Newbury Racecourse Plc
Contents

Company number 80774

Officers and Professional Advisers

DIRECTORS

D J Burke (Chairman)	N W E Penser
J Dodds	C J Spence
The Hon H M Herbert	C E Spencer (Finance Director – appointed 26 February 2014)
S A Higgins (resigned 23 December 2013)	B T Stewart-Brown
S Hordern (resigned 26 February 2014)	J Thick (Chief Executive – appointed 13 December 2013)
Lady Lloyd-Webber	R L Todd

SECRETARY Miss C E Spencer

REGISTERED OFFICE
The Racecourse
Newbury
Berkshire
RG14 7NZ

AUDITORS
Deloitte LLP
Reading

BANKERS

HSBC Bank PLC
6 Northbrook Street
Newbury
Berkshire
RG14 1DJ

Allied Irish Bank (GB)
4 Tenterden Street
London
W15 1TE

Weatherbys Bank
Sanders Road
Wellingborough
Northamptonshire
NN8 4BX

Royal Bank of Scotland
Abbey Gardens
4 Abbey Street
Reading
RG1 3BA

SOLICITORS
Burges Salmon LLP
One Glass Wharf
Bristol
BS2 0ZX

REGISTRARS
Capita Registrars
Shareholder Services
The Registry
3-4 Beckenham Road
Beckenham
Kent
BR3 4TU

CORPORATE ADVISERS
Strata Technology Partners LLP
Kingsbury House
15-17 King Street
London
SE1Y 6QU

Chairman's Statement

In 2013 the Racecourse made good progress with its long-term redevelopment plans through its partnership with David Wilson Homes (DWH). A considerable renovation programme for the racecourse and its infrastructure is now successfully underway. The programme will deliver modern racing facilities with significantly improved racecourse access longer term. This, combined with a broader refurbishment programme, will secure the long-term future of the racecourse with enhanced prospects for all stakeholders.

These developments have been made in the face of a very challenging environment for racing both at Newbury and throughout the rest of the UK. Accordingly, the Board remain wholly focused on increasing the appeal of race day attendance whilst developing the racecourse as a year round leisure and events business. During the year the business has made important steps towards achieving this.

Whilst overall attendance figures for 2013 were lower year on year, there were notable highlights, in particular the Hennessey Heritage Festival that attracted 28,000 racegoers over the three days, a 12% increase on the previous year's attendance.

Our commitment to investing in our racing was again in evidence with a 5% increase in prize money to £3.7m. We were also pleased to conclude a three-year agreement with the Horseman's Group around the levels of prize money that will protect all stakeholders' interests and which saw Newbury achieve premier tier status in terms of its prize money contribution.

Since we launched the format, the Party in the Paddock events have gained a strong following. It has played an important part in increasing race day attendance and broadening the appeal of the racecourse to a wider audience. However, the 2013 music events failed to generate the required returns we had hoped for and we have therefore revised our strategy to focus on acts that will offer greater prospects for profitability.

Gains were made within our conferencing and events business, with some encouraging signs of growth and we have a clear strategy to maintain this momentum albeit in the face of a challenging market.

Whilst we are still in the very early stages of an estimated ten-year development programme with DWH, there has been very satisfactory progress during the year. The Western Area has generated good house sales and there has been a strong response to the trackside apartments. We are extremely confident about our ongoing partnership with DWH.

Following the progress the racecourse has achieved with its racing, land sale and subsequent redevelopment plans, the Board decided that a more traditional management structure of a sole Chief Executive would be best suited for the Company moving forwards. As a result we were delighted to appoint Julian Thick as CEO in December 2013. Julian has brought with him significant racing industry experience having previously been Managing Director of Aintree, Sandown Park and Kempton Park Racecourses. We have also welcomed Claire Spencer, formerly Group Financial Controller, to the Board as Finance Director.

We would again like to thank Sarah Hordern and Stephen Higgins for their contribution to the business over a number of years and we wish them every success for the future.

As part of his role, Julian is undertaking a full review of the business. We look forward to updating our stakeholders on the findings and recommendations from his review at the time of the interim results.

We continue to take a vigorous approach to managing our cost base and anticipate that a number of savings initiatives implemented in 2013 will continue to deliver benefits during 2014. In light of the underlying performance of the trading business the Board does not recommend paying a dividend for 2013.

We have made good progress during the year with the DWH partnership underpinning our future. However, we have an important phase ahead as we consider areas of key investment that will support our long-term strategy of developing the racecourse as a leading racing, events and entertainment business. Nevertheless, we are confident that we have the right team and approach to successfully deliver this.

On behalf of the board I would like to thank our staff for their continued hard work during the year. In addition, I would also like to thank our sponsors for their ongoing support and the owners, trainers, all horsemen and racegoers for their continued support of the Racecourse during this time of our redevelopment.

DOMINIC J BURKE
Chairman
9 April 2014

STRATEGIC REPORT

STRATEGY AND OBJECTIVES
The Board's long term strategy is to continue to develop the Racecourse as a profitable, leading racecourse, entertainment and events business with racing at its core.

THE BUSINESS MODEL
Newbury Racecourse PLC is the parent of a group of companies which own Newbury Racecourse and engage in racing, hospitality and catering retail activities. In addition the group operates a conference and events business, and a children's nursery.

PERFORMANCE REVIEW
Consolidated group profit on ordinary activities before tax in the year ended 31 December 2013 was £1.5m (2012: £7.9m) which includes £1.8m of exceptional profits (2012: £10.0m exceptional profits). The trading business made a loss before tax of (£0.7m) (2012: loss (£1.4m)).

Turnover for the trading business decreased by 1.8% (£0.2m) to £11.6m (2012: £11.8m). Racing revenues decreased by c.1% on prior year, primarily as a result of reduced Party in the Paddock attendances. Conference and Events income showed a 13.6% (£0.1m) improvement on 2012, which was encouraging. The Rocking Horse Nursery suffered a decline in revenues of 8%, during what was a difficult year of trading, as a result of reduced child numbers. Following the outsourcing of the golf activities in June 2013, revenues from this activity ceased.

The decline in overall trading performance resulted in a decrease in trading operating profit before operating exceptional items to £149,000 (2012: £236,000).

The operating loss for the property business before operating exceptional items was £52,000 (2012: loss £279,000), reflecting the costs of managing the ongoing relationship with David Wilson Homes under the development agreement signed in 2012.

The overall operating loss on ordinary activities before interest and exceptional items was (£0.5m) (2012: loss £2m). This includes the costs of a Board restructuring (£0.4m), following the decision to appoint a new Chief Executive in December 2013, replacing the previous structure of joint managing directors, together with the costs of redundancies earlier in 2013 (£0.1m) following a rationalisation of the cost base.

The previous year included the waiver of revenue grants from the Horserace Betting Levy Board (£0.98m), together with the impairment of fixed assets (£1m).

Exceptional items during 2013 relate to a profit on disposal of fixed assets of £1.8m being the recognition of the new centre course car park facility provided by DWH as part of the consideration for the land sale, together with the release of a provision for costs associated with the 2012 land disposal that were settled at a lesser value to that accrued.

Interest receivable of £0.5m reflects the partial unwinding of the DWH debtor discount charge relating to the year ended 31 December 2013.

Racing
The accounts include a total of 28 days racing (2012: 28) comprising 11 days National Hunt racing (2012: 11) and 17 days flat racing (2012: 17). A raceday in March 2013 was abandoned due to snow, for which an insurance claim was made and the financial results of which are included in these financial statements.

2013 proved to be a challenging year for the racing business. The racing business is driven by a relatively small number of major events, which are susceptible to adverse weather, the popularity of horses running and, increasingly so, the availability of quality post racing entertainment.

Overall raceday attendances in 2013 decreased by 18% to 185,000 (2012: 225,000), this was primarily a result of hosting only two Party in the Paddock events (2012: three), both of which suffered from disappointing attendances. The abandonment of the March meeting and the absence of Frankel at the May meeting, at which he won the JLT Lockinge Stakes the previous year, also had a negative impact on overall attendances.

The continued development of the Hennessy Heritage Festival remains central to our racing season. Increased race values and improvements to the customer experience resulted in attendances of more than 28,000 over the three days of racing, an improvement of 12% on 2012. We are committed to continuing to drive forward our plans to make this meeting a cornerstone of the jumping season.

The new media rights agreement with Turf TV which came into effect from 1 April 2013, saw media revenues increase by c. £0.5m for the nine months to 31 December 2013, supporting the racing revenues and enabling us to continue our commitment to prize money.

We are pleased to report that prize money increased by 5% in 2013 to £3.7m. We remain grateful for the continued support of our racing sponsors throughout the year. An agreement was reached in September 2013 between a number of racecourses, including Newbury, the Horsemen's Group and the BHA, which provided clarity over the calculation of prize money contributions and industry funding through to 2016.

Hospitality and Retail
We continue to strive to improve our food and beverage retail offer to customers, through flexibility and innovation in our product offering, investment in the appearance of the retail outlets and staff training.

Public spending and restaurant sales were impacted by the reduced attendances. Corporate hospitality on racedays has been challenging as a result of continued supressed corporate spending.

Leisure, Conference and Events
Conference and Events revenues increased by c.14%, which was encouraging. Gross operating profits were broadly in line with prior year.

We remain focussed on higher margin events and will continue to review the business during the course of the development. We anticipate that with the redeveloped facilities, and as the wider economy improves, the Conference and Events business performance will continue to improve.

The Rocking Horse Nursery
The Rocking Horse Nursery experienced a difficult trading year, with reduced headcount, attributable to increased competition in the local market and the continued challenging wider economic climate. Turnover decreased by 8% from the prior year and operating profits were down 18%.

A pricing review has been undertaken for 2014, to bring the nursery in line with the local market and this, combined with careful cost management and the prospect of the new improved facilities in late 2014, mean that the Board remains confident that the nursery will continue to provide a significant contribution to the profits of the group and be a first class provider of child care services to the local community.

Golf
Having reviewed the golf business in light of the redevelopment, the Board concluded that the optimal solution was to retain 9 holes in the centre of the racecourse, with the facility being managed by a specialist operator. In June 2013 the management of the golf course transferred to Newbury & Crookham Golf club, under a lease agreement.

Property redevelopment
Significant progress has been made following the completion of the landmark deal in September 2012 of the Development Agreement with David Wilson Homes, for the long term redevelopment of the racecourse. The Agreement covers three areas of land at the racecourse known as the Western, Central and Eastern sites on which c. 1,500 homes are to be constructed over the course of the anticipated 10 year development programme and under which DWH are committed to pay a minimum land value of £42.6m to the group, over the course of the ten years.

In addition to new homes there will be major investment in the racing facilities, new access from the north across the railway line, upgraded parking infrastructure and a new Rocking Horse Nursery.

Work has started on the installation of utility supplies alongside the straight mile, this work will be completed during the spring of 2014 and the turf will be reinstated to ensure that the uninterrupted views of racing are retained.

Work is underway on the refurbishment of the original 1905 stables, preserving them for the long term. As part of this project stable staff will benefit from enhanced welfare facilities in the yard, and the first phase of refurbished stable staff accommodation will be completed later on in the Spring of 2014. Construction of the new main stable staff accommodation block and canteen will commence in the Spring of 2014 along with the new Rocking Horse Nursery, with work being completed for early 2015. These assets are included on the balance sheet as replacement assets and deferred income.

The new centre course car park was completed in June 2013 and the relaying of the internal road network is now underway. Work to upgrade the main eastern car park and enhance the public areas and the Grandstands will start later in 2014. An important element of the plans is a new road bridge across the railway line from Hambridge Road, which will open in Autumn 2015. This will be a new major route into the racecourse and will significantly reduce traffic congestion in the immediate vicinity and make access and egress from the racecourse much easier.

In the short term our customers are experiencing some inconvenience on our busier days and we are hugely grateful for their continued support and patience during this time.

Residential construction in the Western Area is making good progress with the first track-side apartment block having reached fifth floor level. The amazing views and unique location have resulted in high levels of demand for the apartments which went on sale in early September 2013. Over fifty homes have now been occupied in the Western Area, forming the basis of the new community with the racecourse at its heart.

The group's cashflows were enhanced by an additional £0.98m of payments received from DWH during the year to December 2013, as part payment against the debtor balance in respect of the land sale.

FUTURE DEVELOPMENTS
In order to ensure that the group achieves its long term strategy of developing the Racecourse as a profitable, leading racecourse, entertainment and events business with racing at its core, the Board is continuing to review a number of options for the refurbishment of the grandstands and associated visitor areas and further details will be provided during 2014.

The redevelopment will provide operational challenges in the next two to three years, however, we are confident that the delivery of the enhanced racecourse will enable us to create a profitable business which rewards shareholders. The DWH contract secures future cash flows, underpinning confidence for the future.

KEY PERFORMANCE INDICATORS
The group uses raceday attendance and trading operating profit/loss as the primary performance indicators. Total attendance was 185,000 (2012: 225,000). Operating profit/loss is shown within the profit and loss account on page 13.

PRINCIPAL RISKS AND UNCERTAINTIES
Cashflow Risk
The main cash flow risks are the vulnerability of race meetings to abandonment due to adverse weather conditions and fluctuating attendances particularly for the Party in the Paddock events, together with the impact of reduced conference and event sales in the current economic climate and delayed property receipts from David Wilson Homes. The practice of covering the racetrack to protect it from frost and investment in improved drainage, as well as insuring key racedays, mitigates the raceday risk. Regular review of variable conferencing costs reduces the impact of a decline in conference sales. The timing and amount of receipts from David Wilson Homes is dependent upon the rate of sales of residential plots. The risk of delayed receipts is mitigated to some extent by the long stop dates in the sale agreement, in respect of the minimum guaranteed land value. Short term cash flow risk is mitigated by regular review of the expected timing of receipts and by ensuring that the group has committed facilities in place in order to manage its working capital and investment requirements.

Credit Risk
The group's principal financial assets are trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. The amounts in the balance sheet are net of allowances for doubtful receivables. Payment is required in advance for ticket, hospitality, sponsorship, and conference and event sales, reducing the risk of bad debt. The David Wilson Homes debtor is backed by a parent company guarantee from Barratt Homes Plc.

Liquidity Risk
In order to maintain liquidity to ensure that sufficient funds are available for both ongoing operations and the property redevelopment, the group uses a mixture of long-term and short-term debt finance which is secured on the property assets of the group. The Board regularly review the facilities available to the group to ensure that there is sufficient working capital available.

Price Risk
The group operates within the leisure sector and regularly benchmarks its prices to ensure that it remains competitive.

Cost Risk
The group has had an historically stable cost base. The key risks are unforeseen maintenance liabilities, movement in utility costs and additional regulatory costs for the racing business. A programme of regular maintenance is in place to manage the risk of failure in the infrastructure, while utility contracts are professionally managed.

The group is a member of the Racecourse Association, a trade association which actively seeks to manage increases in regulatory risk.

Interest Rate Risk
The group manages its exposure to interest rates through an appropriate mixture of interest rate caps and swaps, where necessary.

Going Concern
The Board has undertaken a full and thorough review of the group's forecasts and associated risks and sensitivities, over the next three years. The extent of this review reflects the current uncertain economic climate as well as specific financial circumstances of the group.

The Board identified that the group's cash flow forecasts are sensitive to fluctuating revenue streams from ticket sales, corporate hospitality, conference and event income and the timing of receipts and payments in respect of the property redevelopment. A system of regular reviews of forecast business and expected property receipts has been implemented to ensure all variable costs are flexed to match anticipated revenues. In addition a number of race meetings have been insured for adverse weather conditions, reducing the levels of risk carried by the group.

The Board has reviewed the cash flow and working capital requirements in detail. Prior to the balance sheet date a new facility was signed extending the current revolving credit facilities to December 2015. Following this review the Board has concluded that it has a reasonable expectation that the group has adequate resources in place to continue in operational existence for the foreseeable future and on that basis the going concern basis has been adopted in preparing the financial statements.

CORPORATE AND SOCIAL RESPONSIBILITY
Employee Consultation
The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group and the company. This is achieved through formal and informal meetings, and distribution of the annual financial statements. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Policy on Payments to Suppliers
Although no specific code is followed, it is the group's and company's policy, unless otherwise agreed with suppliers, to pay suppliers within 30 days of the receipt of an invoice, subject to satisfactory performance by the supplier. The amount owed to trade creditors at 31 December 2013 is 9.2% (2012: 9.5%) of the amounts invoiced by suppliers during the year. This percentage, expressed as a proportion of the number of days in the year, is 34 days (2012: 35 days).

Disabled Employees
Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and the appropriate training is arranged. It is the policy of the group and the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Charitable Donations
During the year the group made charitable contributions totalling £1,955 to national charities (2012: £1,680).

JULIAN THICK
Chief Executive
9 April 2014

Sponsors in the year for 31 December 2013

We would like to thank our leading sponsors for their significant support in 2013

Bet365
Betfred
Betfair
British European Breeders Fund
Dubai Duty Free
JLT
Moët Hennessy UK
Thoroughbred Breeders Association
Weatherbys
Worthington's

We also received much appreciated support from the following sponsors

Academy Insurance
AJC Premier
Aon Limited
Ballymacoll Stud
Bathwick Tyres
Berry Bros & Rudd
Bewiser Insurance
BJP Insurance Brokers
Blackmore Building Contractors Ltd
Bloomsbury Auctions
Buffalo Pictures Ltd
Burges Salmon LLP
Carter Jonas
Chris Beek Racing
Christal Construction Management Ltd
Christopher Smith Associates LLP
Compton Beauchamp Estates Ltd
Coln Valley Stud
Coolmation Ltd
Crossland Employment Solicitors
CSP
Denford Stud
Doncaster Bloodstock Sales
Emma Lavelle Racing Ltd
Event Bar Management
Freebets.co.uk
Fuller Smith & Turner PLC
Greatwood
Grundon
GT Exhibitions
Haynes Hanson & Clark
HBLB
Heatherwold Stud
Highclere Thoroughbred Racing
Hildon
Hot to Trot Racing Club
Inkerman
Inspiration Inc
KKA
Kentford Racing
Luck Greayor Bloodstock
Mary Hare Foundation
MC Seafoods
Oakley Coachbuilders
Outward Bound Trust
Pertemps Group
Powersolve Electronics
Pump Technology Ltd
Punter Southall
Q Associates Ltd
Racing UK
Relyon Cleaning Services
RSA
Scope
Sharps' Brewery
SIA
Smith & Williamson
SP Masonry
Starlight
Swettenham Stud
Thurloe Thoroughbreds
Ultima Business Solutions
Vodafone Group PLC
Wedgewood Estates
West Berkshire Mencap
West Berkshire Racing Club
Whitley Stud
Zenergi

There were also 8 races sponsored for birthdays, retirement or in memoriam.

Report of the Directors

The Directors have pleasure in submitting their annual report and the audited financial statements for the year ended 31 December 2013.

RESULTS AND DIVIDEND

The profit on ordinary activities after taxation was £1,106,000 (2012: £5,083,000). Further details of the major influences on this year's result are given in the Strategic Review.

The Directors have recommended that no final dividend be paid (2012: none).

MARKET VALUE OF LAND

The completion of the development agreement with David Wilson Homes (DWH) in September 2012 enhances the potential value of the land owned by the group. Under the contract the racecourse can exercise a put option requiring DWH to purchase the land at the Eastern Residential Site for a minimum land value of £26.1m which would be received over the life of the contract. Payments in respect of this transaction would arise on completion. The balance of the racecourse operational site was valued by a third party on 29 October 2012 at £14.5m. As at 31 December the total market value of land held was £40.6m, the net book value of the land held in the balance sheet is £1.5m.

DIRECTORS

The Directors who served during the year and held office at the year end and their interests, including family interests, in the ordinary shares of the Company at the beginning and end of the financial year under review were as follows:-

	Beneficial interest 2013	**Beneficial interest 2012**
D J Burke	**23,000**	23,000
J Dodds	**-**	-
The Hon H M Herbert	**12,924**	12,924
S A Higgins (resigned 23 December 2013)	**1,500**	1,500
S Hordern (resigned 26 February 2014)	**16,725**	16,725
Lady Lloyd-Webber	**319,656**	319,656
N W E Penser	**1,370,400**	1,370,400
C J Spence	**2,250**	2,250
B T Stewart-Brown	**13,332**	13,332
J Thick (appointed 13 December 2013)	**-**	-
R L Todd	**-**	-

No Directors held any other non-beneficial interest in the shares of the group at any time during the year. No Directors held shares in any other group company. The Directors are shown on page 1.

DIRECTORS' COMMITTEES

Directors serve on the following Committees:

Audit

R L Todd (Chair)
D J Burke
J Dodds
C J Spence

Remuneration

C J Spence (Chair)
D J Burke
B T Stewart-Brown

Nomination

B T Stewart-Brown (Chair)
D J Burke
N W E Penser
R L Todd

Report of the Directors (continued)

Directors' particulars are set out below:-

Dominic J Burke
Dominic Burke is Group Chief Executive of Jardine Lloyd Thompson Group plc (JLT), one of the world's leading providers of insurance, reinsurance and employee benefits related advice, brokerage and associated services. JLT employs more than 9,100 staff across 39 countries and is the largest quoted Company of its type in the UK. Dominic owns Whitley Stud, Gloucestershire and is a keen owner and breeder with horses in training on the flat and over jumps.

John Dodds
John Dodds was Chief Executive of Kier Group PLC, the international construction Group, until March 2010, when he retired after nearly 40 years with the company. John's extensive experience in the construction and house building industry sector will be an important asset as Newbury Racecourse continues its major property development. He is also Non Executive Chairman of Severfield Rowen PLC and a Non Executive Director of Lagan Construction Holdings Ltd.

The Hon H M Herbert
Harry Herbert is the Chairman and Managing Director of Highclere Thoroughbred Racing Limited, a racehorse syndication company with over 50 horses in training. The company has enjoyed many successes and has been responsible for the Vodafone Derby winner, Motivator, as well as six other European champions; Lake Coniston, Tamarisk, Delilah, Petrushka, Memory and Harbinger. He is also Racing Advisor to Sheikh Joaan bin Hamad Al Thani and to Al Shaqab Racing, and is a member of the Jockey Club.

Lady Lloyd-Webber
Madeleine Lloyd-Webber is a former international three day eventer and owns Watership Down Stud near Newbury and Kiltinan Castle Stud in Tipperary. She has horses in training both on the flat and National Hunt. She is a member of the Jockey Club. She is also a Director and Vice Chairman of Really Useful Group and Really Useful Theatres.

Erik Penser
Erik Penser is the owner of a bank in Stockholm. He has owned racehorses in Sweden since 1964 and in England since 1972. He has also been a breeder since 1985. He is a member of the Jockey Club and lives and farms at Compton Beauchamp, near Lambourn.

Christopher Spence
Christopher Spence returned to the Board in 2003 having been Senior Steward of The Jockey Club for five years prior to which he was Chairman of Jockey Club Racecourses. He lives at Chieveley and has been an owner-breeder since 1968.

Claire Spencer
Claire Spencer was appointed Finance Director in February 2014, having previously been Group Financial Controller at the Company. She joined the Company in 2010. She is a Chartered Accountant and a member of the Institute of Chartered Accountants in England and Wales. She previously worked for the bloodstock departments of PricewaterhouseCoopers and James Cowper LLP.

Brian Stewart-Brown
Brian Stewart-Brown specialised in the aviation reinsurance business at Lloyds during his career. He has had many successes as an owner, including Riverside Theatre, Ryanair Chase winner 2012, Arctic Call who won the 1990 Hennessy Cognac Gold Cup and Large Action who won the Tote Gold Trophy at Newbury. He lives at Speen, near Newbury.

Laurie Todd
Laurie Todd has held senior finance positions in listed companies for 25 years, most recently as Chief Financial Officer of Guinness Peat Group plc. Prior to joining GPG he was Finance Director, then Chief Executive, of Staveley Industries plc. Previous experience includes companies in the retail, publishing and distribution sectors. He is a Fellow of the Institute of Chartered Accountants in England and Wales.

Julian Thick
Over the last 20 years Julian Thick, has held a number of senior roles in the racing industry having been Managing Director of Aintree, Sandown and Kempton Park racecourses as well as a board member of Jockey Club Racecourses.

Report of the Directors (continued)

Shareholdings

As at 31 December 2013 the group was aware of the following interests amounting to 3% or more in the shares of Newbury Racecourse PLC

	Number of shares	Percentage holding
Compton Beauchamp Estates Ltd*	1,068,073	31.90%
Lady Lloyd-Webber	319,656	9.50%
N W E Penser	302,327	9.03%

* N W E Penser is a director and a shareholder of Compton Beauchamp Estates Ltd

Auditor

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

- As far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware of; and

- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the group'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.

In line with S487 of the Companies Act 2006, Deloitte LLP has indicated its willingness to remain in office as the group's auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board

C SPENCER
Secretary
The Racecourse
Newbury
9 April 2014

Director's Responsibilities Statement

The Directors are responsible for preparing the Annual 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 group and of the profit or loss of the group 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; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group 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 group'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 Newbury Racecourse PLC

We have audited the financial statements of Newbury Racecourse PLC for the year ended 31 December 2013, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's and the parent company's affairs as at 31 December 2013 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Andrew Bond
(Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom
9 April 2014

Consolidated Profit and Loss Account

Year ended 31 December 2013

	Note	2013 Trading £'000	2013 Property £'000	2013 Total £'000	2012 Trading £'000	2012 Property £'000	2012 Total £'000
Turnover	1	**11,585**	**30**	**11,615**	11,796	15	11,811
Cost of sales		**(9,506)**	**-**	**(9,506)**	(11,061)	(27)	(11,088)
Gross profit	1	**2,079**	**30**	**2,109**	735	(12)	723
Administrative expenses		**(2,453)**	**(127)**	**(2,580)**	(2,060)	(703)	(2,763)
Operating loss	3	**(374)**	**(97)**	**(471)**	(1,325)	(715)	(2,040)

	Note	2013 Trading £'000	2013 Property £'000	2013 Total £'000	2012 Trading £'000	2012 Property £'000	2012 Total £'000
Operating profit/(loss) before exceptional operating items	1	**149**	**(52)**	**97**	236	(279)	(43)
HBLB revenue grant waived		**-**	**-**	**-**	(986)	-	(986)
Asset impairment	2	**(6)**	**(45)**	**(51)**	(575)	(436)	(1,011)
Restructuring and redundancy costs	2	**(517)**	-	**(517)**	-	-	-
		(374)	**(97)**	**(471)**	(1,325)	(715)	(2,040)

	Note	2013 Trading £'000	2013 Property £'000	2013 Total £'000	2012 Trading £'000	2012 Property £'000	2012 Total £'000
Loss on ordinary activities before interest and non- operating exceptional items		**(374)**	**(97)**	**(471)**	(1,325)	(715)	(2,040)
Exceptional Items							
Profit on disposal of fixed assets	2	**-**	**1,820**	**1,820**	-	10,007	10,007
(Loss)/profit on ordinary activities before interest		**(374)**	**1,723**	**1,349**	(1,325)	9,292	7,967
Interest receivable and similar income	5	**-**	**549**	**549**	6	155	161
Interest payable and similar charges	6	**(292)**	**(60)**	**(352)**	(122)	(77)	(199)
(Loss)/profit on ordinary activities before taxation		**(666)**	**2,212**	**1,546**	(1,441)	9,370	7,929
Tax (charge)/credit	7	**10**	**(450)**	**(440)**	318	(3,164)	(2,846)
(Loss)/profit on ordinary activities after taxation being profit for the financial year		**(656)**	**1,762**	**1,106**	(1,123)	6,206	5,083
Profit per share (basic and diluted)				**33p**			111p

All amounts derive from continuing operations

Consolidated Statement of Total Recognised Gains and Losses

Year ended 31 December 2013

	2013 £'000	2012 £'000
Profit for the financial year	**1,106**	5,083
Actuarial gain/(loss) relating to pension scheme	**28**	(143)
Deferred tax on actuarial (gain)/loss	**(7)**	33
Total recognised profit in the year	**1,127**	4,973

Consolidated Balance Sheet
Year ended 31 December 2013

	Note	**2013** £'000	2012 £'000
Fixed Assets			
Tangible assets	10	**17,052**	16,017
Investment	11	**117**	117
		17,169	16,134
Current assets			
Stocks	12	**179**	216
Debtors			
- due within one year	13	**13,593**	6,134
- due in more than one year	13	**9,727**	18,908
Cash at bank and in hand		**878**	2,433
Cash Investment		**121**	121
		24,498	27,812
Creditors: amounts falling due within one year	14	**(11,126)**	(7,021)
Net current assets		**13,372**	20,791
Total assets less current liabilities		**30,541**	36,925
Creditors: amounts falling due after more than one year	15	**(10,174)**	(17,525)
Provisions for liabilities	17	**(341)**	(363)
Net assets before pension deficit		**20,026**	19,037
Pension deficit		**(316)**	(310)
Net assets after pension deficit		**19,710**	18,727
Accruals and deferred income			
Deferred capital grants	18	**4,133**	4,277
Capital and reserves			
Called up share capital	19	**335**	335
Share premium account	20	**10,202**	10,202
Revaluation reserve	20	**75**	75
Capital redemption reserve	20	**143**	143
Profit and loss account surplus	20	**4,822**	3,695
Shareholders' funds		**15,577**	14,450
		19,710	18,727

The financial statements of Newbury Racecourse PLC, Company registration 00080774, were approved by the Board of Directors on 9 April 2014 and signed on its behalf by:

D J BURKE (Chairman)

J THICK (Chief Executive)

Company Balance Sheet
Year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed Assets			
Tangible assets	10	**15,935**	14,901
Investment	11	**7,820**	7,820
		23,755	22,721
Current assets			
Stocks	12	**179**	216
Debtors			
- due within one year	13	**14,587**	7,148
- due in more than one year	13	**9,727**	18,908
Cash at bank and in hand		**833**	2,392
Cash Investment		**121**	121
		25,447	28,785
Creditors: amounts falling due within one year	14	**(11,126)**	(7,020)
Net current assets		**14,321**	21,765
Total assets less current liabilities		**38,076**	44,486
Creditors: amounts falling due after more than one year	15	**(17,674)**	(25,025)
Provisions for liabilities	17	**(341)**	(363)
Net assets before pension deficit		**20,061**	19,098
Pension deficit		**(316)**	(310)
Net assets after pension deficit		**19,745**	18,788
Accruals and deferred income			
Deferred capital grants	18	**4,133**	4,277
Capital and reserves			
Called up share capital	19	**335**	335
Share premium account	20	**10,202**	10,202
Revaluation reserve	20	**75**	75
Capital redemption reserve	20	**143**	143
Other reserve	20	**198**	198
Profit and loss account surplus	20	**4,659**	3,558
Shareholders' funds		**15,612**	14,511
		19,745	18,788

The financial statements of Newbury Racecourse PLC, Company registration 00080774, were approved by the Board of Directors on 9 April 2014 and signed on its behalf by:

D J BURKE (Chairman)

J THICK (Chief Executive)

Consolidated Cash Flow Statement

Year ended 31 December 2013

	Note	**2013 £'000**	**2013 £'000**	2012 £'000	2012 £'000
Net cash (outflow) from operating activities	1		**(115)**		(16)
Returns on investments and servicing of finance					
Interest received and other investment income		**-**		7	
Interest paid		**(128)**		(140)	
Pension scheme contributions		**-**		(50)	
Net cash outflow from returns on investments and servicing of finance			**(128)**		(183)
Taxation					
UK corporation tax paid		**(1,550)**		(1,550)	
Return of overpayment		**-**		56	
Total tax paid			**(1,550)**		(1,494)
Capital expenditure					
Payments to acquire tangible fixed assets		**(640)**		(580)	
Receipts from HBLB capital grant		**-**		986	
Receipts from exceptional sale of fixed assets		**983**		5,100	
Receipts from sale of other fixed assets		**-**		623	
Sale of fixed assets expenses		**(180)**		(339)	
Net cash inflow from capital expenditure			**163**		**5,790**
Net cash (outflow)/inflow before financing			**(1,630)**		**4,097**
Financing					
Share buy back		**-**		(6,459)	
Share buy back expenses		**-**		(450)	
Loan finance received		**75**		6,574	
Loan repayment		**-**		(1,935)	
Capital element of finance lease rental payments			**-**		-
Net cash inflow/(outflow) from financing			**75**		(2,270)
(Decrease)/increase in cash in the year			**(1,555)**		1,827

Notes to the Consolidated Cash Flow Statement

Year ended 31 December 2013

1. Reconciliation of operating loss to net cash inflow from operating activities	2013 £'000	2012 £'000
Operating loss	**(471)**	(2,040)
Depreciation charges	**965**	874
Amortisation of capital grants	**(144)**	(110)
Impairment of fixed asset	**51**	1,011
Decrease/(increase) in stock	**37**	(36)
(Increase)/decrease in debtors and prepayments	**(197)**	(314)
(Decrease)/increase in creditors and accruals	**(356)**	599
Net cash outflow from operating activities	**(115)**	(16)

2. Reconciliation of net cash flow to movement in net debt	2013 £'000	2012 £'000
(Decrease)/increase in cash in the year	**(1,555)**	1,827
Cash outflow from debt and lease financing	**32**	32
Inception of loans	**-**	(6,574)
Loans repaid	**-**	1,903
Change in net debt resulting from cash flows	**(1,523)**	(2,812)
Non cash movements	**(381)**	(33)
Net debt at 1 January	**(4,480)**	(1,635)
Net debt at 31 December	**(6,384)**	(4,480)

3. Analysis of change in net debt	At 1 Jan 2013 £'000	Cash flow £'000	Non cash changes £'000	At 31 Dec 2013 £'000
Cash at bank and in hand	**2,554**	(1,555)	-	**999**
Debt due within one year				
- Loan	**-**	-	-	**-**
Debt due after one year				
- Loan	**(7,034)**	-	(349)	**(7,383)**
- Loan arrangement fees	**-**	32	(32)	**-**
	(4,480)	(1,523)	(381)	**(6,384)**

Accounting Policies

Year ended 31 December 2013

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted in the current and preceding year are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of freehold land.

Going concern

The Board has undertaken a full and thorough review of the group's forecasts and associated risks and sensitivities. The extent of this review reflects the current uncertain economic climate as well as specific financial circumstances of the group.

The Board identified that the group's cash flow forecasts are sensitive to fluctuating revenue streams from ticket sales, corporate hospitality, conference and event income and the timing of receipts and payments in respect of the property redevelopment. A system of regular reviews of forecast business and expected property receipts has been implemented to ensure all variable costs are flexed to match anticipated revenues. In addition a number of race meetings have been insured for adverse weather conditions, reducing the levels of risk carried by the group.

The Board has reviewed the cash flow and working capital requirements in detail. Prior to the balance sheet date a new facility was signed extending the current revolving credit facilities to December 2015.

Following this review the Board has concluded that it has a reasonable expectation that the group has adequate resources in place to continue in operational existence for the foreseeable future and on that basis the going concern basis has been adopted in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries Newbury Racecourse Enterprises Limited and Newbury Racecourse Management Limited.

Revenue recognition

Raceday income including licence fee income and sponsorship, is recognised on the relevant raceday and membership income is recognised over the period of the membership. Other income streams are also recognised over the period for which they relate, for example, conference income is recognised on the day of the conference, nursery income is recognised as the child attends the nursery; and golf income is recognised on the day of play. Property receipts are recognised in accordance the substance of the transaction being that of a disposal of land. The minimum guaranteed sum, as set out in the agreement with David Wilson Homes, is recognised at the point of sale, sums receivable in excess of the minimum guarantee are only recognised once actually received.

Repairs and renewals

Expenditure on repairs and renewals and costs of temporary facilities during the construction of stands are written off against profits in the year in which they are incurred.

Investment

The investment is stated at cost less provision for any impairment.

Dividends

Where dividends are declared, appropriately authorised (and hence no longer at the discretion of the group) after the balance sheet date but before the relevant financial statements are authorised for issue, dividends are not recognised as a liability at the balance sheet date because they do not meet the criteria of a present obligation in FRS 12.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net depreciation and any provision for impairment.

Depreciation is not provided on freehold land. On other assets it is provided on cost or re-valued amounts over the estimated lives of the assets as below:-

Freehold land and buildings and outdoor fixtures
- 2% - 5% straight line

Fixtures and fittings
- 5% - 25% straight line

Tractors and motor vehicles
- 5% - 20% straight line

Leases

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the cost of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Operating lease cost is recognised in the profit and loss account in equal amounts over the lease term.

Investment income

Dividends and other investment income receivable are included in the profit and loss account inclusive of the attributable tax credit.

Stocks

Stocks are valued at the lower cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

Accounting Policies (continued)

Year ended 31 December 2013

Non GAAP financial information

The consolidated profit and loss account includes measures which are not accounting measures under UK GAAP which are used to access the financial performance of the business. These non-GAAP measures are not considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with UK GAAP. These measures, which are termed 'non GAAP' include the separation of property, in relation to the redevelopment of the racecourse, from underlying trading activity. Property turnover includes rental income from residential properties and freehold land, together with any incremental capital receipts, in excess of the minimum guaranteed land value, arising from the sale of residential units, in accordance with the agreement with David Wilson Homes Ltd. Property expenses include those costs which are attributable to the property activities of the group, including rental properties, and in connection with the redevelopment of the racecourse and the on-going relationship with David Wilson Homes.

Company only result for the year

As permitted by Section 408(3) of the Companies Act 2006, the profit and loss account of Newbury Racecourse Plc is not presented as part of the consolidated accounts.

Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided in full on timing differences that result in a obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associated where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Capital grants

Capital grants receivable from the Horserace Betting Levy Board ('HBLB') and other bodies in respect of the purchase of fixed assets are credited to a deferred capital grants reserve and are amortised to the profit and loss account over the expected useful life of the relevant asset, i.e. equal annual instalments of 2%-5% straight line for freehold buildings and 15%-25% reducing balance for other assets including outdoor fixtures.

Pensions

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. 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 balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contributions schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Financial liabilities and equity

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 group after deducting its liabilities.

Bank borrowings and other loans

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 an accrual basis in the profit and loss account 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 which they arise.

Derivative financial instruments

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

Notes to the Financial Statements

Year ended 31 December 2013

1. TURNOVER

Trading turnover, which arises solely in the United Kingdom, represents admissions to the racecourse, catering, hospitality sales, sponsorship, media rights licence fees, annual membership fees and all income from the provision of services for race meetings, net of value added tax where applicable. It also includes income from conference and events (shown in racecourse trading), the golf club, and fees for the Rocking Horse Nursery net of value added tax where applicable. HBLB revenue grants are not included in turnover, instead they are included as a contribution against prize money in cost of sales. Property turnover represents rental income.

Segmental Analysis

2013	**Turnover £'000**	**Gross Profit £'000**	**Operating Profit/ (loss) Before Exceptional Items £'000**	**Exceptional Operating Items £'000**	**Exceptional Items £'000**	**Profit/ (loss) Before Tax £'000**	***Net assets £'000**
Racecourse trading	10,782	1,903	(27)	(523)	-	(842)	10,685
Nursery	746	195	195	-	-	195	(14)
Golf	57	(19)	(19)	-	-	(19)	-
Total trading	11,585	2,079	149	(523)	-	(666)	10,671
Property	30	30	(52)	(45)	1,820	2,212	9,039
Total	11,615	2,109	97	(568)	1,820	1,546	19,710

2012	Turnover £'000	Gross Profit £'000	Operating Profit/ (loss) Before Exceptional Items £'000	Exceptional Operating Items £'000	Exceptional Items £'000	Profit/ (loss) Before Tax £'000	*Net assets £'000
Racecourse trading	10,785	496	(3)	(1,561)	-	(1,680)	10,725
Nursery	809	237	237	-	-	237	17
Golf	202	2	2	-	-	2	2
Total trading	11,796	735	236	(1,561)	-	(1,441)	10,744
Property	15	(12)	(279)	(436)	10,007	9,370	7,983
Total	11,811	723	(43)	(1,997)	10,007	7,929	18,727

*Net asset represents fixed assets less deferred income and term loans for property, nursery and golf; all working capital is included within the 'Racecourse Trading' segment.

2. EXCEPTIONAL ITEMS

Operating Items	**2013 £'000**	2012 £'000
HBLB revenue grant waived	**-**	(986)
Asset impairment	**(51)**	(1,011)
Redundancy and restructuring costs	**(517)**	-
Total	**(568)**	(1,997)

HBLB revenue grant waived

The HBLB provides revenue grants to racecourses to support the holding of race meetings. These revenue grants can be waived by racecourses and transferred to 'capital credits'. Such capital credit grants may be claimed by Newbury Racecourse PLC, but at the HBLB's discretion, against expenditure on approved capital projects. These are shown as cost of sales and are included within deferred capital grants. Deferred capital grants are not repayable and are released to the profit and loss account over the life of the asset to which they relate. £Nil of revenue grants have been waived by the company in the year ended 31 December 2013 (2012: £986,000).

Asset Impairment

During the year ended 31 December 2013, the Company leased a number of items to Newbury & Crookham Golf Club at nil value, the assets have therefore been fully impaired, (£6,000). A further asset impairment (£45,000), is the write off of design fees associated with certain revisions to the investment proposals for the racecourse development.

During the year ended 31 December 2012, the directors undertook a review of the detailed fixed asset register and identified a number of assets, which in light of the on-going redevelopment, were considered to be carried at a net book value in excess of their recoverable value. Accordingly, these trading assets were impaired (£575,000).
In light of the economic environment and the Board's decision to seek external partners to deliver the hotel, the preliminary costs and design fees associated with the hotel were impaired as an exceptional property expense (£436,000) in 2012.

Restructuring costs

During 2013 the Board took the decision to appoint a Chief Executive, replacing the previous structure of Joint Managing Directors. The financial statements include the costs (£422,000) of implementing this new management and board structure. Other redundancy payments (£95,000) were also made during the year ended 31 December 2013.

Non-Operating Items	**2013 £'000**	2012 £'000
Profit on Sale of Fixed Asset	**1,820**	16,513
Net book value of assets disposed	**-**	(4,092)
Other associated costs	**-**	(1,019)
DWH discount charge	**-**	(1,395)
Total	**1,820**	10,007

Profit on sale of fixed assets, £1.8m is in respect of the recognition of new car parking facilities funded by David Wilson Homes as part of the development agreement signed in 2012, together with the release of a provision for costs associated with the 2013 land disposal that were settled at a lesser value to that accrued.

On 18 September 2012 the Company completed the sale of the land known as the Western and Central sites, together with the associated access and easement rights and planning permissions to David Wilson Homes Limited. The profit on disposal of £10.0m in 2012, is the discounted net present value of the minimum guaranteed land value of £16.5m for these sites, less the write off of associated assets and other directly attributable costs.

3. OPERATING LOSS

This is stated after charging:	**2013 £'000**	2012 £'000
Depreciation (note 10) of which £15,860 relates to assets held under Finance leases (2012: £12,213)	**965**	874
Impairment	**51**	1,011
Auditor's remuneration		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	**32**	27
The audit of the Company's subsidiaries pursuant to legislation	**1**	1
Total audit fees	**33**	28
Tax services	**23**	58
Other services	**1**	18
Interim review	**1**	5
Total non audit fees	**25**	81
Total fees	**58**	109
And after crediting:		
HBLB contributions to prize money	**(1,783)**	(1,561)
Revenue grants waived	**-**	986
Amortisation of deferred capital grants	**(144)**	(110)

Tax services include fees for tax compliance and tax advice.
Waived Horserace Betting Levy Board prize money contributions were £Nil (2012: £986,000)

4. STAFF COSTS

GROUP & COMPANY	**2013 £'000**	2012 £'000
Employee costs during the year (including Directors):		
Wages and salaries	**2,176**	2,226
Social security costs	**209**	240
Other pension costs	**78**	69
	2,463	2,535

Redundancy payments of £421,000 were made during the year ended 31 December 2013 (2012:£nil)

	Number	Number
Office and management	**27**	28
Catering	**10**	9
Ground, maintenance and security staff	**13**	15
Golf course	**2**	3
Rocking Horse Nursery	**21**	25
	73	80

Directors' remuneration: emoluments	**£'000**	£'000
Executive Directors	**590**	260
Property redevelopment bonus	**-**	150
Non Executive Directors	**45**	42
	635	452

Costs above include £326,000 paid to directors as compensation for loss of office.

	£'000	£'000
Highest paid Director	**306**	218

Two Directors are members of money purchase pension schemes. Contributions paid by the Company in respect of such Directors were as follows:-

	£'000	£'000
Directors	**46**	20

5. INTEREST RECEIVABLE & SIMILAR INCOME

	2013	2012
	£'000	£'000
Bank interest	**-**	6
Unwinding of discount *	**549**	155
	549	161

* Unwinding of the discount charge in respect of the net present value of future cashflows arising from the David Wilson Homes contract, relating to the period.

6. INTEREST PAYABLE & SIMILAR CHARGES

	2013	2012
	£'000	£'000
Bank overdraft and AIB loans	**130**	152
Compton Beauchamp Estates Ltd Loan	**195**	31
Pension scheme liabilities	**27**	16
	352	199

7. TAXATION

	2013	2012
	£'000	£'000
Charge for the year	**407**	2,950
Adjustments in respect of prior years	**55**	(56)
Total current tax	**462**	2,894
Deferred taxation:		
Origination and reversal of timing differences	**63**	(21)
Utilisation of tax losses	**(29)**	2
Effect of change in rate	**(9)**	(31)
Adjustment in respect of prior years	**(41)**	6
	(16)	(44)
Deferred tax on interest charge on pension scheme	**(6)**	(4)
Tax charge	**440**	2,846

The actual tax charge for the current and previous year differs from the effective rate (23.75%, 2012: 24.5%) for the reasons set out in the following reconciliation.

	2013	2012
	£'000	£'000
Profit on ordinary activities before tax	**1,546**	7,929
Tax on profit on ordinary activities at the standard UK rate	**367**	1,943
Income not chargeable for tax purposes	**(117)**	(71)
Expenses not deductible for tax purposes	**148**	173
Depreciation in excess of capital allowances	**(8)**	20
Permanent difference in respect of exceptional property transaction	**34**	895
Short term timing differences	**(24)**	(8)
Adjustment in respect of prior years	**55**	(56)
Utilisation of tax losses	**7**	(2)
Total actual amount of current tax	**462**	2,894

Deferred tax has not been provided on revaluations of fixed assets (see note 10). This tax will only become payable if the assets are sold and rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £17,928 (2012: £18,494). Deferred tax has not been provided on the rollover relief claimed in respect of the capital gain which arose in 2003 on the sale of the 8.56 acres of land to the south of the racecourse. The estimated amount of tax that would become payable if the qualifying assets were sold is £2,149,281.

8. PROFIT OF PARENT COMPANY

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these accounts. The parent Company's profit for the financial year amounted to £1,101,000 (2012: £5,058,000

9. PROFIT PER SHARE

Basic and diluted profit per share is calculated by dividing the profit attributable to ordinary shareholders for the year ended 31 December 2013 of £1,106,000 (2012: £5,083,000) by the weighted average number of ordinary shares during the year of 3,348,326 (2012: 4,600,424)

10. TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings and outdoor fixtures £'000	Fixtures fittings and equipment £'000	Tractors and motor vehicles £'000	Total £'000
Cost or valuation				
As at 1 January 2013	**22,521**	**5,146**	**243**	**27,910**
Additions	1,773	278	-	2,051
Disposals	-	-	-	-
As 31 December 2013	**24,294**	**5,424**	**243**	**29,961**
Depreciation				
At 1 January 2013	**8,217**	**3,495**	**181**	**11,893**
Charge for year	529	430	6	965
Impairment	45	4	2	51
Disposals	-	-	-	-
At 31 December 2013	**8,791**	**3,929**	**189**	**12,909**
Net book value at 31 December 2013	**15,503**	**1,495**	**54**	**17,052**
Net book value at 31 December 2012	14,304	1,651	62	16,017

The transitional rules set out in FRS 15 Tangible Assets have been applied on implementing FRS 15. Accordingly the book values at implementation have been retained. In 1959 a revaluation of part of the freehold land at £117,864 gave rise to an excess of £75,486 over its cost and this sum is included in the total value of this asset. The excess on revaluation is credited to the Revaluation Reserve. The net book value of freehold land and buildings determined by the historical cost convention is £15,427,000 (2012 £14,229,000).

The net book value of £17,052,000 includes the following amounts in respect of assets held under finance leases:

	2013 £'000	2012 £'000
Fixtures, fittings and equipment	35	51

Finance lease depreciation for the year amounted to £15,860 (2012: £12,213)

10. TANGIBLE FIXED ASSETS CONTINUED

COMPANY	Freehold land and buildings and outdoor fixtures £'000	Fixtures fittings and equipmen t £'000	Tractors and motor vehicles £'000	Total £'000
Cost or valuation				
As at 1 January 2013	**21,404**	**5,146**	**243**	**26,793**
Additions	1,772	278	-	2,050
Disposals	-	-	-	-
As 31 December 2013	**23,176**	**5,424**	**243**	**28,843**
Depreciation				
At 1 January 2013	**8,217**	**3,494**	**181**	**11,892**
Charge for year	529	430	6	965
Impairment	45	4	2	51
Disposals	-	-	-	-
At 31 December 2013	**8,791**	**3,928**	**189**	**12,908**
Net book value at 31 December 2013	**14,385**	**1,496**	**54**	**15,935**
Net book value at 31 December 2012	13,187	1,652	62	14,901

The net book value of freehold land and buildings determined by the historical cost convention is £14,310,000 (2012:£13,112,000). Amounts held under finance leases are the same as for the Group.

11. INVESTMENTS

GROUP	2013 £'000	2012 £'000
Investment in Racecourse Media Group	**117**	117
	117	117

COMPANY	2013 £'000	2012 £'000
Investment in Racecourse Media Group	**117**	117
Shares in subsidiary undertakings	**7,703**	7,703
	7,820	7,820

The Group has unlisted investments of one 'A' share (£100 and 5.6% of the 'A' shareholding) together with five hundred and eighty two 'B' shares that were issued in 2011 (£116,400 and 5.6% of the 'B' shareholding) in Racecourse Media Group Limited which owns 100% of Racing UK Limited; one share (£100 and 5.4% of the shareholding) in Racecourse Media Services Limited (RMS) which owns 50% of Amalgamated Racing Limited (TurfTV); and 12,000 £1 shares in Super 12 Racing Limited, which are fully impaired. The Directors have reviewed the valuation of the investment in Super 12 Racing Limited and they do not consider it to be recoverable. Shares in subsidiary undertakings represent investments in Newbury Racecourse Enterprises Limited, a company registered in England and Wales involved in the holding and renting of land and Newbury Racecourse Management Limited, a company registered in England and Wales involved in residential property management, but which was dormant during the year ended 31 December 2013. As at 31 December 2013, Newbury Racecourse PLC holds 100% of the ordinary share capital and voting rights of both companies.

12. STOCKS AND WORK IN PROGRESS

GROUP AND COMPANY
The Group's stock consists of food and liquor for the catering business and sundry materials held for the purpose of maintaining the racecourse and the Group's premises.

	2013 £'000	2012 £'000
Catering	**150**	166
Sundry	**29**	50
	179	216

There is no material difference between the balance sheet value of stocks and their replacement cost. Provision is made for obsolete, slow moving or defective items where appropriate.

13. DEBTORS

Amounts due within one year

GROUP	2013 £'000	2012 £'000
Trade debtors	**1,496**	1,154
Other debtors	**3,136**	2,391
Prepayments and accrued income	**8,961**	2,589
	13,593	6,134

Amounts due within one year

COMPANY	2013 £'000	2012 £'000
Trade debtors	**1,493**	**1,154**
Amounts owed by subsidiary undertakings	**954**	**1,014**
Other debtors	**3,179**	**2,391**
Prepayments and accrued income	**8,961**	**2,589**
	14,587	**7,148**

Other debtors include £2,802,000 (2012:£2,034,000), being the net present value of the balance due from David Wilson Homes within the next 12 months, in respect of the minimum guaranteed value arising from the land sale completed on 18 September 2012.

Prepayments and accrued income includes £8,663,000 (2012:£2,385,000), in respect of prepaid replacement assets which are enabling works that will be undertaken as part of the agreement with David Wilson Homes and will be completed within the next 12 months.

Amounts due in more than one year

GROUP & COMPANY	2013 £'000	2012 £'000
Other debtors	**9,727**	18,908

Other debtors (due in more than one year) include £2,791,000 (2012: £10,731,000) in respect of prepaid replacement assets and the associated existing assets. These assets are enabling works that will be undertaken as part of the agreement with David Wilson Homes and will be completed in more than 12 months time.

Other debtors also include £6,936,000 (2012: £8,177,000) being the net present value of the balance due from David Wilson Homes in more than one year, in respect of the minimum guaranteed value arising from the land sale completed on 18 September 2012.

Notes to the Financial Statements

Year ended 31 December 2013

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2013 £'000	2012 £'000
Trade creditors	**950**	1,098
Deferred asset replacement	**8,663**	2,385
Corporation tax	**462**	1,404
Other taxes and social security	**124**	140
Other creditors	**-**	19
Accruals and deferred income (note 18)	**927**	1,975
	11,126	7,021

COMPANY	2013 £'000	2012 £'000
Trade creditors	**950**	1,098
Deferred asset replacement	**8,663**	2,385
Corporation tax	**462**	1,404
Other taxes and social security	**124**	140
Other creditors	**-**	19
Accruals and deferred income (note 18)	**927**	1,974
	11,126	**7,020**

Deferred asset replacement of £8,663,000 (2012: £2,385,000), is the value of the enabling works which will be undertaken as part of the agreement with David Wilson Homes, to be completed within the next 12 months.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

GROUP	2013 £'000	2012 £'000
CBEL loan (note 16)	**6,805**	6,531
AIB bank loan	**577**	502
Deferred Asset replacement	**2,792**	10,492
	10,174	17,525

COMPANY		
CBEL loan (note 16)	**6,805**	6,531
AIB bank loan	**577**	502
Deferred Asset replacement	**2,792**	10,492
Amounts owed to subsidiary undertakings	**7,500**	7,500
	17,674	25,025

Deferred asset replacement of £2,792,000 (2012: £10,492,000) is the value of the enabling works which will be undertaken as part of the agreement with David Wilson Homes, to be completed in more than 12 months time.

Amounts paid to subsidiary undertakings are repayable in more than 5 years are unsecured and are interest free.

16. LOANS

GROUP & COMPANY

Analysis of loan repayments:	2013 £'000	2012 £'000
Within one year	**-**	-
Between one and two years	**577**	502
More than five years	**6,805**	6,531
Loan arrangement fees	**-**	-
	7,382	7,033

AIB Loans
Under an agreement dated 10 December 2009 and amendment dated 31 December 2013, Allied Irish Bank granted the Group the following facilities:

	Purpose	Repayment Date	Interest	Amount Drawn
£1,800,000	Revolving credit facility two	31.12.15	MLBR + 3%	£577,000
£2,500,000	Revolving credit facility three	31.12.15	MLBR + 3%	Nil

The loans are secured by a charge of the Group's property subject to a Deed of Priority dated 29 October 2012 between the Allied Irish Bank, Trustees of the Newbury Racecourse PLC Pension and Life Assurance Plan and Compton Beauchamp Estates Limited.

Compton Beauchamp Estates Limited Loan
Under an agreement dated 29 October 2012 , Compton Beauchamp Estates Limited granted the Group the following facilities :

	Purpose	Repayment Date	Interest*	Amount Drawn
£6,500,000	Purchase of own shares	15.11.18	3.0625%	£6,805,000

The loan is secured by a charge of the Group's property to a Deed of Priority dated 29 October 2012 between the Allied Irish Bank, Trustees of the Newbury Racecourse PLC Pension and Life Assurance Plan and Compton Beauchamp Estates Limited.

* Under the terms of the loan the interest is rolled up into the loan capital sum. Interest accrued in the period to 31 December 2013 was £195,000 (2012: £31,000). Interest is calculated using the six monthly LGT Bank (Ireland) Limited International Bank Rate plus 2%.

17. PROVISIONS FOR LIABILITIES

DEFERRED TAX: GROUP AND COMPANY	2013 £'000	2012 £'000
Provision for deferred taxation consists of the following amounts:		
Capital allowances in excess of depreciation	**893**	1,063
Tax losses	**(552)**	(700)
	341	363

	2013 £'000	2012 £'000
At 1 January	**363**	407
(Credit)/debit for the year	**(22)**	(44)
At 31 December	**341**	363

In March 2012 UK government announced its intention to reduce the main rate of corporation tax from 26% to 22% by April 2014. The rate was reduced to 23% with effect from 1 April 2013. In December 2012 an additional reduction of 1% was announced, to reduce the rate to 21% with effect from 1 April 2014 before falling to 20% with effect from 1 April 2015. The legislation to reduce the corporation tax rate for both 2014 and 2015 was substantively enacted on 2 July 2013.

No further reductions in the rate were enacted or substantively enacted at the balance sheet date. Deferred tax has therefore been calculated at the reduced rate of 20% on the basis that it is unlikely the timing differences giving rise to the asset will reverse to a material extent prior to 1 April 2015.

18. ACCRUALS AND DEFERRED INCOME

GROUP AND COMPANY	2013 £'000	2012 £'000
Deferred capital grants	**4,133**	4,277
Other accruals and deferred income		
(included in creditors – amounts falling due within one year note 14)	**927**	1,975
	5,060	6,252

Analysis of movements on capital grants	2013 £'000
Balance as at 1 January 2013	**4,277**
Capital grants credited to the profit and loss account	**(144)**
Balance as at 31 December 2013	**4,133**

19. SHARE CAPITAL

	2013 £'000	2012 £'000
Authorised		
Ordinary shares at 10p each	**600**	600
Total	**600**	600

Allotted and fully paid	2013 £'000	2012 £'000
Ordinary shares of 10p each	**335**	478
Share buy back	**-**	(143)
Total	**335**	335

On 15 November 2012 the shareholders of the company passed a resolution to buy back 1,428,174 Ordinary shares owned by GPG (UK) Holdings plc at 450 pence per Ordinary share. The nominal value of the shares cancelled was £142,817, and the total consideration paid for the shares was £6,426,783 before expenses.

20. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2012	**478**	**10,202**	**-**	**75**	**5,629**	**16,384**
Profit for the year to 31 December 2012	-	-	-	-	5,083	5,083
Share buy back	(143)	-	143	-	(6,457)	(6,457)
Share buy back expenses	-	-	-	-	(450)	(450)
Actuarial loss net of associated deferred tax	-	-	-	-	(110)	(110)
At 31 December 2012	**335**	**10,202**	**143**	**75**	**3,695**	**14,450**
Profit for the year to 31 December 2013	-	-	-	-	1,106	1,106
Actuarial gain net of associated deferred tax	-	-	-	-	21	21
At 31 December 2013	**335**	**10,202**	**143**	**75**	**4,822**	**15,577**

COMPANY	Share Capital £'000	Share Premium £'000	Capital redemption reserve £'000	Other reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2012	**478**	**10,202**	**-**	**198**	**75**	**5,517**	**16,470**
Profit for the year to 31 December 2012	-	-	-	-	-	5,058	5,058
Share buy back	(143)	-	143	-	-	(6,457)	(6,457)
Share buy back expenses	-	-	-	-	-	(450)	(450)
Actuarial loss net of associated deferred tax	-	-	-	-	-	(110)	(110)
At 31 December 2012	**335**	**10,202**	**143**	**198**	**75**	**3,558**	**14,511**
Profit for the year to 31 December 2013	-	-	-	-	-	1,080	1,080
Actuarial gain net of associated deferred tax	-	-	-	-	-	21	21
At 31 December 2013	**335**	**10,202**	**143**	**198**	**75**	**4,659**	**15,612**

Unrealised other reserves of £198,000 arose in Newbury Racecourse PLC on disposal of the land south of the racecourse to Newbury Racecourse Enterprises Limited in 2001.

21. PENSION SCHEMES

Defined Contribution Scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the fund and amounted to £78,000 (2012: £69,000). There were £7,550 (2012: £8,891) of outstanding contributions at the end of the year.

Defined Benefits Scheme

Until 1 December 2003 the Group operated a funded non-contributory defined benefit pension scheme covering its permanent employees whose employment commenced prior to 16 July 2001. The scheme was closed to future accrual on 1 December 2003 and employees are not able to accrue any further benefits after this date except that salary linkage is retained. The scheme will continue in existence but no further life assurance cover has been provided after 1 December 2001. A lump sum contribution of £300,000 was made prior to 31 December 2003. Future pension provision for those employees who were accruing benefits under the defined benefit scheme will be made through enhanced contributions to the Stakeholder scheme. For employees joining the Group after 16 July 2001 a Stakeholder scheme has been put in place.

The Group paid two lump sum contributions of £50,000 each to the scheme on 1 July 2012 and 1 July 2011. Based on the actuarial valuation dated 1 July 2011 no further funding is required.

The defined benefit scheme funds are administered by trustees and are independent of the Group's finances. The pension cost is assessed in accordance with the advice of a qualified actuary using the projected unit method. The most recent full actuarial valuation was as at 1 July 2011, the most significant assumptions being an investment return of 8% and salary increases of 4% per annum.

As at 1 July 2011, the market value of the scheme assets was £1,350,000 and the actuarial value of the assets was sufficient to fund 91% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The actuarial valuation described above has been updated at 31 December 2013 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued for this purpose at fair value. The major assumptions used for calculating the liabilities at 31 December 2013 under FRS 17 are as follows:

21. PENSION SCHEMES (continued)

Disclosure of actuarial assumptions	**2013** %	2012 %	2011 %	2010 %	2009 %
Rate of increase in salaries	**3.3**	3.0	3.8	4.4	4.5
Rate of increase in pensions in payment					
Pre 1 July 1993 pension	**3.0**	3.0	3.0	3.0	3.0
Post 1 July 1993 pension	**3.3**	2.7	2.8	3.4	3.3
Discount rate (pre and post retirement)	**4.6**	4.3	4.7	5.4	5.8
Inflation assumption	**3.3**	2.7	2.8	3.4	3.5

In 2011 the company changed its method of valuing pensions in deferment from RPI to CPI in accordance with UK government legislation.

Disclosure of fair values of assets and expected rates of return	**Expected rate of Return 2013 %**	**Fair value 2013 £'000**	Expected rate of Return 2012 %	Fair value 2012 £'000	Expected rate of Return 2011 %	Fair value 2011 £'000
Group pension contract	**5.4**	**1,552**	4.0	1,695	4.7	1,550
Cash	**-**	**-**	2.7	-	2.8	(5)
Annuity contracts	**4.6**	**960**	4.1	890	4.7	894
Total		**2,512**		2,585		2,439

	Expected rate of Return 2010 %	Fair value 2010 £'000	Expected rate of Return 2009 %	Fair value 2009 £'000
Group pension contract	5.5	1,433	5.7	1,220
Cash	4.2	(9)	4.5	(4)
Annuity contracts	5.4	831	5.8	811
Total		2,255		2,027

The yield under the Group Pension contract is paid in the form of a declared rate of interest, which is applied to the amount that stands to the credit of the contract.

Amounts included as other finance charges	**2013 £'000**	**2012 £'000**
Expected return on scheme assets	**100**	114
Interest cost	**(127)**	(130)
Net finance charge	**(27)**	(16)

21. PENSION SCHEMES (continued)

Amounts included in the Statement of total recognised gains and losses	**2013 £'000**	**2012 £'000**
Difference between actual and expected return on scheme assets	**22**	46
Experience gains arising on the scheme liabilities	**-**	-
Effects of change in assumptions underlying the present value of scheme liabilities	**6**	(189)
Total actuarial (loss)/gain recognised in the Statement of Total Recognised Gains and Losses	**28**	(143)

The total cumulative amount of actuarial profit recognised in the statement of total recognised gains and losses since the adoption of FRS17 is a loss of £62,000

Reconciliation of scheme assets and liabilities to the balance sheet date	**2013 £'000**	**2012 £'000**	2011 £'000	2010 £'000	2009 £'000
Fair value of scheme assets	**2,512**	2,585	2,439	2,255	2,027
Present value of scheme liabilities	**(2,973)**	(3,047)	(2,792)	(2,797)	(2,494)
Actuarial deficit	**(461)**	(462)	(353)	(542)	(467)
Related deferred tax	**145**	152	115	154	132
Net pension liability	**(316)**	(310)	(238)	(388)	(335)

Movement in the scheme liability during the year	**2013 £'000**	**2012 £'000**
Deficit in the scheme at the beginning of the year	**(462)**	(353)
Movement in the year:		
Other finance cost	**(27)**	(16)
Actuarial (loss)/gain	**28**	(143)
Employer contribution	**-**	50
Deficit in the scheme at the end of the year	**(461)**	(462)

Impact of pension scheme deficit	**2013 £'000**	**2012 £'000**
Profit and loss reserve excluding pension liability	**5,138**	4,005
Pension deficit	**(316)**	(310)
Profit and loss reserve including pension liability	**4,822**	3,695

21. PENSION SCHEMES (continued)

Movement in share assets	**2013 £'000**
Assets in scheme at beginning of the period	**2,585**
Movement in the period	
Expected return on assets	**100**
Employer contribution	**-**
Member contributions	**-**
Benefits paid	**(195)**
Actuarial gain on assets	**22**
Assets in scheme at end of period	**2,512**

Movement in scheme liabilities	**2013 £'000**
Liabilities in scheme at beginning of the period	**3,047**
Movement in the period	
Interest costs	**127**
Member contributions	**-**
Benefits paid	**(195)**
Actuarial gain on liabilities	**(6)**
Liabilities in scheme at end of period	**2,973**

History of experience gains and losses	**2013 £'000**	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Difference between the expected and actual return on scheme assets:					
- Amount	**22**	46	71	180	5
- Percentage of scheme assets	**0.9%**	1.8%	2.9%	8.0%	0.2%
Experience (losses)/gains arising on the scheme liabilities:					
- Amount	**-**	-	98	4	(36)
- Percentage of scheme liabilities	**0%**	0%	3.5%	0.2%	(1.4%)
Effects of changes in assumptions underlying the present value of the scheme liabilities:					
- Amount	**6**	(189)	(4)	(231)	(407)
- Percentage of scheme liabilities	**0.1%**	(6.2%)	(0.1%)	(8.3%)	(16.3%)

22. FINANCIAL INSTRUMENTS

Fair value of financial instruments

A comparison of current and book values of all the Group's financial instruments as at 31 December 2013 is provided below. Where market prices are not available for a particular instrument, fair values have been calculated by discounting cash flow at prevailing interest rates.

The financial risk management section of the Directors' report provides an explanation of the role that financial instruments have had during the period in creating or changing the risks that the Group faces in its activities. The explanation summarises the objectives and policies for holding and issuing financial instruments and similar contracts, and the strategies for achieving these objectives which have been followed in the period.

The numerical disclosures within this note deal with financial assets and financial liabilities as defined in FRS 13 'Derivatives and Other Financial Instrument Disclosures'. Certain financial assets, such as investments in subsidiary, are excluded from the scope of these disclosures.

As permitted by FRS 13, short term debtors and creditors have been excluded from the disclosure.

Primary financial instruments held to finance the Group's operations	Book value 2013 £'000	Fair value 2013 £'000	Book value 2012 £'000	Fair value 2012 £'000
Cash at bank and in hand	**998**	**998**	2,554	2,554
Borrowings due within one year	**-**	**-**	-	-
Borrowings due after more than one year	**(7,382)**	**(5,699)**	(7,033)	(4,790)
	(6,384)	**(4,701)**	(4,479)	(2,236)

Maturity profile of financial instruments	Variable rate 2013 £'000	Fixed rate 2013 £'000	Interest Free 2013 £'000	Variable rate 2012 £'000	Fixed rate 2012 £'000	Interest Free 2012 £'000
Within one year of less on demand	-	-	-	-	-	-
More than one year but not more than two years	577	-	-	502		-
More than five years	6,805	-	-	6,531		-
	7,382	-	-	7,033	-	-

Interest rate on profile of financial instruments	2013	2012
AIB Loans	**3% over LIBOR and MLBR**	3% over LIBOR and MLBR
Compton Beauchamp Estates Ltd Loan	**2% over LGT (Ireland) International interbank rate**	2% over LGT (Ireland)International Interbank rate

Financial instruments of overdraft, Compton Beauchamp Estates Ltd and AIB loans have been used in the period to fund master plan expenditure and the share buy back.

As at 31 December 2013 there were no hedging instruments in place.

23. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 8 not to disclose transactions between entities, of whose voting rights are controlled within the Group.

There is an amount of £65,000 (2012: £65,000) due from British Champion Series. S Higgins was a director of Newbury Racecourse PLC during the year ended 31 December 2013 and is a director of British Champion Series.

The CBEL loan of £6,805,000 is provided by Compton Beauchamp Estates Limited (see note 16). Erik Penser is a director of Compton Beauchamp Estates Limited. This is considered to be an arms length transaction.