



The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 which is part of UK law by virtue of the European Union (withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

22 September 2022

NEWBURY RACECOURSE PLC
(the "Racecourse" or the "Company")

Interim results for the 6 months ended 30 June 2022

Newbury Racecourse plc, the racing, entertainment and events business, today announces its half year results for the six months ended 30 June 2022.

2022 Financial and Business Update

- Statutory turnover increased by 46% to £7.81m (2021: £5.37m).
- Operating profit before interest, tax and exceptional items of £0.14m (2021: Loss of £0.38m)
- Consolidated group profit on ordinary activities before tax of £0.22m (2021: Loss of £0.34m).
- Raceday attendances of 57,300 (2021: 4,400). Fifteen meetings held with a paying attendance crowd compared with two meetings (plus ten held behind closed doors) in 2021.
- Final £10.7m receipt received from David Wilson Homes in March under the 2012 development agreement.
- Nat West Bank and Compton Beauchamp loans fully repaid resulting in the Company currently being debt-free.
- The Company has satisfied the commitment made in 2012 to return capital to shareholders with a special interim dividend of 89.6 pence per share, which was announced in May and paid in June 2022.
- £1m investment into Berkshire Stand first floor facilities alongside Levy Restaurants (catering partner).
- New commercial relationship between the Company and Entain Group meaning that Coral will become the title sponsor of the two-day Coral Gold Cup Meeting at the end of November in a three-year deal.
- Following planning consent, the Company has also reached agreement with Underbelly Ltd to launch the Great Christmas Carnival which will take place at the racecourse for thirty five days commencing 25th November. The Company expects this arrangement to create an important new revenue stream with the opportunity to potentially develop the event for an additional four years beyond 2022.

Dominic Burke, Chairman of Newbury Racecourse plc commented:

"Trading for the first half of the year was satisfactory with raceday attendances returning to pre-pandemic levels, enabling the business to deliver results broadly in line with management's expectations. Due to the current economic environment, we expect some raceday revenue challenges in the second half of the year but, despite this, we continue to commit additional resources into prizemoney to support our key stakeholders. Despite the current economic environment, we remain confident in the long term prospects for the Company.

On a separate, sad, note the nation mourns the loss of a much loved and respected Monarch. Throughout her life, Her Majesty Queen Elizabeth II was a figurehead for British Horseracing and we are honoured to have so many memories of her here at the racecourse, including multiple winners in the Royal colours. I can express the deep gratitude of myself and all at Newbury Racecourse for her unwavering support for, and appreciation of, British racing over many decades. Our heartfelt condolences to His Majesty The King and the Royal family"

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CHAIRMAN'S STATEMENT

2022 Trading

In the first six months of 2022 the horseracing industry and our business returned to normal trading activity following the disruption caused by the COVID-19 pandemic impacting operations after March 2020.

Total turnover increased by 46% compared to the same period in 2021 to £7.81m. Overall operating profits for the six months were slightly higher than our expectations at £0.14m (2021: loss of £0.38m) as, compared to the prior year, we were able to host our racing fixtures with crowds. Profits before tax for the period were £0.22m (2021: Loss of £0.34m)

Our racing to date has been thrilling and competitive as ever, demonstrating our continued ability to attract the very best horses across both codes. Highlights so far this year have included wins in the February Betfair Hurdle for *Glory and Fortune* and for *Eldorado Allen* in the Denman Chase. The start of the 2022 flat season was held over the Easter weekend in April, with *Wild Beauty*, *Max Vega* and *Perfect Power* winning the main races in the Dubai Duty Free Spring Trials. The Al Shaqab Lockinge Stakes was won in majestic fashion by *Baaeed*, who subsequently went on to win the further Group 1 races, the Queen Anne Stakes, the Qatar Sussex Stakes and the Juddmonte International, and is currently ranked as the World's best racehorse. Raceday declared attendances for the first half of the year have been 57,300 which is 2% down on pre-pandemic levels.

Our non-racing businesses continue to be a significant focus for us as we aim to broaden our trading activities. The Lodge hotel re-opened in January this year where we have seen trading levels beyond our expectations, particularly given that it had been closed for 22 months. Likewise, the Rocking Horse Nursery remains a solid profitable business.

Beyond these results, the July Weatherby's Super Sprint Day featured our first Party in the Paddock event of the year with Craig David returning to the racecourse and performing to an excited crowd after a great day's racing. The feature race of the day attracted 21 horses and was won in style by *Eddie's Boy*. Our second Party in the Paddock took place at August's BetVictor Hungerford Day where the Hungerford Stakes was won by *Jumby* ridden by William Buick. Judge Jules's DJ set was followed by the Ministry of Sound Classical concert.

Financing and Dividends

The final £10.7m receipt for the balance of the guaranteed minimum land value under the 2012 David Wilson Homes development agreement, was received in March this year as per the contract. The Company does not expect to receive any further payments from this agreement.

Subsequently this enabled the business to settle the outstanding £4.5m balance on the Nat West Bank loan as well as make the final £2.7m repayment of the Compton Beauchamp Estates Loan, meaning that the Company is currently free of debt.

Given the completion of the David Wilson Homes transaction I am pleased that we have been able to satisfy the commitment made in 2012, and in many subsequent announcements, to return capital to shareholders. On 5 May the Board announced the declaration of a £3m special interim dividend distribution which has now been fully paid.

Outlook

Trading for the first half of the year was satisfactory with raceday attendances returning to pre-pandemic levels, enabling the business to deliver results broadly in line with management's expectations. Due to the current economic environment, we expect some raceday revenue challenges in the second half of the year but, despite these challenges, we continue to commit additional resources into prizemoney to support our key stakeholders. Despite the current economic environment, we remain confident in the long term prospects for the Company.

Meanwhile we now look ahead to the final fixtures of the Autumn Flat programme. The Dubai Duty Free International Weekend in September will be followed by the return of Oktoberfest at the end of October's weekend racing. Attention will then turn to the National Hunt season in November with both the Winter Carnival weekend and Gold Cup race now being sponsored by Coral. The year will then draw to a close on the 31st December with the popular festive gathering of the Challow Hurdle.

We look forward to welcoming all those associated with the racecourse to these fixtures and our other business activities for the remainder of 2022.

On a separate, sad, note the nation mourns the loss of a much loved and respected Monarch. Throughout her life, Her Majesty Queen Elizabeth II was a figurehead for British Horseracing and we are honoured to have so many memories of her here at the racecourse, including multiple winners in the Royal colours. I can express the deep gratitude of myself and all at Newbury Racecourse for her unwavering support for, and appreciation of, British racing over many decades. Our heartfelt condolences to His Majesty The King and the Royal family.

DOMINIC J BURKE

Chairman

22 September 2022

CHIEF EXECUTIVE'S REPORT

Performance Review

Turnover increased by 46% to £7.81m (2021: £5.37m) in the first half of the year, albeit the same period in 2021 was impacted by severe COVID-19 pandemic restrictions with ten racing fixtures taking place behind closed doors, the hotel being fully closed and our Conference & Events business being partly closed. Gross profit increased to £1.55m (2021: £0.7m) reflecting the increase in turnover and the impact of the Levy catering partnership royalty reporting.

Administrative expenses of £1.41m (2021: £1.15m) increased year-on-year due to the full re-opening of the site this year.

Mid-year operating profits of £0.14m were better than expectations and last year (2021: Loss of £0.38m)

Exceptional items in the first six months of 2022 were a credit of £0.03m (2021: credit of £0.06m) being the fair value movement on the David Wilson Homes debtor, which has now fully unwound given the debt is fully paid.

The pre-tax profit on ordinary activities was £0.22m (2021: loss of £0.34m).

Racing

The racecourse has hosted fifteen racedays to 30th June 2022. This compares to twelve staged during the same period in 2021, of which ten were behind closed doors and the remaining two had crowd restrictions. Declared attendances in the first six months were 57,300, compared with 4,400 for the same period in 2021.

Total media related revenues of £2.75m, were up 26% on the same period in 2021, as a consequence of the higher number of racedays being hosted as well as Licensed Betting Offices being closed for periods in early 2021.

We are grateful to have received continued significant support from all of our sponsors, with particular thanks to Al Shaqab, Betfair, BetVictor, Starlight Children's Foundation, Compton Beauchamp Estates and Dubai Duty Free for their committed investment in the first half of the year.

Catering, Hospitality and Conference & Events

Following the partnership agreement with Levy Restaurants which commenced in June 2021, the Company will receive royalty income from the shared arrangement rather than reporting full income and costs. The royalty income of £0.17m in the first half of 2022 compares with a nominal amount reported for the two racedays hosted with a limited crowd in 2021. The partnership has enabled us to invest in our facilities with the Berkshire Stand first floor area re-launching in May following a substantial refurbishment.

Conference & Events has performed well in 2022 but we continue to run off business as we no longer actively market this activity subject to review. Consequently, our revenues up to 30 June 2022 were £0.12m compared with the same figure in 2021, resulting in an operating profit of £0.08m (2021: profit of £0.08m).

The Lodge

Our 36-bedroom onsite hotel remained closed to the public throughout 2021. It was re-opened in January this year and has performed strongly with occupancy and room rates only slightly down on the normal levels we experienced pre-pandemic. Revenue for the first half of the year was £0.34m (2021: £nil) and a reported profit of £0.05m (2021: £nil)

Rocking Horse Nursery

The Rocking Horse Nursery has continued to trade throughout. Revenues in the first six months of 2022 were £0.86m, up 8% on the comparative period in 2021 of £0.80m. This business unit reported an operating profit of £0.31m (2021: profit of £0.31m).

JULIAN THICK
Chief Executive
22 September 2022

Consolidated Profit and Loss Account

Six months ended 30 June 2022

	Note	Unaudited 6 months 30/06/22 £'000	Unaudited 6 months 30/06/21 £'000
Turnover	7	7,812	5,365
Cost of sales		(6,261)	(4,662)
Gross profit	7	1,551	703
Administrative expenses		(1,407)	(1,152)
Other operating income	8	-	66
Operating profit/(loss) before exceptional items		144	(383)
Exceptional Items	9	31	62
Profit/(loss) before interest and tax		175	(321)
Interest receivable and similar income		90	85
Interest payable and similar charges		(48)	(100)
Profit/(loss) before taxation		217	(336)
Tax (charge)/credit	10	(109)	280
Profit/(loss) after taxation		108	(56)
Profit/ (loss) per share (basic and diluted) (See Note 11)		3.23p	(1.67p)

All amounts derived from continuing operations

Consolidated Statement of Comprehensive Income

Six months ended 30 June 2022

	Unaudited 6 months 30/06/22 £'000	Unaudited 6 months 30/06/21 £'000
Total comprehensive income/ (loss) for the period	108	(56)

Consolidated Balance Sheet

As at 30 June 2022

	Note	Unaudited 30/06/22 £'000	Audited 31/12/21 £'000
Fixed assets			
Tangible assets	12	40,762	40,811
Investments		117	117
		40,879	40,928
Current assets			
Stocks		43	22
Debtors: amounts falling due after more than one year		3,687	3,618
Debtors: amounts falling due within one year		2,578	12,695
Cash at bank and in hand		6,790	6,009
		13,098	22,344
Creditors: amounts falling due within one year		(3,711)	(10,160)
Net current assets		9,387	12,184
Total assets less current liabilities		50,266	53,112
Creditors: amounts falling due after more than one year		-	-
Provisions for liabilities			
Provisions		(3,868)	(3,759)
Pension liability	15	(651)	(705)
Net assets		45,747	48,648
Capital grants			
Deferred capital grants		27	36
Capital and reserves			
Called up share capital	13	335	335
Share premium account		10,202	10,202
Revaluation reserve		75	75
Equity reserve		143	143
Profit and loss account surplus		34,965	37,857
Shareholders' funds		45,720	48,612
Net assets		45,747	48,648

The unaudited half year financial statements of Newbury Racecourse PLC, company registration 00080774, were approved by the Board of Directors on 22 September 2022 and signed on its behalf by:

D J Burke (Chairman)

J M Thick (Chief Executive)

Consolidated Statement of Changes in Equity

At 30 June 2022

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2021	335	10,202	143	75	38,119	48,874
Loss for the period to 30 June 2021	-	-	-	-	(56)	(56)
At 30 June 2021	335	10,202	143	75	38,063	48,818

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2022	335	10,202	143	75	37,857	48,612
Profit for the period to 30 June 2022	-	-	-	-	108	108
Transactions with owners						
Dividends (Note 14)	-	-	-	-	(3,000)	(3,000)
Total transactions with owners					(3,000)	(3,000)
At 30 June 2022	335	10,202	143	75	34,965	45,720

Consolidated Cash Flow Statement

Six months ended 30 June 2022

	Unaudited 6 months 30/06/22 £000	Restated Unaudited 6 months 30/06/21 £000
Cash flows from operating activities		
Profit /(loss) for the financial period	108	(56)
Adjustments for:		
Exceptional items	(31)	(62)
Amortisation of capital grants	(9)	(9)
Depreciation charges	640	625
Interest paid	48	100
Interest received	(90)	(85)
Tax charge /(credit)	109	(280)
(Increase)/decrease in stocks	(21)	151
(Increase)/decrease in debtors	(592)	(190)
Increase/(decrease) in creditors	753	989
Corporation tax paid	-	-
Other associated property receipts	51	7
Pension funding deficit payments	(68)	(55)
Net cash generated from operating activities	898	1,135
Cash flows from investing activities		
Receipts from David Wilson Homes	10,706	112
Purchase of fixed assets	(594)	(299)
Net cash from investing activities	10,112	(187)
Cash flows from financing activities		
Repayment of bank loan	(4,500)	(1,500)
Repayment of CBEL Loan	(2,712)	-
Interest paid	(17)	(45)
Dividend paid	(3,000)	-
Net cash used in financing activities	(10,229)	(1,545)
Net Increase/(decrease) in cash and cash equivalents	781	(597)
Cash and cash equivalents at beginning of period	6,009	5,529
Cash and cash equivalents at the end of period	6,790	4,932
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	6,790	4,932
	6,790	4,932

Notes to the Interim Financial Statements

Six months ended 30 June 2022

1. BASIS OF PREPARATION

Newbury Racecourse PLC (the “Company”) is a public company incorporated, domiciled and registered in England in the UK. The registered number is 00080774 and the registered address is The Racecourse, Newbury, Berkshire, RG14 7NZ.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”).

These interim financial statements do not include all of the notes and disclosures required to comply with FRS102, as they have been prepared in accordance with the content, recognition and measurement principles for interim financial reports, Financial Reporting Standard 104 (FRS 104).

The interim financial statements for the six months ended 30 June 2022 do not constitute statutory accounts within the meaning of S434 of the Companies Act 2006. The auditor’s report on the accounts of Newbury Racecourse plc for the 12 months to 31 December 2021 was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under S498 (2) or (3) of the Companies Act 2006 and has been delivered to the Registrar of Companies.

2. SIGNIFICANT ACCOUNTING POLICIES

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group’s most recent annual financial statements for the year ended 31 December 2021 and those expected to be applied for the year ending 31 December 2022.

3. ESTIMATES

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group’s last annual financial statements for the year ended 31 December 2021. The only exceptions are the estimate of income tax liabilities which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

4. GOING CONCERN

The Board has undertaken a full, thorough and continual review of the Group’s forecasts and associated risks and sensitivities, over the next twelve months. 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. A system of regular reviews of the forecasted business 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 (and other factors such as animal disease and national mourning), reducing the levels of risk carried by the Group.

The Board has reviewed the cash flow and working capital requirements in detail. Following this review, the Board has concluded that it has reasonable expectation that the Group has adequate resources in place to continue in operational existence for the foreseeable future and has not identified a material uncertainty in this regard. On this basis the going concern basis has been adopted in preparing the financial statements.

5. REVENUE RECOGNITION

Services rendered, raceday income including admissions, catering revenues, sponsorship and licence fee income is recognised on the relevant raceday. Annual membership income and box rental is recognised over the period to which they relate.

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, the Lodge hotel income is recognised over the duration of the guests stay and nursery income is recognised as the child attends the nursery.

Sale of goods revenue is recognised for the sale of food and liquor when the transaction occurs.

6. PROPERTY RECEIPTS

Property receipts are recognised in accordance with the nature of the transaction being that of an exceptional sale of land. The minimum guaranteed sum, as set out in the agreement with David Wilson Homes, is recognised at the point of sale. In accordance with FRS102, at each reporting date, the sum receivable is re-estimated based upon currently projected land value with the difference between this value and the discounted net present value recorded in the profit and loss account.

Notes to the Interim Financial Statements

Six months ended 30 June 2022

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- (a) The condensed set of financial statements has been prepared in accordance with FRS 104 'Interim Financial Reporting' giving a true and fair value of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation as a whole as required by DTR 4.2.4R.
- (b) The interim report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

J M Thick
Chief Executive

22 September 2022

M Leigh
Finance Director

22 September 2022

Notes to the Interim Financial Statements

Six months ended 30 June 2022

7. SEGMENTAL ANALYSIS

30 June 2022	Turnover £'000	Gross Profit/(Loss) £'000	Operating (Loss)/profit before exceptional items £'000	(Loss)/profit before tax £'000	*Net Assets £'000
Trading	6,581	1,156	(231)	(272)	39,115
Nursery	863	312	312	312	2,674
Lodge	338	53	53	53	1,569
Property	30	30	10	124	2,389
Total	7,812	1,551	144	217	45,747

30 June 2021	Turnover £'000	Gross Profit/(Loss) £'000	Operating (Loss)/profit before exceptional items £'000	(Loss)/profit before tax £'000	*Net Assets £'000
Trading	4,527	368	(655)	(670)	31,610
Nursery	800	314	314	314	2,637
Lodge	8	(9)	(9)	(9)	1,543
Property	30	30	(33)	29	13,071
Total	5,365	703	(383)	(336)	48,861

* Net assets represents fixed assets less deferred income and term loans for Property, Nursery and Lodge; all working capital is included within the 'Trading' segment.

8. OTHER OPERATING INCOME

	6 months 30/06/22 £'000	6 months 30/06/21 £'000
Other Operating Income	-	66
Total	-	66

Other operating income is attributable to government grants received from the Coronavirus Job Retention Scheme.

9. EXCEPTIONAL ITEMS

	6 months 30/06/22 £'000	6 months 30/06/21 £'000
DWH debtor movement in fair value	31	62
Total	31	62

In accordance with the audited financial statements, accounting transactions related to the DWH agreement are considered outside the ordinary course of business.

Notes to the Interim Financial Statements

Six months ended 30 June 2022

10. TAXATION

The tax has been computed in accordance with FRS 104 Interim Financial Reporting. This requires the company to apply the estimated annual effective tax rate to the loss for the interim period and recognise a tax credit only to the extent that the resulting tax asset is more likely than not to reverse.

11. PROFIT PER SHARE

Basic and diluted profit per share of 3.23p (2021, loss per share: 1.67p) is calculated by dividing the profit attributable to ordinary shareholders for the period ended 30 June 2022 of £108,000 (2021 loss of: £56,000) by the weighted average number of ordinary shares during the period of 3,348,326 (2021: 3,348,326).

12. TANGIBLE FIXED ASSETS

GROUP	Freehold property £'000	Fixtures and fittings £'000	Tractors and motor vehicles £'000	Total £'000
Cost or valuation				
As at 1 January 2022	53,831	9,954	313	64,098
Additions	88	503	-	591
Disposals	-	-	-	-
At 30 June 2022	53,919	10,457	313	64,689
Depreciation				
At 1 January 2022	17,456	5,650	181	23,287
Charge for year	336	293	11	640
Disposals	-	-	-	-
At 30 June 2022	17,792	5,943	192	23,927
Net book value at 30 June 2022	36,127	4,514	121	40,762
Net book value at 31 December 2021	36,375	4,304	132	40,811

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 (and excluding outdoor fixtures) determined by the historical cost convention is £36,051,000 (2021: £36,609,000).

In 2018 the board revisited the residual values and useful economic lives of the land enhancements and major buildings on the site. Savills were instructed to provide an estimate of the residual values and these were applied in re-estimating the depreciation charge for those assets. There was no further change in the residual values or useful economic lives during 2022.

Notes to the Interim Financial Statements

Six months ended 30 June 2022

13. SHARE CAPITAL

	30/06/22 £'000	30/06/21 £'000
Authorised		
Ordinary shares of 10p each	600	600
Total	600	600
<hr/>		
	30/06/22 £'000	30/06/21 £'000
Allotted and fully paid		
Ordinary shares of 10p each	335	335
Total	335	335

14. DIVIDENDS

	2022		2021	
	Pence/share	£'000	Pence/share	£'000
Final dividend for:				
Year ended 31 December 2021	89.6p	(3,000)	-	-
Dividends paid in the year		(3,000)		-

15. RETIREMENT BENEFIT OBLIGATIONS

The defined benefit obligation as at 30 June 2022 has been determined with reference to the figures recorded at 31 December 2021, which were calculated in accordance with FRS102 s.28. In the Directors' opinion there have not been any significant fluctuations in the key assumptions. The movement in the defined benefit deficit relates to the top-up payment made during the period ended 30 June 2022 of £0.07m, net of interest charges accrued.

16. RELATED PARTY TRANSACTIONS

There are no significant changes to the nature and treatment of related party transactions for the period to those reported in the 2021 Annual Report and Accounts.