Newbury Racecourse Plc

Company number 00080774

Contents

Officers and Professional Advisers

DIRECTORS

D J Burke (Chairman)	C J Spence (retired 4th June 2015)
J Dodds	C E Spencer
The Hon H M Herbert	B T Stewart-Brown
Lady Lloyd-Webber	J M Thick
J McGrath (appointed 4th June 2015)	R L Todd
N W E Penser	

SECRETARY	C E Spencer	
REGISTERED OFFICE	The Racecourse Newbury Berkshire RG14 7NZ	
AUDITORS	Deloitte LLP Reading RG1 3BD	
BANKERS	Royal Bank of Scotland (National Westminster Bank) Abbey Gardens 4 Abbey Gardens Reading RG1 3BA	Allied Irish Bank (GB) 4 Tenterden Street London W15 1TE
	Weatherbys Bank Sanders Road Wellingborough Northamptonshire NN8 4BX	HSBC Bank plc 6 Northbrook Street Newbury Berkshire RG14 1DJ
SOLICITORS	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX	
REGISTRARS	Capita Asset 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 [1]

2015 was a year of positive growth and improved financial performance for Newbury Racecourse.

The full year profit after tax was £1.61m compared to a loss of (£0.98m) in 2014 (restated following the adoption of FRS102 as per footnote) reflecting a 15% increase in turnover to £14.3m, with an overall improvement in the underlying trading operating profits of £0.39m. It also includes exceptional profits of £0.72m (2014: £0.37m), relating to the recognition of value on completion of the new nursery, hostel accommodation, maintenance compound and owners and trainers car park, all funded as part of the property agreement with David Wilson Homes.

We are pleased to have seen significant improvements in the trading performance across a number of areas of the business, in particular with revenues from our racing activities growing by 15% and our Conference & Events revenues growing by 31% year on year.

Racing Highlights
Overall raceday attendances increased by 7% year on year to 210,000.

We played host to some top class racing during the year with the equine stars of our sport once again providing our racegoers with some outstanding performances on the track.

Betfair Super Saturday featured a superb display by Coneygree, who went on to win the Cheltenham Gold Cup.

Dubai Duty Free Spring Trials Weekend got our flat racing season off to a tremendous start and Muhaarar, the winner of the AON Greenham Stakes, went on to win three Group 1 races and became the champion sprinter of Europe, whilst Star of Seville, another winner that weekend, went on to win the French Oaks, arguably the most important race for fillies in France.

In May, we hosted the £750,000 *Al Shaqab Lockinge Day*, the richest race meeting in Newbury's history, which was attended by over 13,000 racegoers. This was a positive start to our five year partnership with Al Shaqab, as we continue to develop this meeting as the flagship event in our flat racing calendar.

At the *Weatherbys Super Sprint* meeting in July we hosted DJs Danny Howard and DJ Fresh, who performed after an excellent day's racing, which was attended by almost 14,000 people. In addition, following a successful appearance at the Racecourse in 2009, we were delighted to welcome back Madness in September on *Dubai Duty Free International Weekend*, which attracted an attendance of 20,995, the highest crowd number since 2012. We were also pleased to partner with the charity Breast Cancer Care, at one of the highlights of our summer racing calendar, *Betfred Ladies Day* in August, which was attended by 13,000 people and raised £25,000 for the charity.

Rounding off 2015 in style, Smad Place delighted the crowds with his exuberant front-running win in the *Hennessy Gold Cup* in November.

The Development
The David Wilson Homes residential development has continued to make very good progress, with the Western Area construction now complete with virtually all units now sold. The next phase of the residential development is well underway in the Central Area and early interest has been very positive. 360 apartments are being constructed, with first occupations anticipated for summer 2017.

We are delighted with the tremendous progress that was made during 2015 on the racecourse infrastructure improvements. The new main public car park at the eastern end of the racecourse, together with the new nursery, stable staff hostel and the new owners' and trainers' car park have all now been completed and have been very well received.

The new access bridge from the north of the site is also now complete providing a much improved arrival and departure experience for our customers. It opened for the first time at the three day bet365 Festival, featuring the Hennessy Gold Cup and received good feedback from racegoers.

In July, the Board announced that it had submitted detailed planning proposals for the racecourse's own redevelopment. These plans, which were approved in October, include new entrances, remodelling of the parade ring areas and a new owners and trainers facility. These improvements are focused on enhancing the experience for all of our racegoers, whilst generating improved financial returns for the wider business in the longer term. The works will commence during the early summer of 2016.

Outlook
We continue to receive positive feedback from all stakeholders about the improved atmosphere and facilities at the racecourse and our plans for the future. We were delighted that the hard work of the Newbury team was recently recognised as the only UK racecourse to receive the Racecourse Association and VisitEngland Excellence Accolade for customer service.

On behalf of the board, I would like to thank all of our staff for their continued hard work and commitment during the year. Our thanks also to the parents and children of the Rocking Horse Nursery and all of our Conference and Events customers and partners for their patronage; and all our sponsors, owners, trainers, all horsemen and racegoers for their continuing support and patronage during this period of transformation for the racecourse.

In light of the strong trading performance and the positive progress being made to the infrastructure and the development of the racecourse, the board has every confidence in the financial outturn for 2016 and beyond.

DOMINIC J BURKE
Chairman
3 May 2016

[1] 2014 results referred to throughout these financial statements are in all cases restated following the adoption of FRS102.

STRATEGIC REPORT

STRATEGY AND OBJECTIVES

The Board's long term strategy is to continue the profitable development of Newbury Racecourse as a leading racecourse, entertainment and events business with racing at its core. Continued significant progress towards this aim has been made in 2015, with improved financial results, reinvestment in prize money and facilities.

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. Alongside its trading activities, the Group owns freehold property from which it receives annual income and also benefits from the sale of residential properties on the site, as part of its long term development agreement with David Wilson Homes.

PERFORMANCE REVIEW

Consolidated Group profit on ordinary activities before tax in the year ended 31 December 2015 was £1.61m (2014: loss £1.54m) which includes £0.72m of exceptional profits (2014: £0.37m exceptional profits). The underlying trading business's improved performance resulted in a profit before tax of £0.43m (2014: £0.05m).

Turnover for the trading business increased by 15% (£1.88m) to £14.3m (2014: £12.4m). Racing revenues increased by 15% (£1.57m) on prior year, with increased attendances in part due to the two additional racedays in 2015, together with the success of our after-racing music and the increased sponsorship of the *Al Shaqab Lockinge*. Conference and Events revenues increased by 31% (£0.27m) on prior year. The Rocking Horse Nursery revenues showed an improvement of 3% (£0.02m) on 2014.

The improvement in overall trading performance resulted in a £0.39m increase in trading operating profit to £0.69m (2014: £0.30m) before operating exceptional items.

The operating loss for the property business before operating exceptional items was £0.14m (2014: loss (£0.075m)), reflecting the costs of managing the ongoing relationship with David Wilson Homes (DWH), our development partner, together with the cost of temporary works to minimise disruption to our customers around the site during the ongoing redevelopment.

The overall operating profit on ordinary activities before interest and non-operating exceptional items was £0.55m (2014: loss (£0.55m)).

Exceptional profits during 2015 of £0.72m (2014: £0.36m) is the recognition of the new nursery, hostel accommodation, estates yard and car parks provided by DWH as part of the consideration for the land sale.

Interest receivable of £0.66m includes the partial unwinding of the DWH debtor discount charge relating to the year ended 31 December 2015.

Profit on ordinary activities after tax was £1.61m (2014: loss (£0.98m)).

The increase in cash reserves of £4.51m in the period (2014: £3.43m increase) includes £5.49m of cash receipts from DWH in respect of properties sold in the period, and is net of £2.39m of capital expenditure.

Racing

The accounts include a total of 30 days racing (2014: 28) comprising 12 days National Hunt racing (2014: 11) and 18 days flat racing (2014: 17).

As ever the racecourse hosted some very high quality racing during 2015, with no meetings abandoned (2014: no meetings abandoned).

In May we hosted *Al Shaqab Lockinge Day*, the richest race meeting in Newbury's history, which was attended by over 13,000 racegoers and was a positive start to our five year partnership with Al Shaqab. We continue to develop this meeting as the flagship event in our flat racing calendar and the action on the track featured a string of outstanding performances.

Our cornerstone jump meeting, the three day *bet365 Hennessy Festival*, continued to make progress and we were delighted once again with attendances across the three days of approximately 30,000 and the highest attendance on the Saturday, Hennessy Gold Cup day, for 21 years.

Overall raceday attendances in 2015 increased by 7% to 210,000 (2014: 196,000). This was, in the main, due to increased attendances at a number of key fixtures, in particular *Party in the Paddock* with Madness in September and the addition of two racedays in the year.

We are grateful to have received continued significant support from all of our sponsors, with particular thanks to Al Shaqab Racing, bet365, Betfair, Betfred, Dubai Duty Free and JLT for their investment in 2015. This support has allowed us to continue to invest in our prize money and we are pleased to report that prize money increased by 21% in 2015 to £4.72m.

We hosted three successful music events in 2015 with DJ Fresh and Danny Howard in July, Bjorn Again in August and Madness in September, attracting total attendance in excess of 47,000 and producing financial returns in excess of our expectations.

Media revenues increased by c. £0.3m, to £3.14m for the twelve months to 31 December 2015, reflecting the continued growth in this important revenue stream, driven predominantly by progress in streaming and overseas activities of Racecourse Media Group.

Catering, Hospitality and Retail

Total catering revenues increased by £0.6m (17%) on 2014, to £4.24m.

During 2015 we implemented a number of initiatives and invested in a number of key areas of our food and beverage retail facilities, as part of our continued drive to improve both our offer to customers and the financial returns that this part of the business delivers. Alongside our continued investment in the training of our staff, which has seen us achieve industry accolades for customer service, we are starting to see the financial rewards for our efforts in this area.

Leisure, Conference and Events

Conference and Events revenues grew by 31% (£0.27m) versus 2014, to £1.14m. Gross operating profits of £0.31m were 82% (£0.14m) ahead.

Once again we were delighted to host successful events for a number of blue chip clients, welcoming back Thames Water, Open University, Boden and NHS, alongside a number of prestigious new clients including John Lewis, Lloyds Bank and Albourne Partners. The total number of event days sold increased 78% on the previous year.

Our sales team continues to focus on growing this part of our business, through proactive selling and relationship building within key sectors and with a number of agents. As the redeveloped racecourse facilities come on stream over the next three years, the Conference and Events business performance will continue to improve.

The Rocking Horse Nursery

We are pleased to report that the trading performance of the Rocking Horse Nursery has continued to improve steadily, with turnover increasing by 3% (£0.02m) and operating profits of £0.1m in line with 2014.

Following the move to our new, larger, state of the art facility in August, we saw like for like average occupancy increase from 48% in 2014 to 53%.

Property Redevelopment

The DWH residential development has continued to make excellent progress, with 98% of homes in the Western Area now occupied. In line with our expectations the Group's cash flows were enhanced by an additional £5.49m of payments received from DWH during the year to December 2015.

A number of the racecourse's own development works are now completed including the refurbished stables, the new nursery, the new hostel (known as The Lodge) and the new estates yard, together with the vast majority of improved public car parking facilities, all have received excellent initial feedback.

Construction of the new access bridge from the north is now complete. We have been able to open this on racedays since November and this has significantly improved ingress and egress for all our customers.

FUTURE DEVELOPMENTS

The Board announced in July that the racecourse had submitted its plans for the redevelopment of the "heartspace" and we were pleased to receive planning approval in October. These works, which include new entrances, remodelling of the parade ring areas and a new owners' and trainers' facility, are focused on enhancing the experience for all of our racegoers, whilst generating improved financial returns for the wider business in the longer term. Works are expected to commence during early summer 2016, starting with the construction of the new Horseman's Club at the western end of the site.

The operational challenges that the redevelopment has presented to date have been successfully managed by the racecourse team alongside our development partners DWH, minimising as far as possible disruption to our customers and neighbours, to whom we are grateful for their continued support and patience. We will continue to manage this proactively during the next phases of development and we remain confident that the enhanced racecourse will deliver material benefits for all stakeholders in the long term.

KEY PERFORMANCE INDICATORS

The Group uses raceday attendance and trading operating profit/loss as the primary performance indicators. Total attendance was 210,000 (2014: 196,000). 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 possibility of 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 a 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 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. The Group currently has committed credit facilities in place through to March 2022. 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 2015 is 7.7% (2014: 6.2%) of the amounts invoiced by suppliers during the year. This percentage, expressed as a proportion of the number of days in the year, is 28 days (2014: 23 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 £27,120 to national charities (2014: £3,972).

By order of the Board

JULIAN THICK
Chief Executive
3 May 2016

Sponsors in the year for 31 December 2015

We would like to thank our leading sponsors for their significant support in 2015

Al Basti Equiworld
Al Shaqab
Bet365
Betfair
Betfred
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
Agetur UK
AJC Premier
Aon Limited
Ballymacoll Stud
Bathwick Tyres
Berry Bros & Rudd
Bewiser Insurance
BJP Insurance Brokers
Blackmore Building Contractors Ltd
Bloomsbury Auctions
Burges Salmon LLP
Carter Jonas
Christopher Smith Associates LLP
Compton Beauchamp Estates Ltd
Coln Valley Stud
Crossland Employment Solicitors
CSP
Denford Stud
Doom Bar
Doncaster Bloodstock Sales
Emma Lavelle Racing Ltd
Event Bar Management
Fuller Smith & Turner PLC
Greatwood
Grundon
Haynes Hanson & Clark
HBLB
Heatherwold Stud
Highclere Thoroughbred Racing
Hot to Trot Racing Club
Infiniti
Inkerman
KKA
Kentford Racing
Key4Life
Luck Greayor Bloodstock
Malone Roofing
NSPCC
Oakley Coachbuilders
Pertemps Group
Powersolve Electronics
Premier Food Courts
Pump Technology Ltd
Punter Southall
Q Associates Ltd
Racing UK
Rayner Bosch Car Services
Relyon Cleaning Services
R & M Electrical
Smith & Williamson
South Down Water
Sri Lanka Tourist Board
Starlight
The Hawk Inn
The Pheasant Inn
TKP Surfacing
Ultima Business Solutions
Vodafone Group PLC
Wedgewood Estates
West Berkshire Mencap
West Berkshire Racing Club
Whitley Stud
Zenergi

There were also 6 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 2015.

RESULTS AND DIVIDEND

The profit on ordinary activities after taxation was £1,605,000 (2014: loss (£981,000)). 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 (2014: 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 Company 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 2015 the total market value of land held was £40.6m, the net book value of the land held in the balance sheet is £5.9m.

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 2015	Beneficial interest 2014
D J Burke	**23,000**	23,000
J Dodds	**-**	-
The Hon H M Herbert	**12,924**	12,924
Lady Lloyd-Webber	**319,656**	319,656
J McGrath	**-**	-
N W E Penser	**1,370,400**	1,370,400
C J Spence	**2,250**	2,250
C E Spencer	**-**	-
B T Stewart-Brown	**13,332**	13,332
J M Thick	**-**	-
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 (retired 4th June 2015)

Remuneration

R L Todd (Chair)
D J Burke
C J Spence (retired 4th June 2015)
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 10,000 staff across 42 countries and is the largest quoted Company of its type in the UK. Dominic owns Whitley Stud 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 PLC, Non Executive Chairman of Sweet Group PLC and Non Executive Chairman 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.

Jim McGrath
Jim McGrath has worked in racing since leaving school in 1974, when he moved to Yorkshire to join the Timeform Organisation where, in a thirty-four year stint, he held numerous positions, including that of Chairman. He has worked as a pundit on Television since 1981, initially for ITV, thereafter joining Channel 4 Racing in 1984 and is by far the longest serving member of the current team on this programme. Jim has also served on various racing bodies, including both BHB and BHA, where he acted as an Independent Director. Formerly a director of Haydock Park Racecourse, he is an owner/hobby breeder.

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.

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 Fellow of the Institute of Chartered Accountants in England and Wales. She previously worked for the bloodstock departments of PricewaterhouseCoopers and James Cowper Kreston.

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 2015 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%
Mr & Mrs A Stewart**	113,000	3.37%

* N W E Penser is a director and a shareholder of Compton Beauchamp Estates Ltd
** Beneficial interests held in nominee accounts

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 E SPENCER
Secretary
Newbury
3 May 2016

Directors' 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 2015 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 27. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 misstatements or 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 affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 FCA
(Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom
3 May 2016

Consolidated Profit and Loss Account

Year ended 31 December 2015

	Note	2015 Trading £'000	2015 Property £'000	2015 Total £'000	2014 (restated) Trading £'000	2014 (restated) Property £'000	2014 (restated) Total £'000
Turnover	3	14,266	49	14,315	12,383	31	12,414
Cost of sales		(11,333)	-	(11,333)	(10,016)	-	(10,016)
Gross profit	3	2,933	49	2,982	2,367	31	2,398
Administrative expenses		(2,246)	(184)	(2,430)	(2,068)	(882)	(2,950)
Operating profit/(loss)	5	687	(135)	552	299	(851)	(552)

	Note	2015 Trading £'000	2015 Property £'000	2015 Total £'000	2014 (restated) Trading £'000	2014 (restated) Property £'000	2014 (restated) Total £'000
Operating profit/(loss) before exceptional operating items	3	687	(135)	552	299	(75)	224
Asset impairment	4	-	-	-	-	(776)	(776)
		687	(135)	552	299	(851)	(552)

	Note	2015 Trading £'000	2015 Property £'000	2015 Total £'000	2014 (restated) Trading £'000	2014 (restated) Property £'000	2014 (restated) Total £'000
Profit/(loss) on ordinary activities before interest and non- operating exceptional items		687	(135)	552	299	(851)	(552)
Exceptional Items							
Profit on disposal of fixed assets	4	-	722	722	2	363	365
Profit/(loss) on ordinary activities before interest		687	587	1,274	301	(488)	(187)
Interest receivable and similar income	7	34	629	663	4	3	7
Interest payable and similar charges	8	(289)	(38)	(327)	(256)	(1,101)	(1,357)
Profit/(loss) on ordinary activities before taxation		432	1,178	1,610	49	(1,586)	(1,537)
Tax (charge)/credit	9	(71)	66	(5)	99	457	556
Profit/(loss) on ordinary activities after taxation being profit/(loss) for the financial year		361	1,244	1,605	148	(1,129)	(981)
Profit/(loss) per share (basic and diluted) (Note 11)				48p			(29p)

All amounts derive from continuing operations

Consolidated Statement of comprehensive income

Year ended 31 December 2015

	2015 £'000	2014 £'000
Profit/(loss) for the financial year	1,605	(981)
Actuarial gain/(loss) relating to pension scheme	566	(410)
Deferred tax on actuarial (gain)/loss	(120)	31
Total recognised profit/(loss) in the year	2,051	(1,360)

Consolidated Balance Sheet
Year ended 31 December 2015

	Note	2015 £'000	2014 (restated) £'000
Fixed assets			
Tangible assets	12	**35,535**	31,871
Investment	13	**192**	117
		35,727	31,988
Current assets			
Stocks	14	**206**	187
Debtors			
- due within one year	15	**4,285**	8,690
Cash at bank and in hand		**2,105**	2,402
Cash investment		**6,837**	2,030
		13,433	13,309
Creditors: amounts falling due within one year	16	**(8,378)**	(6,393)
Net current assets		**5,055**	6,916
Total assets less current liabilities		**40,782**	38,904
Creditors: amounts falling due after more than one year	17	**(7,238)**	(7,021)
Provisions for liabilities	21	**(1,570)**	(1,499)
Net assets before pension deficit		**31,974**	30,384
Pension deficit		**(303)**	(704)
Net assets after pension deficit		**31,671**	29,680
Deferred income			
Deferred capital grants	22	**3,963**	4,023
Capital and reserves			
Called up share capital	19	**335**	335
Share premium account		**10,202**	10,202
Revaluation reserve		**75**	75
Equity reserve		**143**	143
Profit and loss account surplus		**16,953**	14,902
Shareholders' funds		**27,708**	25,657
		31,671	29,680

The financial statements of Newbury Racecourse PLC, Company registration 00080774, were approved by the Board of Directors on 3 May 2016 and signed on its behalf by:

D J BURKE (Chairman) J M THICK (Chief Executive)

Company Balance Sheet

Year ended 31 December 2015

	Note	2015 £'000	2014 (restated) £'000
Fixed assets			
Tangible assets	12	**34,418**	30,754
Investment	13	**7,895**	7,820
Freehold Reversion			
		42,313	38,574
Current assets			
Stocks	14	**206**	187
Debtors			
- due within one year	15	**5,245**	9,799
Cash at bank and in hand		**2,100**	2,252
Cash investments		**6,837**	2,030
		14,388	14,268
Creditors: Amounts falling due within one year	16	**(8,373)**	(6,392)
Net current assets		**6,015**	7,876
Total assets less current liabilities		**48,328**	46,450
Creditors: amounts falling due after more than one year	17	**(14,738)**	(14,521)
Provisions for liabilities	21	**(1,570)**	(1,499)
Net assets before pension deficit		**32,020**	30,430
Pension deficit		**(303)**	(704)
Net assets after pension deficit		**31,717**	29,726
Deferred income			
Deferred capital grants	22	**3,963**	4,023
Capital and reserves			
Called-up share capital	19	**335**	335
Share premium account		**10,202**	10,202
Revaluation reserve		**75**	75
Equity reserve		**143**	143
Other reserve		**198**	198
Profit and loss account		**16,801**	14,750
Shareholders' funds		**27,754**	25,703
		31,717	29,726

The financial statements of Newbury Racecourse PLC, Company registration 00080774, were approved by the Board of Directors on 3 May 2016 and signed on its behalf by:

D J BURKE (Chairman)

J M THICK (Chief Executive)

Consolidated Statement of Changes in Equity

At 31 December 2015

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 31 December 2013	335	10,202	143	75	4,822	15,577
Changes on transition to FRS 102 (see note 10)	-	-	-	-	11,440	**11,440**
At 1 January 2014 (restated)	335	10,202	143	75	16,262	27,017
Loss for the year to 31 December 2014 (restated)	-	-	-	-	(1,360)	**(1,360)**
At 31 December 2014 (restated)	335	10,202	143	75	14,902	25,657
Profit for the year to December 2015	-	-	-	-	2,051	**2,051**
At 31 December 2015	335	10,202	143	75	16,953	27,708

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

Consolidated Cash Flow Statement

Year ended 31 December 2015

	Note	2015 £'000	2015 £'000	2014 (restated) £'000	2014 (restated) £'000
Net cash inflow/(outflow) from operating activities	20		1,231		1,430
Returns on investments and servicing of finance					
Interest received and other investment income		34		-	
Interest paid		(80)		(91)	
Net cash outflow from returns on investments and servicing of finance			(46)		(91)
Taxation					
UK corporation tax refunded/(paid)		151		-	
Total tax refunded/(paid)			151		-
Capital expenditure					
Payments to acquire tangible fixed assets		(2,386)		(600)	
Receipts from exceptional sale of fixed assets		5,494		3,293	
Grant from HBLB		50		-	
Net cash inflow from capital expenditure			3,158		2,693
Net cash inflow/(outflow) before financing			4,494		4,032
Financing					
Loan finance received		16		-	
Loan repayment		-		(599)	
Net cash inflow/(outflow) from financing			16		(599)
Increase in cash in the year			4,510		3,433

Advantage has been taken of the exemption under FRS102 not to disclose the individual cash flow statements of the company and its subsidiaries.

Notes to the Financial Statements
Year ended 31 December 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The financial statements for the year ended 31 December 2015 reflect the transition to FRS102 and the restatement of the comparative year's results – see Note 27 for details. 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 economic climate as well as the 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. At the balance sheet date the Company has adequate cash reserves, together with revolving credit facilities which are in place through to March 2022.

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 to which they relate, for example, conference income is recognised on the day of the conference and nursery income is recognised as the child attends the nursery. Property receipts are recognised in accordance with 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 construction works are written off against profits in the year in which they are incurred.

Investments
Investments are 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 FRS102.

Tangible fixed assets
Tangible fixed assets are stated at cost or valuation, net of 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 and equipment
- 5% - 25% straight line

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

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 of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

Cash investments
Cash which is held on deposits that are not accessible with less than 24 hours' notice, is deemed to not be liquid and is therefore classified as cash investments on the balance sheet.

Notes to the Financial Statements (continued)

Year ended 31 December 2015

Non recognised 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 all timing differences that result in an 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% straightline for freehold buildings and 10%-25% straight line for other assets including outdoor fixtures.

Employee benefits

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.

Borrowing costs

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs are accounted for on an 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.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price, except for those financial assets or liabilities classified as at fair value through profit or loss, which are initially measured at fair value (transaction price less transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Notes to the Financial Statements (continued)

Year ended 31 December 2015

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements;

Capitalisation of design fees and expenditure in connection with the ongoing development works, which during the year ended 31 December 2015 amounted to £1,314,000. The total carrying value of capitalised design fees at 31 December 2015 is £1,420,000. In the directors' view these costs are directly attributable to the development of a long term fixed asset which will provide future economic benefits in excess of its carrying value.

Estimation techniques

Significant estimation techniques include;

The estimation of the useful economic life of fixed assets which is determined with reference to, expected usage, experience of rate of physical deterioration or technological obsolescence and maintenance programmes, or any relevant fixed legal terms.

The determination of the discount rate applied to the long term David Wilson Homes debtor balance, which is determined with reference to current market conditions and to reflect the risks specific to the balance due.

3. 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. It also includes income from conference and events (shown under trading) and fees for the Rocking Horse Nursery. 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. Turnover is stated net of VAT (where applicable) and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Segmental Analysis

2015	**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**
Trading	13,557	2,831	585	-	-	330	33,225
Nursery	709	102	102	-	-	102	2,275
Total	14,266	2,933	687	-	-	432	35,500
Property	49	49	(135)	-	722	1,178	(3,829)
Total	14,315	2,982	552	-	722	1,610	31,671

2014 (restated)	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
Trading	11,693	2,257	189	-	2	(61)	30,798
Nursery	690	110	110	-	-	110	(9)
Total	12,383	2,367	299	-	2	49	30,789
Property	31	31	(75)	(776)	363	(1,586)	(1,109)
Total	12,414	2,398	224	(776)	365	(1,537)	29,680

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

Notes to the Financial Statements (continued)

Year ended 31 December 2015

4. EXCEPTIONAL ITEMS

Operating Items	**2015**	2014 (restated)
	£'000	£'000
Asset impairment	-	(776)
Total	-	(776)

Asset Impairment

Asset impairment of £776,000 in 2014 is the write off of capitalised costs associated with historic design and planning fees in connection with racecourse redevelopment plans.

Non-Operating Items	**2015**	2014 (restated)
	£'000	£'000
Profit on Sale of Fixed Asset	**722**	365
Total	**722**	365

Profit on sale of fixed assets of £722,000, is the recognition of the incremental value of the newly built hostel, nursery, estates yard and owners' and trainers' car park, all funded by David Wilson Homes in part consideration for the land sold as part of the development agreement signed in 2012. (2014: £365,000 is the value of the refurbished stables, head lads' facility and horsebox parking)

Notes to the Financial Statements (continued)
Year ended 31 December 2015

5. OPERATING PROFIT/(LOSS)

This is stated after charging:	2015 £'000	2014 (restated) £'000
Depreciation (note 12)	1,060	1,008
Impairment	-	776
Auditor's remuneration		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	32	32
The audit of the Company's subsidiaries pursuant to legislation	1	1
Total audit fees	33	33
Tax services*	14	16
Other services	8	-
Interim review	1	1
Total non audit fees	23	17
Total fees	56	50
And after crediting:		
HBLB contributions to prize money	(1,958)	(1,801)
Revenue grants waived	-	-
Amortisation of deferred capital grants	(110)	(110)

*Tax services include fees for tax compliance and tax advice.

6. STAFF COSTS

GROUP & COMPANY	2015 £'000	2014 (restated) £'000
Employee costs during the year (including Directors):		
Wages and salaries	2,641	2,280
Social security costs	253	216
Other pension costs	65	55
	2,959	2,551

	Number	Number
Office and management	30	26
Catering	9	10
Ground, maintenance and security staff	13	13
Rocking Horse Nursery	21	20
	73	69

Directors' remuneration and transactions	£'000	£'000
Executive Directors	339	357
Non Executive Directors	51	50
	390	407

	£'000	£'000
Highest paid Director	232	254

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	26	23

Advantage has been taken of the exemption under FRS102 not to disclose the compensation of any other key management personnel.

Notes to the Financial Statements (continued)

Year ended 31 December 2015

7. INVESTMENT INCOME

	2015 £'000	2014 (restated) £'000
Bank interest	34	7
Unwinding of discount *	629	-
	663	7

* 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.

8. INTEREST PAYABLE & SIMILAR CHARGES

	2015 £'000	2014 (restated) £'000
Bank overdraft and AIB Loans	65	90
Compton Beauchamp Estates Ltd Loan	219	195
Unwinding of discount*	-	1,063
Pension scheme liabilities	43	9
	327	1,357

* 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.

9. TAXATION

	2015 £'000	2014 (restated) £'000
Charge for the year	89	-
Adjustments in respect of prior years	(155)	(457)
Total current tax	(66)	(457)
Deferred taxation:		
Origination and reversal of timing differences	165	(122)
Utilisation of tax losses	-	-
Effect of change in rate	(174)	-
Adjustment in respect of prior years	80	25
	71	(97)
Deferred tax on interest charge on pension scheme	-	(2)
Tax (credit)/charge	5	(556)

The actual tax charge for the current and previous year differs from the effective rate 20.25%, (2014: 21.50%) for the reasons set out in the following reconciliation.

	2015 £'000	2014 (restated) £'000
Profit/(loss) on ordinary activities before tax	1,610	(1,537)
Tax on profit on ordinary activities at the standard UK rate	326	(330)
Income not chargeable for tax purposes	(125)	(40)
Expenses not deductible for tax purposes	95	134
Depreciation in excess of capital allowances	(56)	-
Permanent difference in respect of exceptional property transaction	94	(251)
Effect in change of rate	(174)	-
Adjustment in respect of prior years	(155)	(457)
Utilisation of tax losses	-	388
Total actual amount of current tax	5	(556)

Notes to the Financial Statements (continued)

Year ended 31 December 2015

10. PROFIT ATTRIBUTABLE TO THE 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 £2,047,000 (2014: loss (£1,382,000))

11. 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 2015 of £1,605,000 (2014: loss (£981,000)) by the weighted average number of ordinary shares during the year of 3,348,326 (2014: 3,348,326)

12. 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 2015 (restated)	**39,810**	**5,690**	**242**	**45,742**
Additions	4,240	460	38	4,738
Disposals	-	-	(14)	(14)
As 31 December 2015	**44,050**	**6,150**	**266**	**50,466**
Depreciation				
At 1 January 2015 (restated)	**9,269**	**4,406**	**196**	**13,871**
Charge for year	682	368	10	1,060
Disposals	-	-	-	-
At 31 December 2015	**9,951**	**4,774**	**206**	**14,931**
Net book value at 31 December 2015	**34,099**	**1,376**	**60**	**35,535**
Net book value at 31 December 2014 (restated)	30,541	1,284	46	31,871

The transitional rules set out in FRS102 regarding Tangible Assets have been applied on implementing FRS102. 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 £34,024,000 (2014: £30,466,000).

Freehold land and buildings and outdoor fixtures includes £1,420,000 (2014: £107,000) in respect of assets under construction, being capitalised design fees in connection with the heartspace redevelopment which received planning approval in October 2015. Freehold land and buildings and outdoor fixtures also includes £1,804,000 (2014: £10,641,000) in respect of prepaid assets, being racecourse enabling works remaining to be undertaken by DWH under the terms of the 2012 development agreement.

Notes to the Financial Statements (continued)
Year ended 31 December 2015

12. TANGIBLE FIXED ASSETS CONTINUED

COMPANY	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 2015 (restated)	**38,693**	**5,690**	**242**	**44,625**
Additions	4,240	460	38	4,738
Disposals	-	-	(14)	(14)
As 31 December 2015	**42,933**	**6,150**	**266**	**49,349**
Depreciation				
At 1 January 2015 (restated)	**9,269**	**4,406**	**196**	**13,871**
Charge for year	682	368	10	1,060
Disposals	-	-	-	-
At 31 December 2015	**9,951**	**4,774**	**206**	**14,931**
Net book value at 31 December 2015	**32,982**	**1,376**	**60**	**34,418**
Net book value at 31 December 2014 (restated)	29,424	1,284	46	30,754

The net book value of freehold land and buildings determined by the historical cost convention is £32,906,000 (2014: £29,349,000).

Freehold land and buildings and outdoor fixtures includes £1,420,000 (2014: £107,000) in respect of assets under construction, being capitalised design fees in connection with the heartspace redevelopment which received planning approval in October 2015. Freehold land and buildings and outdoor fixtures also includes £1,804,000 (2014: £10,641,000) in respect of prepaid assets, being racecourse enabling works remaining to be undertaken by DWH under the terms of the 2012 development agreement.

13. INVESTMENTS

GROUP	2015 £'000	2014 (restated) £'000
Investment in Racecourse Media Group	**117**	117
Investment in property	**75**	-
	192	117

COMPANY	2015 £'000	2014 £'000
Investment in Racecourse Media Group	**117**	117
Investment in property	**75**	-
Shares in subsidiary undertakings	**7,703**	7,703
	7,895	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. Investment in property relates to residential freehold interests owned by the Group. 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 2015. As at 31 December 2015, Newbury Racecourse PLC holds 100% of the ordinary share capital and voting rights of both companies.

Notes to the Financial Statements (continued)
Year ended 31 December 2015

14. 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.

	2015 £'000	2014 (restated) £'000
Catering	**188**	171
Sundry	**18**	16
	206	187

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.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2015 £'000	2014 (restated) £'000
Trade debtors	**889**	991
Other debtors	**2,157**	7,579
Prepayments and accrued income	**1,239**	120
	4,285	8,690

COMPANY	2015 £'000	2014 (restated) £'000
Trade debtors	**889**	991
Amounts owed by subsidiary undertakings	**955**	959
Other debtors	**2,162**	7,729
Prepayments and accrued income	**1,239**	120
	5,245	9,799

Other debtors include £1,971,122 (2014:£2,802,000), 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.

Notes to the Financial Statements (continued)
Year ended 31 December 2015

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2015 £'000	2014 (restated) £'000
Trade creditors	**529**	615
Other taxes and social security	**126**	284
Other creditors	**6,502**	4,380
Accruals and deferred income (note 22)	**1,221**	1,114
	8,378	6,393

COMPANY	2015 £'000	2014 (restated) £'000
Trade creditors	**529**	615
Other taxes and social security	**126**	284
Other creditors	**6,497**	4,379
Accruals and deferred income (note 22)	**1,221**	1,114
	8,373	6,392

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

GROUP	2015 £'000	2014 (restated) £'000
CBEL loan (note 18)	**7,238**	7,021
	7,238	7,021
COMPANY		
CBEL loan (note 18)	**7,238**	7,021
Amounts owed to subsidiary undertakings	**7,500**	7,500
	14,738	14,521

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

Notes to the Financial Statements (continued)

Year ended 31 December 2015

18. LOANS

GROUP & COMPANY

Analysis of loan repayments:	2015 £'000	2014 (restated) £'000
Between three and five years	**7,238**	4,333
More than five years	**-**	2,688
	7,238	7,021

Compton Beauchamp Estates Limited Loan

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

	Purpose	Repayment Dates	Interest*	Amount Drawn
£6,500,000	Purchase of own shares	15.11.18	2.88%	£7,238,230
		15.11.19		
		15.11.20		

The loan is secured by a charge of the Group's property to a Deed of Priority dated 3 May 2016 between National Westminster Bank PLC, Trustees of the Newbury Racecourse PLC Pension and Life Assurance Plan and Compton Beauchamp Estates Limited.

The capital sum is repayable in three equal instalments on the dates as shown, with the balance of interest accrued payable on the final payment date.

* Under the terms of the loan the interest is rolled up into the loan capital sum. Interest accrued in the period to 31 December 2015 was £201,000 (2014: £195,000). Interest is calculated using the six monthly LGT Bank (Ireland) Limited International Bank Rate plus 2%.

19. SHARE CAPITAL	2015 £'000	2014 £'000
Authorised		
Ordinary shares at 10p each	**600**	600
Total	**600**	600

Allotted and fully paid	2015 £'000	2014 £'000
Ordinary shares of 10p each	**335**	335
Total	**335**	335

Notes to the Financial Statements (continued)

Year ended 31 December 2015

20. CASHFLOW

1. Reconciliation of operating profit to net cash (inflow) from operating activities	2015 £'000	2014 (restated) £'000
Operating profit	552	224
Depreciation charges	1,060	1,008
Amortisation of capital grants	(110)	(110)
Disposal of fixed asset	-	(4)
(Increase) in stocks	(19)	(8)
(Increase) in debtors and prepayments	(282)	(91)
Increase in creditors and accruals	30	411
Net cash inflow from operating activities	1,231	1,430

2. Reconciliation of net cash flow to movement in net debt	2015 £'000	2014 (restated) £'000
Increase in cash in the period	4,510	3,433
Inception of loans	(233)	390
Change in net debt resulting from cash flows	4,277	3,823
Non cash movements	-	(22)
Net debt at 1 January	(2,591)	(6,392)
Net debt at 31 December	1,686	(2,591)

3. Analysis of change in net debt	At 1 Jan 2015 (restated) £'000	Cash flow £'000	Non cash changes £'000	At 31 Dec 2015 £'000
Cash at bank and in hand	4,431	4,510	-	8,941
Debt due within one year				
- Loan	-	-	-	-
Debt due after one year				
- Loan	(7,022)	(16)	(217)	(7,255)
	(2,591)	4,494	(217)	1,686

Notes to the Financial Statements (continued)

Year ended 31 December 2015

21. PROVISIONS FOR LIABILITIES

DEFERRED TAX: GROUP AND COMPANY	2015 £'000	2014 (restated) £'000
Provision for deferred taxation consists of the following amounts:		
Capital allowances in excess of depreciation	1,792	2,118
Tax losses	(222)	(619)
	1,570	1,499

	2015 £'000	2014 (restated) £'000
At 1 January (restated)	1,499	1,598
Debit/(Credit) for the year	71	(99)
At 31 December	1,570	1,499

In March 2015, the UK government announced that the corporation tax rate would reduce to 20% with effect from 1 April 2015 before falling to 19% with effect from 1 April 2017 and 18% from 1 April 2020. The legislation to reduce the corporation tax rate for 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 18% 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 2020.

During the year beginning 1 January 2016, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £245,000. This is due to the expected balances of capital allowances in excess of depreciation and brought forward tax losses expected to be utilised.

22. DEFERRED INCOME

GROUP AND COMPANY	2015 £'000	2014 (restated) £'000
Deferred capital grants	3,963	4,023
Other accruals and deferred income (included in creditors – amounts falling due within one year note 16)	1,221	1,114
	5,184	5,137

Analysis of movements on capital grants	2015 £'000
Balance as at 1 January 2015 (restated)	4,023
HBLB grant for paddock screen	50
Capital grants credited to the profit and loss account	(110)
Balance as at 31 December 2015	3,963

Notes to the Financial Statements (continued)

Year ended 31 December 2015

23. EMPLOYEE BENEFITS

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 £65,000 (2014: £66,000). There were £10,914 (2014: £9,135) 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 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 2014, the most significant assumptions being an investment return of 5% and salary increases of 3.7% per annum.

As at 1 July 2014, the market value of the scheme assets was £1,559,000 and the actuarial value of the assets was sufficient to fund 103% 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 2015 by a qualified actuary using revised assumptions that are required by FRS 102. Investments have been valued for this purpose at fair value. The major assumptions used for calculating the liabilities at 31 December 2015 under FRS 102 are as follows:

Notes to the Financial Statements (continued)

Year ended 31 December 2015

23. EMPLOYEE BENEFITS (continued)

Disclosure of actuarial assumptions	2015 %	2014 %	2013 %	2012 %	2011 %
Rate of increase in salaries	**3.1**	3.0	3.3	3.0	3.8
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	**3.1**	3.0	3.6	2.7	2.8
Discount rate (pre and post retirement)	**4.2**	3.9	4.6	4.3	4.7
Inflation assumption	**3.1**	3.0	3.3	2.7	2.8

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

Retirement benefit schemes	2015 £'000	2014 (restated) £'000
Current service cost	**8**	9
Net interest cost	**35**	22
Plan introductions, changes, curtailments & settlements	**-**	-
	43	31
Recognised in other comprehensive income	**-**	-
Total cost relating to defined benefit scheme	**43**	31

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2015 £'000	2014 (restated) £'000
Present value of defined benefit obligations	**(2,846)**	(3,414)
Fair value of scheme assets	**2,489**	2,534
Net liability recognised in the balance sheet	**(357)**	(880)

Notes to the Financial Statements (continued)
Year ended 31 December 2015

23. RETIREMENT BENEFIT SCHEMES (continued)

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 (restated) £'000
At 1 January	3,414	2,973
Service cost	-	-
Interest cost	134	136
Actuarial gains and losses	(625)	356
Contributions from scheme participants	-	-
Benefits paid	(75)	(51)
Losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
	2,848	3,414

Movements in the fair value of scheme assets were as follows:	2015 £'000	2014 (restated) £'000
At 1 January	2,534	2,512
Interest income	97	114
Actuarial gains and losses	(59)	(32)
Return on plan assets (excluding amounts included in net interest cost)	-	-
Contributions from the employer	-	-
Contributions from scheme participants	-	-
Benefits paid	(75)	(51)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Plan administrative cost	(8)	(9)
	2,489	2,534

The analysis of the scheme assets at the balance sheet date was as follows:

	Fair value of assets	
	2015 £'000	2014 (restated) £'000
Group pension contract	1,549	1,547
Annuity contract	940	987
	2,489	2,534

Notes to the Financial Statements (continued)

Year ended 31 December 2015

24. FINANCIAL COMMITMENTS

	Group		Company	
	2015 £'000	2014 (restated) £'000	2015 £'000	2014 (restated) £'000
Contracted for but not provided for - Compton Beauchamp Estates Ltd Loan	(7,238)	(7,021)	(7,238)	(7,021)

Interest rate on profile of financial commitments	2015	2014
Compton Beauchamp Estates Ltd Loan	2% over LGT (Ireland) International interbank rate	2% over LGT (Ireland)International Interbank rate

As at 31 December 2015 there were no hedging instruments in place.

25. SUBSEQUENT EVENTS

On 26 April 2016, the Group completed the transfer of the third and final tranche of land to David Wilson Homes, under the terms of the development agreement dated 18 September 2012. The profits and associated costs attributable to this transaction will be recognised in the financial statements for the year ended 31 December 2016.

26. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS102 not to disclose transactions between entities, of whose voting rights are controlled within the Group.

The CBEL loan of £7,238,230 is provided by Compton Beauchamp Estates Limited (see note 18). Erik Penser is a director of Compton Beauchamp Estates Limited. This is considered to be an arm's length transaction.

Notes to the Financial Statements (continued)

Year ended 31 December 2015

27. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

RECONCILIATION OF EQUITY

	Group At 1 January 2014 £'000	At 31 December 2014 £'000
Equity reported under previous UK GAAP	**15,577**	**17,212**
FRS 102 transition adjustments:		
1 Recognition of DWH transaction at fair value	12,710	9,677
2 Compton Beauchamp loan on effective rate interest basis	(8)	(22)
3 Deferred tax on 2003 rollover relief claim	(1,262)	(1,210)
Equity reported under FRS 102	**27,017**	**25,657**

RECONCILIATION OF PROFIT FOR YEAR ENDED 31 DECEMBER 2014

	2014 £'000
Profit for the financial period under previous UK GAAP	**1,635**
1 Movement in fair value of DWH debtor	(1,497)
2 Reversal of original DWH asset gains	(1,536)
3 Movement in Compton Beauchamp loan on effective rate interest basis	(13)
4 Movement on deferred tax on 2003 rollover relief claim	51
Loss for the financial period under FRS 102	**(1,360)**