



**30 September 2016**

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

**Interim Results for the 6 months ended 30 June 2016**

Newbury Racecourse plc, the racing, entertainment and events business, today announces its half year results for the six months ended 30 June 2016.

**Financial Highlights**

- Turnover up 1% to £5.56m (2015: £5.49m)
- Operating loss on ordinary activities £0.28m (2015: £0.16m loss)
- Exceptional profits of £20.1m (2015: £nil) resulting from the final sale of land to David Wilson Homes
- Profit After Tax £17.2m (2015: £0.28m)

**Operational Highlights**

- 4% increase in media revenues
- 26% growth in Conference & Events revenues
- 33% growth in Rocking Horse Nursery revenues

**Property Development Highlights**

- Sale of final tranche of land to David Wilson Homes completed
- More than 400 homes now occupied on site
- New access bridge now open
- "Heartspace" development underway, bringing major benefits for racegoers and all our customers

Dominic Burke, Chairman of Newbury Racecourse plc commented:

"In spite of the British weather that caused an almost unprecedented three abandoned racedays, the first six months of 2016 have nonetheless been positive, with particularly strong performances in Conference & Events and the Rocking Horse Nursery, together with continued growth in media revenues.

In April we completed on the sale of the final tranche of land to David Wilson Homes, resulting in an exceptional profit of £20.1m and David Wilson Homes continues to make steady progress on the residential development.

The £20m redevelopment of our own "heartspace" is also now underway and marks another important milestone in the transformation of Newbury Racecourse.

The Board remains confident in the delivery of a positive financial outturn for 2016, in line with our long term plans for the business."

For further information please contact:

Newbury Racecourse plc  
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## Chairman's Statement

In spite of the British weather that caused an almost unprecedented three abandoned racedays, the first six months of 2016 have nonetheless been positive. Total turnover increased 1% on 2015 to £5.56m (2015: £5.49m), with particularly strong performances in Conference & Events and the Rocking Horse Nursery, together with continued growth in media revenues. Overall operating losses for the first six months of £0.28m (2015: £0.16m) were broadly in line with our expectations after consideration of the financial consequence of the abandonments.

In April we completed on the sale of the final tranche of land to David Wilson Homes, resulting in an exceptional profit of £20.1m. Overall profits on ordinary activities after tax for the period were £17.2m (2015: £0.28m).

### Racing Highlights

The first half of the year was again a period of excellent racing at Newbury. On the jump racing front, Betfair Super Saturday lived up to its reputation for highlighting future stars with Ballyandy producing a top class performance en route to taking the Champion Bumper at the Cheltenham Festival. On the same day, up and coming jockey Lizzie Kelly grabbed the headlines when winning the Betfair Hurdle, the richest handicap hurdle in the UK, on Agrapart.

Friday 13 May saw a slice of racing history take place as Cunco, the first offspring of unbeaten champion racehorse Frankel, who was twice a winner at Newbury, made a winning debut and provided international news coverage for Newbury into the bargain. Ulysses, also a winner on that day, went on to run in the Derby, subsequently won the Gordon Stakes at The Qatar Goodwood Festival and could well bid for the Group 1 Champion Stakes in October.

The second running of Al Shaqab Lockinge day, our flagship flat racing fixture, was a major highlight during this period, with high class racing on a glorious day in front of a large crowd. Mehmas, winner of the Olympic Glory Conditions Stakes, has since progressed to be one of the leading two year olds of the year, winning twice at Group 2 level. Belardo, himself a champion two-year-old in 2014, was an outstanding winner of the Group 1 Al Shaqab Lockinge Stakes beating a high class field containing subsequent July Cup winner Limato.

### The Development

David Wilson Homes continues to make steady progress on the residential development, with phase two well underway. With over 400 homes now occupied on the site, there is a real sense of a thriving new community and we are delighted that a large number of residents have taken up membership at the racecourse.

Of our own new buildings, both the new Rocking Horse Nursery and The Lodge, which is now open as a hotel outside of its primary use as stable staff accommodation, have been well received and are driving incremental revenues for the Company. The enhanced car parking facilities and the now opened access bridge have greatly improved the arrival and departure experience for our racegoers and customers.

### Outlook

At the Weatherbys Super Sprint meeting in July we hosted Simply Red, who performed after an excellent day's racing, with attendances of almost 20,000. Betfred Ladies Day in August saw Will Young return to his home racecourse, to perform in front of a 13,000 strong crowd. The Dubai Duty Free International weekend in September was attended by more than 13,000 people across the two days and featured international DJ and producer Mark Ronson after racing on the Saturday, to close our 2016 music events.

The £20m redevelopment of our own "heartspace" is now underway, starting with the construction of the new Owners and Trainers facility, re-modelled saddling boxes and parade rings, which are due for completion in the late summer of 2017. This marks another important milestone in the transformation of Newbury Racecourse.

The Board remains confident in the delivery of a positive financial outturn for 2016, in line with our long term plans for the business.

**DOMINIC J BURKE**

Chairman

29 September 2016

## CHIEF EXECUTIVE'S REPORT

### PERFORMANCE REVIEW

Turnover increased 1% to £5.56m (2015: £5.49m) in the first half of the year, with a 4% increase in media revenues, a 26% increase in Conference and Events turnover and a 33% increase in Nursery income.

Increased administrative expenses of £1.2m (2015: £1.04m), largely reflect the planned investment in our people required to facilitate the growth plans for the overall business.

Mid-year operating losses were £0.28m (2015: loss of £0.16m). £0.1m of the shortfall versus the prior year is the net impact of the three abandonments.

Exceptional items were £20.1m, being the net profit on disposal of the final tranche of land to David Wilson Homes, representing the minimum guaranteed value under the terms of the sale agreement dated September 2012, less associated costs.

Profit on ordinary activities after tax was £17.2m (2015: £0.28m).

### Racing

With the abandonment of three racedays due to weather and one less scheduled raceday, attendances in the first six months of 55,647 were 27% less than the same period in 2015 (76,021). Our policy of selectively insuring a number of our fixtures, mitigated, to a significant extent, the financial impact of the abandonments.

We are grateful to have received continued significant support from all of our sponsors, with particular thanks to Al Shaqab, Betfair, Betfred, Dubai Duty Free and JLT for their investment in the first half of the year.

### Hospitality and Retail

Like for like revenues from the catering business increased by c. 10% on 2015 and we continue to drive improvements in the performance of this part of our business, to ensure it is delivering the best quality and value to our customers, whilst maximising the returns from the investment made in our in-house catering operations. Our team continue to work hard to ensure the highest standards of customer service.

### Leisure, Conference and Events

Conference and Events revenues in the period were 26% up on the first half of 2015 with event days c. 21% up on the comparative period. We were delighted to host a number of prestigious organisations, including B&Q, Nationwide, Open University and Thames Water.

Trading prospects for the remainder of the year look positive, with a focused and proactive sales strategy in place. Confirmed business on the books for the remainder of the year already puts us level with 2015 full year revenues, with some good prospects for the remainder of the year and Christmas parties once again selling well.

### Rocking Horse Nursery

Revenues in the first six months of 2016 (£493k) were 33% up on the comparative period in 2015, with a like for like occupancy increase of 14%.

Having opened the new nursery facility approximately one year ago in August 2015, we are delighted with the improvements in trading performance during this time and to see the anticipated returns on our investment in this state of the art building and our staff.

### Property Redevelopment

The DWH residential development has continued to make good progress and there remains high demand for homes on the site, with 99% of completed homes now occupied. Construction on the second phase of residential development, the Central Area apartments, is well underway with good levels of interest and c. 60% of the properties released to date already reserved. The new access bridge from the north opened to the general public in May and has significantly improved ingress and egress into the site.

Following receipt of planning approval in October 2015, redevelopment of the “heartspace” is now underway, starting with the construction of the new Horsemen’s Club at the western end of the site. These works also include new entrances, remodelling of the parade ring areas and are focused on enhancing the experience for all of our racegoers, whilst generating improved financial returns for the wider business in the longer term.

**JULIAN THICK**  
Chief Executive  
29 September 2016

## Consolidated Profit and Loss Account

Six months ended 30 June 2016

		Un-audited 6 months 30/06/16 £'000	Un-audited 6 months 30/06/16 £'000	Un-audited 6 months 30/06/16 £'000	Un-audited 6 months 30/06/15 £'000	Un-audited 6 months 30/06/15 £'000	Un-audited 6 months 30/06/15 £'000
	Note	Trading	Property	Total	Trading	Property	Total
<b>Turnover</b>	5	5,528	35	5,563	5,475	24	5,499
Cost of sales		(4,635)	-	(4,635)	(4,620)	-	(4,620)
<b>Gross profit</b>	5	893	35	928	855	24	879
Administrative expenses		(1,127)	(82)	(1,209)	(989)	(50)	(1,039)
<b>Operating loss</b>		(234)	(47)	(281)	(134)	(26)	(160)
<b>Exceptional Items</b>	6	-	20,123	20,123	-	-	-
<b>Profit/(loss) on ordinary activities before interest</b>		(234)	20,076	19,842	(134)	(26)	(160)
Interest receivable and similar income		-	14	14	-	403	403
Interest payable and similar charges		(162)	(873)	(1,035)	(129)	(19)	(148)
<b>Profit/(loss) on ordinary activities before taxation</b>		(396)	19,217	18,821	(263)	358	95
Tax (charge)/credit on (loss)/profit on ordinary activities		(149)	(1,467)	(1,616)	181	-	181
<b>Profit/(loss) for the financial period</b>		(545)	17,750	17,205	(82)	358	276

Profit per share (basic and diluted) 514p 8.3p

All amounts derive from continuing operations

## Consolidated Statement of Comprehensive Income

Six months ended 30 June 2016

	<b>Unaudited 6 months 30/06/16 £'000</b>	<b>Unaudited 6 months 30/06/15 £'000</b>
Total comprehensive income for the period	<b>17,205</b>	<b>276</b>

**Consolidated Balance Sheet**

Six months ended 30 June 2016

	Note	Unaudited 6 months 30/06/16 £'000	Audited 12 months 31/12/15 £'000
<b>Fixed assets</b>			
Tangible assets	8	29,366	35,535
Investments		215	192
		<b>29,581</b>	<b>35,727</b>
<b>Current assets</b>			
Stocks		239	206
Debtors			
- due within one year		6,562	4,285
- due in more than one year		25,027	-
Cash at bank and in hand		510	2,105
Cash Investment		7,046	6,837
		<b>39,384</b>	<b>13,433</b>
<b>Creditors: amounts falling due within one year</b>		<b>(10,829)</b>	<b>(8,378)</b>
Net current assets		<b>28,555</b>	<b>5,055</b>
<b>Total assets less current liabilities</b>		<b>58,136</b>	<b>40,782</b>
Creditors: amounts falling due after more than one year		(7,354)	(7,238)
Provisions for liabilities		(1,651)	(1,570)
<b>Net assets before pension deficit</b>		<b>49,131</b>	<b>31,974</b>
Pension deficit		(316)	(303)
<b>Net assets after pension deficit</b>		<b>48,815</b>	<b>31,671</b>
<b>Deferred income</b>			
Deferred capital grants		3,902	3,963
<b>Capital and reserves</b>			
Called up share capital	9	335	335
Share premium account		10,202	10,202
Revaluation reserve		75	75
Equity reserve		143	143
Profit and loss account surplus		34,158	16,953
<b>Shareholders' funds</b>		<b>44,913</b>	<b>27,708</b>
		<b>48,815</b>	<b>31,671</b>

The unaudited half year financial report of Newbury Racecourse plc, company registration 00080774, was approved by the board on 29 September 2016 and signed on its behalf by:-

D J Burke (Chairman)

J M Thick (Chief Executive)

## Consolidated Statement of Changes in Equity

At 30 June 2016

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
<b>At 31 December 2015</b>	335	10,202	143	75	16,953	27,708
Profit for the period to 30 June 2016	-	-	-	-	17,205	17,205
<b>At 30 June 2016</b>	335	10,202	143	75	34,158	44,913



## Consolidated Cash Flow Statement

Six months ended 30 June 2016

	Note	Unaudited 6 months 30/06/16 £'000	Unaudited 6 months 30/06/15 £'000
<b>Net cash (outflow)/inflow from operating activities</b>	1	(1,511)	456
<b>Returns on investments and servicing of finance</b>			
Interest received and other investment income		14	-
Interest paid		20	(36)
Pension scheme contribution		-	-
Net cash outflow from returns on investments and servicing of finance		34	(36)
<b>Taxation</b>			
UK corporation tax refunded		-	155
Total tax refunded/(paid)		-	155
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(347)	(852)
Receipts from exceptional sale of fixed assets		484	2,463
Grant from HBLB		-	50
Net cash inflow from capital expenditure		137	1,661
<b>Net cash inflow/(outflow) before financing</b>		<b>1,340</b>	<b>2,236</b>
<b>Financing</b>			
Arrangement fees paid		(30)	-
Loan finance received		-	-
Loan repayment		(16)	-
Net cash inflow/(outflow) from financing		(46)	-
<b>(Decrease)/Increase in cash in the period</b>		<b>(1,386)</b>	<b>2,236</b>

## Notes to the Consolidated Cash Flow Statement

Six months ended 30 June 2016

	Unaudited 6 months 30/06/16 £'000	Unaudited 6 months 30/06/15 £'000
<b>1. Reconciliation of operating loss to net cash (outflow) from operating activities</b>		
Operating loss	(281)	(160)
Depreciation charges	547	525
Amortisation of capital grants	(61)	(55)
(Increase) in stocks	(33)	(31)
(Increase) in debtors and prepayments	(2,574)	(901)
Increase in creditors and accruals	891	1,078
Net cash (outflow)/inflow from operating activities	(1,511)	456

	Unaudited 6 months to 30/06/16 £'000	Unaudited 6 months 30/06/15 £'000
<b>2. Reconciliation of net cash flow to movement in net debt</b>		
(Decrease) in cash in the period	(1,385)	2,236
Cash (outflow)/inflow from debt and lease financing	(71)	(108)
Change in net debt resulting from cash flows	(1,456)	2,128
Non cash movements	-	-
Net debt at 1 January	1,687	(2,589)
Net debt at 30 June	231	(461)

	At 1 Jan 2016 £'000	Cash flow £'000	Non cash changes £'000	At 30 June 2016 £'000
<b>3. Analysis of change in net debt</b>				
Cash at bank and in hand	8,941	(1,385)	-	7,556
Debt due after one year				
- Loan	(7,255)	16	(116)	(7,355)
- loan arrangement fees	-	30	-	30
	1,686	(1,339)	(116)	231

## Notes to the Interim Financial Statements

Six months ended 30 June 2016

### 1. BASIS OF PREPARATION

The accounts consolidate those of the company and its subsidiaries and are prepared under the historical cost convention, modified to include certain items at fair value in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council, effective from 1 January 2015.

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 abridged results for the six months ended 30 June 2016 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 2015 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. GOING CONCERN

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

The Board identified that the Group's cash flow forecasts are sensitive to fluctuating revenue streams from ticket sales, corporate hospitality, conference and events 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.

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.

### 3. REVENUE RECOGNITION

Raceday income including licence fee income and sponsorship, is recognised on the relevant raceday and membership income is recognised over the period of the membership. Other income streams are also recognised over the period for which they relate, for example, conference income is recognised on the day of the conference and nursery income is recognised as the child attends the nursery.

Property receipts arising from the sale of land to David Wilson Homes (DWH) are recognised in accordance with the substance of the transaction, being that of a disposal of land. Cash payments from DWH are received quarterly and are included in the balance sheet as cash/cash investments. The David Wilson Homes debtor is measured at fair value, based upon the expected future receipts discounted at a market rate of interest – movements in the fair value are recognised in the profit and loss.

### 4. NON FRS FINANCIAL INFORMATION

The consolidated profit and loss account includes measures which are not accounting measures under FRS 102 which are used to assist the users of the financial statements to understand the financial performance of the business. These non-FRS measures are not considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with FRS 102. These measures, which are termed "non-FRS" include the separation of property, in relation to the redevelopment of the racecourse, from underlying trading activity. Additionally, where the company considers there to have been exceptional operating items, these are disclosed separately on the face of the profit and loss.

## Notes to the Interim Financial Statements

Six months ended 30 June 2016

### 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'.
- (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

29 September 2016

C E Spencer  
Finance Director

29 September 2016

## Notes to the Interim Financial Statements

Six months ended 30 June 2016

### 5. SEGMENTAL ANALYSIS

	Turnover £'000	Gross profit £'000	Operating (loss)/profit £'000	Profit/(loss) before tax £'000	*Net Assets £'000
<b>2016</b>					
Trading	5,035	752	(375)	(537)	22,583
Nursery	493	141	141	141	2,470
<b>Total</b>	<b>5,528</b>	<b>893</b>	<b>(234)</b>	<b>(396)</b>	<b>25,053</b>
Property	35	35	(47)	19,217	23,762
<b>Total</b>	<b>5,563</b>	<b>928</b>	<b>(281)</b>	<b>18,821</b>	<b>48,815</b>
<b>2015</b>					
Trading	5,105	770	(219)	(348)	11,594
Nursery	370	85	85	85	(15)
<b>Total</b>	<b>5,475</b>	<b>855</b>	<b>(134)</b>	<b>(263)</b>	<b>11,579</b>
Property**	24	24	(26)	358	18,377
<b>Total</b>	<b>5,499</b>	<b>879</b>	<b>(160)</b>	<b>95</b>	<b>29,956</b>

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

### 6. EXCEPTIONAL ITEMS

	2016 £'000	2015 £'000
Profit on Sale of Fixed Asset	20,123	-
<b>Total</b>	<b>20,123</b>	<b>-</b>

Profit on sale of fixed assets of £20,123,000, is the recognition of the sale of the final tranche of land to David Wilson Homes, under the terms of the sale agreement dated September 2012 and represents the guaranteed minimum land value, less directly attributable costs. This is shown as a debtor balance (due in more than one year) on the balance sheet, with the cash receivable over time as the residential units are sold.

### 7. TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES

The tax on ordinary activities 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 profit/(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.

### 8. PROFIT PER SHARE

Basic profit per share of 514p is calculated by dividing the profit attributable to ordinary shareholders for the period ended 30 June 2016 of £17,205,000 (2015: profit £276,000) by the weighted average number of ordinary shares during the period of 3,348,326 (2015: 3,348,326).

## Notes to the Interim Financial Statements

Six months ended 30 June 2016

### 9. TANGIBLE FIXED ASSETS

GROUP	Freehold land, buildings and outdoor fixtures £'000	Fixtures and equipment £'000	Tractors and motor vehicles £'000	Total £'000
<b>Cost or valuation</b>				
As at 1 January 2016	44,050	6,150	266	50,466
Additions	241	97	-	338
Disposals	(5,956)	-	(4)	(5,960)
<b>As 30 June 2016</b>	<b>38,335</b>	<b>6,247</b>	<b>262</b>	<b>44,844</b>
<b>Depreciation</b>				
At 1 January 2016	9,951	4,774	206	14,931
Charge for year	374	169	4	547
Disposals	-	-	-	-
<b>At 30 June 2016</b>	<b>10,325</b>	<b>4,943</b>	<b>210</b>	<b>15,478</b>
<b>Net book value at 30 June 2016</b>	<b>28,010</b>	<b>1,304</b>	<b>52</b>	<b>29,366</b>
Net book value at 31 December 2015	34,099	1,376	60	35,535

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 £14,552,000 (2015 £20,641,000).

### 10. SHARE CAPITAL

	2016 £'000	2015 £'000
<b>Authorised</b>		
Ordinary shares of 10p each	600	600
Total	600	600
<b>Allotted and fully paid</b>		
Ordinary shares of 10p each	335	335
Total	335	335

## Notes to the Interim Financial Statements

Six months ended 30 June 2016

### 11. RETIREMENT BENEFIT OBLIGATIONS

The defined benefit obligation at 30 June 2016 has not been restated from the figures recorded at 31 December 2015 which were calculated in accordance with FRS17, as in the Directors' opinion there have not been any significant fluctuations in the key assumptions.

### 12. 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 2015 Annual Report and Accounts.

### Notes

The interim financial statements do not constitute statutory financial statements within the meaning of Section 435 of the Companies Act 2006. The financial information for the year ended 31 December 2015 has been extracted from the statutory accounts for the year then ended which have been filed with the Registrar of Companies. The audit report on these accounts was unqualified and did not contain any statements under Section 498 (2) or (3) Companies Act 2006.

Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

The directors of Newbury Racecourse plc accept responsibility for the content of this announcement.

29 September 2016