shortly after 25 March. As the letter itself said, Racing UK was formed in that context as a company owned by the racecourses, which would operate its own television channel in place of ATR. For that to work, it was thought necessary to secure the agreement of all or most of the English racecourses, and for that purpose a letter in the same terms as the letter with which we are concerned was sent to, and countersigned by, I think 31 racecourses.
7. The Metropolitan Borough Council is a local authority, notable however amongst local authorities in that it owns Doncaster Racecourse, a Class 1 racecourse. As to DRL, the judge said this at paragraphs 3 and 4 of his judgment:

"DRL is not and was not the owner of the racecourse. It is a company of which Mr Sanderson has at all times been the majority shareholder and Chief Executive. DRL had made an agreement with the Council dated 1 August 1995 ('the Management Agreement') for the management and

operation of the Doncaster Racecourse and Exhibition Centre for a period due to expire on 31 July 2005 . . .

[The management agreement] is signed on behalf of DRL by Mr Sanderson. DRL was created for the purpose of entering into that agreement. Mr Sanderson had previously been employed by A F Budge Ltd from 1990. That company had formed a joint venture with the Council to manage the racecourse, through a company called Doncaster Racing Ltd. Doncaster Racing Ltd had been dissolved as a result of AF Budge Limited going into receivership."

I believe we were told that that receivership happened as long ago as 1 August 1995.

8. As to Mr Sanderson, the judge said this at paragraph 6 of the judgment:

"Mr Sanderson is prominent in the management of racecourses, and in the world of racing. He has at various times been a director of the Race Course Association until 2003, of the British Horseracing Board, of Catterick Racecourse Company Ltd (the owner of Catterick Racecourse), and of Redcar Racecourse Ltd (the owner of Redcar Racecourse). He is the leading figure in International Racecourse Management Ltd ('IRM'), through which he is involved in the management of racecourses in the United Kingdom and in the Middle East. The Racecourse Association Limited is the trade association representing the 59 racecourses in Britain. It had negotiated the MRA entered into by the 49 courses on 2 May 2001."

9. I should also mention a number of persons who will play a part in this judgment. The management agreement provided for the Metropolitan Borough Council to appoint an Authorised Officer to act on behalf of the Metropolitan Borough Council in dealing with DRL. Up to early 2004, that was the Director of Trading Services, a Mr Stephenson. He was succeeded in that role by a Mr Bandy. There was also under the agreement a consultative committee, consisting of the Chairman of the Metropolitan Borough Council's racecourse sub-committee, two other counsellors, the Authorised Officer and a representative of DRL, who was in the event Mr Sanderson. The Chairman until early 2004 was a Councillor Wedd, thereafter a Councillor Spowatt. Councillor Wedd was experienced in racing matters and took an active interest in the management of the racecourse. On Racing UK's side, prominent persons, all of whom gave evidence to the judge, were a Mr Andrew Brown, described as the project director of the new company; Mr Sean James, who was a partner in the firm of Wiggin & Co, its solicitors; and two directors of the company who were prominent figures in racecourse management, Mr Rod Fabricius, who is the manager Goodwood, and Mr Mark Kershaw, the manager of Newbury. These persons had also been involved in earlier agreements amongst the race courses, and in particular had been involved in the MRA.
10. As to the MRA, it was stated to be between ATR, the Racecourse Association, and "the Courses". It granted media rights, as understood in this case, to ATR. The grant was in

terms by the courses who were listed in Schedule 2, Part II of that agreement, with details of their ownership. The owner of the Doncaster Racecourse was said to be DRL. A warranty was given, amongst other matters, by each course by clause 16.2 of the agreement whereby the course warranted that:

"it has, and will continue throughout the term of this Agreement to have, the full right, title, power and authority and is in possession of all authorisations and permits necessary to enter into this Agreement and to carry out the matters contemplated to be performed by the Course pursuant to this Agreement . . ."

The MRA was signed by Mr Sanderson "on behalf of DRL". It will be seen that the form of that agreement was unusual, in that DRL was not in fact the owner of Doncaster Racecourse, and nobody thought that it was. The judge addressed that point in paragraph 143 of his judgment. He said that it was not clear why DRL came to be so named in the MRA, the MRA having been prepared by the Racecourse Association's solicitors, Messrs Wiggins. It has however always been accepted that the Metropolitan Borough Council is bound by the MRA, and that it was the Metropolitan Borough Council, not DRL, that took the benefit under the MRA. Mr Salter QC, for the appellants, said that that was because the Metropolitan Borough Council was an undisclosed principal in relation to the MRA. It had authorised Mr Sanderson, or DRL, to enter into the MRA; whereas, to look forward, it had not authorised him to enter into the letter agreement with which this case is concerned.

11. That explanation of the Metropolitan Borough Council's status in regard to the MRA does not seem to have been suggested prior to the present case, and there is some difficulty about it. Had the Metropolitan Borough Council been obliged to sue under the MRA, as opposed to simply and without argument receiving the fees envisaged by the MRA, then the Metropolitan Borough Council would have had to show that when DRL apparently asserted that it was the owner of the Racecourse, it was in truth asserting that ownership on the part of the Metropolitan Borough Council: because it is entirely clear that the whole point of the MRA was that it should bind those who could give access to the media rights. And had the warranty under clause 16.2 been asserted by ATR, the Metropolitan Borough Council, as I understand it, accepts that it, not DRL, would have to show that it had power to carry out the course's obligations under the MRA, most notably to permit access to the course.
12. These are not merely technical points, because the MRA is relied on by the Metropolitan Borough Council in this case as a representation that DRL, and not the Metropolitan Borough Council, owned the media rights. It is difficult to see how that claim can sit with an acceptance that the Metropolitan Borough Council were bound by the MRA as an undisclosed principal, who to achieve that status would have to assert the rights and obligations that on the face of the MRA were attributed to DRL.
13. The MRA is also of great importance in understanding the form of the letter agreement of 25 March 2004. That agreement was prepared and sent out to its intended race course parties by Mr James. He gave evidence, accepted by the judge, that the

documentation had been prepared in a great hurry, and the names and descriptions of the offerees were simply taken from the schedule to the MRA.

14. As to that letter agreement, was Mr Sanderson or DRL contracting on their own behalf, as the bare terms of the document seem to assert; or were they signing as an agent for the Metropolitan Borough Council, the owner of the course? The judge was clear that the factual matrix surrounding the agreement and its particular terms demonstrated that the latter must be the case. He said this at paragraph 138 of the judgment:

"The contents of the offer, and the other documents with which it was faxed, are relevant to ascertain with whom the Claimant as offeror intended that it should contract. Their intention is obvious. They intended to contract with the owner of the Doncaster Racecourse. The rights are ones which only the person who owned or leased the racecourse could give. The Licence Agreement itself and the Executive Summary make clear that the owners of the new channel shall be the 'racecourses', which must mean the owners of the racecourses. Membership of Projectgoal Ltd is stated to be open to each racecourse which enters into the License Agreement and non-transferable. It has in fact always been generally known within the racecourse industry that the Council owns the racecourse at Doncaster and that a company of Mr Sanderson's was appointed to manage the racing affairs of the racecourse. DRL is not unequivocally identifiable from the contents of the offer in such a way as to preclude any finding that the party to the putative agreement is other than DRL. The contrary is the case: it is the Council that is identifiable objectively as the party with whom the parties must be deemed to have intended the Claimant to be contracting."

15. If that conclusion was open to the judge, then, on principles that are uncontested in this case, the Metropolitan Borough Council was bound, provided that it had held out Mr Sanderson or DRL to Racing UK as having authority on its behalf, and provided that Racing UK had relied on that authority in entering into the letter agreement.
16. However, The Metropolitan Borough Council raises a preliminary objection. The evidence, they say, shows that Racing UK intended to contract with, and made the offer to, DRL as a principal. If that was so, a claim that DRL acted only as an agent falls at the first hurdle. The true construction may be that Racing UK thought mistakenly that DRL held the rights or had control of them, but that would not prevent the contract being with DRL and not with the Metropolitan Borough Council, albeit that the motive for so contracting with that party was a mistaken one.
17. We were read an enormous amount of evidence from the trial in an attempt to establish that proposition, one that was plainly rejected by the judge who had heard the same evidence and much more. I do not go through all of that because some points are elementary and inescapable.

18. 1. All of those dealing with this matter, apart possibly from Mr James, had long experience of racing and of the negotiation of media rights in racing. The judge so found at paragraph 151 of his judgment, and was plainly right to do so.
19. 2. For the reasons already given by the judge in his paragraph 28, media rights means access to the course, and access to the course almost always requires the authority of the owner or lessee.
20. 3. It was notorious in the racing world that the Metropolitan Borough Council owned the course. That was said, for instance, by the Metropolitan Borough Council's knowledgeable witness, Councillor Wedd, in paragraph 7 of his witness statement:

"I believe it is common knowledge in the racing world that Doncaster Racecourse is owned by the Council; it is also common knowledge that DRL were appointed to manage that operation. I say this not only as a result of meetings and discussions I have attended but also because I have been privy to correspondence and discussions that have taken place with the BHB and the jockey club and met Mr Fabricius and Mr Kershaw. Given that the Council is almost unique amongst local authorities in owning a Grade 1 Racecourse, it is to my mind inconceivable that anyone closely linked with horseracing would not know that the Council owned the racecourse."

21. 4. Those who dealt with "Doncaster Racecourse" dealt with Mr Sanderson. Throughout the evidence of Mr James, it was clear that that was how he saw the representation of Doncaster Racecourse. That was also the evidence of Mr Bandy on behalf of the Metropolitan Borough Council, where he said, when asked by counsel about the representation of the racecourse:

"Q. The only human face that they have to deal with in relation to that was Mr Sanderson. That is right is, it not?"

A. Yes.

Q. He ... was allowed to go out into the world and deal on behalf of the Council and discuss on behalf of the Council, and so people come to him if they want to acquire rights to broadcast races from Doncaster. That is the position.

A. If they want to discuss things to do with Doncaster Racecourse, yes."

22. 5. People so dealing with Mr Sanderson dealt with him as a person. They were not interested in, and largely not aware of, the status of Mr Sanderson's company, DRL, or of his more general management company, International Racecourse Management Ltd. That is redolent throughout the evidence. I need only quote one or two very short passages.

23. Mr Brown said:

"... to the extent I turn my mind to it, which I must say was very little and very briefly, I would have assumed or did assume that Doncaster Racecourse Limited was owned by the Council and was the vehicle through which they owned and ran the racecourse."

Mr Fabricius said this:

"[Counsel quoting from Mr Fabricius' witness statement]

Q. You say:

'It is generally known within the racecourse industry the Doncaster Metropolitan Borough Council owns the Doncaster Racecourse, and that John Sanderson's company is appointed to manage the racing affairs of the racecourse.'

Mr Sanderson is associated with a number of companies. Are you aware of that?

A. I was most more particularly aware of a company called International Racecourse Management. It is indeed that company that I would be referring to by the use of that word 'company'.

Q. Your understanding was IRN was the managing contractor of Doncaster Racecourse?

A. That was my impression and I suspect that probably for a lot of people in racing they may have drawn the same conclusion."

24. Then Mr Fabricius was asked about the letter agreement, and about DRL. He said that he was surprised to see that in the agreement, and said this:

"I am afraid this is where I do have considerable surprise, because I thought Doncaster Racecourse Limited was the entity that provided Doncaster Council with the ability to operate Doncaster Racecourse. I was totally unaware of the fact that Doncaster Racecourse Limited was, if you like, a vehicle for a management contract between Mr Sanderson and the Council."

25. Mr Kershaw was asked about what he understood Mr Sanderson was doing in relation to the letter agreement, and answered:

"I understood that Mr Sanderson was authorised to sign this contract.

Q. Authorised by who?

A. Doncaster Racecourse.

MR JUSTICE TUGENDHAT. What do you mean by 'Doncaster Racecourse'?

A. Well, just the entity of Doncaster Racecourse, my Lord."

26. All of these gentlemen were therefore surprised in seeing DRL nominated in the letter agreement. That had been done, as his evidence showed, by Mr James. True it is that he said that he thought that DRL owned the course, but that was not the reason why he named DRL in the agreement. The reason he put DRL into the agreement was simply and only because they had been so named in the MRA.
27. It is also the case that some Racing UK witnesses were prevailed upon to say, in answer to questions to that effect in cross-examination, that they thought that DRL was contracting "as principal". The judge gave no weight to that part of the evidence, nor would I. The questioning that elicited it largely took as its point of departure the way in which DRL was nominated in the letter agreement. But as we have seen, that nomination was taken directly from the MRA, which everyone assumed without thought or question had been, and had to have been, entered into on behalf of the Metropolitan Borough Council. To the extent that this evidence was claimed to demonstrate that the intention of the makers of the agreement was to acquire rights that it was thought that DRL owned and had a right to dispose of, that was plainly contrary to the evidence that I have set out above.
28. What it comes down to, therefore, is that it could only be established that Racing UK intended to contract with DRL as a principal if it could be shown that although it was axiomatic that the owner of the course normally controlled the rights; and notorious that the Metropolitan Borough Council was the owner of the course; nonetheless in this case Racing UK believed, albeit wrongly, that it was DRL and not the Metropolitan Borough Council that was in a position to dispose of the rights as principal. That would require a belief on the part of Racing UK that the Metropolitan Borough Council had in some way agreed to transfer the rights to DRL. There was not a shred of evidence to support such a belief, and in view of the puzzlement and unconcern about the status of DRL on the part of Racing UK's representatives, already set out, such a belief even if asserted would have been totally implausible.
29. The claim that on its objective construction the letter agreement was entered into by Racing UK and DRL with DRL as a principal therefore fails.
30. I can take quite shortly the other issues. namely whether Mr Sanderson or DLR was held out as Metropolitan Borough Council's agents for these purposes, and whether Racing UK relied on that. We were taken to various documents which Mr Sanderson signed and to his general position as Chief Executive of the course. But the evidence goes further than that. I have already cited passages, and there were many others, in which witnesses said that it was taken for granted that Mr Sanderson was the man to deal with in relation to the course. That was stated for instance in the evidence of Mr Kershaw in paragraphs 3 and 5 of his witness statement. He said in paragraph 3:

"3. I cannot recall exactly when I became aware that John Sanderson had

been appointed by the Council nor did I know which corporate body he was using for that purpose (although I now understand it was Doncaster Racecourse Limited). Nonetheless, I have known for a number of years that the racecourse was managed and operated by John Sanderson and that he did so under the title of Chief Executive of the racecourse. I am also aware that Mr Sanderson manages and represents two other racecourses in Yorkshire ...

5. During many of our dealings, Mr Sanderson would often indicate that he would need to revert to the Council before committing the racecourse. I never took that to mean that Mr Sanderson was not authorised to bind the racecourse, but that in some instances he wanted to refer back to the Council in much the same way as I would refer to my board or directors. I always understood Mr Sanderson to be fully authorised to enter into any agreement on behalf of the racecourse and to bind it, again in much the same way as I am authorised to do so on behalf of Newbury Racecourse."

None of that was challenged. It was because of that general belief and understanding that that letter agreement was sent to Mr Sanderson by Racing UK's solicitors.

31. All of these people knew that the Metropolitan Borough Council were the owners of the course. Mr Kershaw, like Councillor Wedd (already quoted), asserted that as a matter of long knowledge and belief during his more than 20 years in the racing industry. So all these people who thought that Mr Sanderson was acting on behalf of "the course" can only have thought that he was doing it on behalf of the course's owner, the Metropolitan Borough Council. They must have relied on that belief, because unless they thought that Mr Sanderson was the agent of the person who controlled the course there was no point at all in dealing him over matters intimately concerned with that control.
32. Further, the Metropolitan Borough Council supported that position and represented it to third parties. We have already seen their agreement that Mr Sanderson was "the human face", put forward by the Metropolitan Borough Council. That he had such authority was confirmed in his evidence by Councillor Wedd, and also by the official responsible on the Council's side, Mr Stephenson, in passages I think it not necessary to set out.
33. All of that background made inevitable the findings of the judge in paragraphs 151 and 152 of his judgment, including his finding that the mere fact that Racing UK had not previously existed was of no point because, as we have already seen, the personalities who made up Racing UK were the very same people who had been dealing with racing rights in the racing industry for a very long period of time, and it was their knowledge and belief which mattered. That was clearly summarised, if I may so, by the judge in those paragraphs:

"151. The Council submits that no representation can have been made in these ways to the Claimant because the Claimant did not exist until about March 2004. This takes too rigid approach to the meaning of representation in this context. Those promoting the scheme which

resulted in the formation of the Claimant were mainly persons who were active in the world of racing and themselves participated in or knew the matters relied on by the Claimant. A representation can be made to 'anyone who becomes aware' if that person does not exist at the time the representation is made, but becomes aware of it as soon as it does exist. In any event, the information from the MRA was not only communicated to the Claimant, but was taken over and adopted by it in framing its offer to the Council. The Claimant relied on the representation in entering into the agreement signed by Mr Sanderson, in the circumstances in which it did that.

152. The Council also submits that those to whom the representation is said to have been made also knew that persons signing such agreement required approval from their board of directors or other corresponding decision making body, which, in Mr Sanderson's case, was the Council. This is correct, but that is not in point here. That is relevant to actual authority. But as Diplock LJ noted, all that a third party contractor knows is what the agent and the principal represent to him, which may or may not be true. This is not a case where the Claimant could have been expected to ask for a minute of the decision making body, as is sometimes done by, for example, banks on the opening of a company bank account."

34. All requirements of ostensible authority, including in particular that it was the Metropolitan Borough Council, the principal, that led the parties to think, correctly, that Mr Sanderson had authority to act on behalf of the Metropolitan Borough Council, were plainly set out in this case, as the judge found in what I would respectfully say was a comprehensive and wholly cogent judgment.
35. I would dismiss this appeal.
36. LORD JUSTICE WALL: I entirely agree. I would simply like to endorse my Lord's admiration for the clarity and comprehensive nature of the judge's judgment, given in particular that it was prepared under some pressure of time. It was handed down on 8 December 2004, a little over a fortnight after a contested hearing with oral evidence, which had lasted from 15 to 22 November. The judge's analysis of the applicable law, his findings of primary fact and the inferences he draws from those findings are, in my judgment, all unassailable, as my Lord has demonstrated.
37. Mr Salter, in my judgment, faced an impossible task in seeking to show that the judge was in error in any respect. For all the reasons my Lord has given, I too would dismiss this appeal.
38. SIR MARTIN NOURSE: I also agree that this appeal should be dismissed for the reasons given by my Lord, Buxton LJ.
39. A question of ostensible authority being primarily one of fact, the question for this court is whether Tugendhat J, on the evidence before him, was entitled to conclude that the Metropolitan Borough Council held out Mr Sanderson and DRL as having the

authority to enter into the agreement with Racing UK dated 25 March 2004 on their behalf.

40. Mr Salter QC, for the Metropolitan Borough Council, emphasised that the target of his attack was not the judge's findings of primary fact, but the inferences he drew from them. While in general this court may feel a greater freedom to reject inferences than findings of primary fact, the question remains substantially the same. Was the judge, on the evidence before him, entitled to draw the inferences that he did?
41. The judge heard ten witnesses give evidence over a period of five days. Having evidently considered that and the documentary evidence with great care, he delivered a reserved judgment containing a full narrative of material events and dealing satisfactorily with all the points with which it was necessary for him to deal. Mr Salter was unable to convince me that there was any ground on which we could properly draw inferences different from those drawn by the judge. Indeed, I think that his conclusion was both realistic and, on the evidence, inevitable.

**Order: appeal stands dismissed. Appellants to pay respondents' costs. Parties to agree quantum. Any item of disagreement will be submitted to Buxton LJ for summary assessment. Interim payment to be made of £30,000.**