9 May 2017

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

Preliminary Results for the 12 months ended 31 December 2016

Newbury Racecourse plc, the racing, entertainment and events business, today announces its preliminary results for the twelve months ended 31 December 2016.

Financial Highlights

- Trading business turnover up 4% to £16.91m (2015 restated: £16.26m)
- Trading profits before exceptionals £0.74m, an improvement of 8% on 2015
- Exceptional profits of £19.23m, resulting from the sale of the final tranche of land to David Wilson Homes
- Exceptional impairment charge of £3.45m in the year relating to replacement infrastructure and enabling works
- Consolidated group profit on ordinary activities before tax £16.32m (2015 restated: £1.61m)
- 9% growth in media revenues in the year
- 41% growth in Rocking Horse Nursery revenues

Operational Highlights

- Revised two day format bet365 Hennessy Festival attendance in excess of 25,000. New five year sponsorship deal in place with Ladbrokes from 2017
- Three successful Party in The Paddock events with Simply Red, Will Young and Mark Ronson, with overall attendances of more than 42,000
- Continued investment into prizemoney (8% like for like increase) despite reduced HBLB funding
- Formation of new Racecourse Pool Betting collective, which will come into operation from July 2018
- Industry accolades for customer service and Best Racecourse Caterer
- 6% increase in Nursery occupancy levels

Redevelopment Highlights

- Phase one of the racecourse redevelopment underway, excellent feedback on the new saddling boxes and pre-parade ring, Owners & Trainers facility and Eastern entrance due for completion late summer 2017
- Phase two, encompassing the main parade ring and customer areas, due to commence autumn 2017
- Ongoing improvements to infrastructure, lifts and IT across the site
- Refurbishment of the Berkshire stand underway
- Cash payments to the company of £9.27m from DWH residential sales during 2016
- All Western area homes now sold. Construction of the Central and Eastern areas well underway, with more than 80% of the properties released to date reserved or sold

Dominic Burke, Chairman of Newbury Racecourse plc commented:

"We are pleased to be able to report a positive set of results for 2016 that reflect continued growth and progress, having seen improvements in trading performance across a number of areas of the business, with an 8% overall improvement in the underlying trading profits before exceptionals.

Having completed the sale of the final tranche of land to David Wilson Homes in April 2016, we continue to be pleased with progress made on the residential development and the sale of homes on the site to date. Our own redevelopment is well underway and the recently completed pre-parade ring and saddling boxes have been very well received. We look forward to the completion of the new Owners and Trainers facility and entrances later this summer and the commencement of the second phase of works.

We are grateful for the continued support and patronage of all our customers, horsemen and sponsors during this exciting transformation and remain confident in the delivery of the long term business objectives".

For further information please contact:

Newbury Racecourse plc Julian Thick, Chief Executive Andy Clifton, Head of Communications	Tel: 01635 40015
Hudson Sandler Charlie Jack	Tel: 020 7796 4133

Chairman's Statement

We are pleased to be able to report a positive set of results for 2016 that reflect continued progress and growth, in line with our plans for the business. This in spite of an extremely challenging first six months to the year, which saw an almost unprecedented three abandoned racedays due to weather, along with the continuing operational challenges which the ongoing redevelopment understandably presents.

Financial Performance

The full year profit after tax was £13.64m (2015: £1.61m), which includes exceptional profits of £19.23m (2015: £0.72m) relating to the sale of the final tranche of land to David Wilson Homes in April 2016, together with an exceptional impairment charge of £3.45m. Total turnover increased by 4% to £16.99m, with an 8% (£0.06m) overall improvement in the underlying trading profit before exceptionals.

We have seen improvements in trading performance across a number of areas of the business, with like for like growth in racing revenues of £0.56m (5%), steady growth in our Conference & Events business, with revenues growing by 3% year on year and another excellent year for the Rocking Horse Nursery with growth in revenues of 41%.

Racing Highlights

We hosted another excellent calendar of racing here at Newbury, with the equine stars of our sport once again delivering some outstanding performances on the track.

Betfair Super Saturday saw a superb display from Ballyandy in the Tap Tap Boom Bumper. He went on to follow up in the Bumper at the Cheltenham Festival and indeed returned to Newbury in February 2017 to win the Betfair Hurdle.

With the weather claiming Dubai Duty Free Spring Trials Weekend, our Flat season got off to a later start than usual on Friday 13 May, but the appearance of a two year colt called Cunco meant that the Racecourse was at the centre of the racing world that afternoon. Cunco is the first-born foal sired by superstar racehorse Frankel and on this day he was the first offspring of Frankel to run in a race. Despite drifting in the betting, Cunco was a comfortable winner, resulting in much media interest and excellent publicity for Newbury.

On the following day, we hosted the £750,000 Al Shaqab Lockinge Day, the biggest event in our flat racing calendar. Mehmas, owned by the sponsors, was a popular winner of the Olympic Glory Stakes and Belardo was impressive in victory in the day's big race, the Group 1 Al Shaqab Lockinge Stakes, bouncing back to the form that had made him champion two year old in 2014.

At the Weatherbys Super Sprint meeting in July we hosted Simply Red, who performed after an excellent day's racing attended by a record crowd of almost 20,000 people, being some 5,000 more than the previous highest attendance for this meeting. In addition, local superstar Will Young wowed racegoers after racing on Betfred Ladies Day in August, at which Richard Pankhurst was victorious in the Betfred Hungerford Stakes.

There was a different look to the start of the jump season in 2016, as we began with a stand-alone fixture in early November before an outstanding two day meeting at the end of the month featuring a memorable 60th and final Hennessy Gold Cup, won by Native River, giving trainer Colin Tizzard and Champion Jockey Richard Johnson their first win in the race. The big race takes on a new identity in 2017 as The Ladbrokes Trophy.

The Development

The residential development, through our partnership with David Wilson Homes, continues to make solid progress, with the central and eastern phases now well underway. Demand for new homes on the site remains high and sales are in line with our expectations.

The exciting redevelopment of our own "heartspace" is also well advanced. We were delighted with feedback on the new saddling and pre-parade ring area which was in use for the recent Dubai Duty Free Spring Trials meeting, attended by Her Majesty the Queen, with the new Owners and Trainers facility and Eastern Entrance due for completion in the summer of 2017.

The second phase of heartspace works which will include re-modelling the main parade ring and improvements to the customer areas behind the stands, is expected to commence in late 2017 and be completed by the end of 2018. We have already started refurbishment works in the Berkshire Stand and are investing in improvements to infrastructure across the site. These works are focused on enhancing the experience for all of our customers, whilst generating improved financial returns for the wider business in the longer term.

Shareholders will be aware that for this development to take place, a number of major enabling and infrastructure works, including replacement of existing infrastructure, were required across the site. Following the completion and handover of these works, the Board has undertaken a review of the carrying value of these assets relative to the future revenue streams which they will generate and this has resulted in an impairment charge of £3.45m which is recognised in the profit and loss as an exceptional item in the year.

Outlook

We continue to receive positive feedback from all stakeholders about the improvements being made to the Racecourse and our plans for the future. We were delighted to be named recently as one of the top racecourses in the UK by VisitEngland and, for the second year running, to be awarded the Racecourse Association and VisitEngland Excellence Accolade for customer service. The continued investment in our catering business was also recognised when winning three categories at the National Racecourse Catering Awards, including Best Overall Racecourse Caterer.

In light of the positive trading performance and the improvements being made to the infrastructure and the development of the racecourse, the board remains confident in the financial outturn for 2017 and the delivery of the long term business objectives.

On behalf of the board, I would like to thank all our staff for their continued hard work and commitment during the year. Our sincere thanks also to all sponsors, owners, trainers, stable staff, racegoers and customers for their ongoing support and patronage as we continue with our transformation of the racecourse – we are sure it will be worth the wait.

DOMINIC J BURKE
Chairman
8 May 2017

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 progress towards this aim has been made in 2016, with improved financial results and new facilities coming on line.

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, a children's nursery, an on-site hotel and estate management services. 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 2016 was £16.32m (2015: £1.61m) which includes £19.23m of exceptional profits (2015: £0.72m exceptional profits), together with an impairment charge of £3.45m

Turnover for the trading business increased by 4% (£0.65m) to £16.91m (2015 restated: £16.26m)[1]. Overall racing revenues were in line with prior year, in spite of one less scheduled raceday and the unfortunate abandonment of three racedays due to weather, with like for like underlying growth in racing revenues of £0.56m (5%). Conference and Events revenues increased by 3% (£0.03m) on prior year. The Rocking Horse Nursery revenues showed an improvement of 41% (£0.29m) on 2015. The Lodge, our on-site hotel, generated £0.34m of revenue in its first full year of trading.

The improvement in overall trading performance resulted in an 8% increase in trading profits before exceptional items to £0.74m (2015: £0.69m).

The loss for the property business before exceptional items was £0.22m (2015: loss (£0.14m)), reflecting the costs of managing the ongoing relationship with David Wilson Homes, 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 profit on ordinary activities before interest and exceptional items was £0.52m (2015: £0.55m).

Exceptional profits during 2016 were £19.23m (2015: £0.72m) representing expected land value in respect of the sale of the final tranche of land to DWH net of associated costs of £7.74m, together with an impairment charge of £3.45m recognised against certain fixed assets (note 3 to these financial statements provides further detail).

The tax charge of £2.69m includes a provision for capital gains tax on the sale of assets and deferred tax on timing differences.

Profit on ordinary activities after tax was £13.64m (2015: £1.61m).

The increase in cash reserves of £4.0m in the period (2015: £4.51m increase) includes £9.27m of cash receipts from DWH in respect of properties sold in the period, and is net of £3.29m of capital expenditure and tax instalment payments of £0.73m.

Racing
The accounts include a total of 29 days racing (2015: 30) comprising 11 days National Hunt racing (2015: 12) and 18 days flat racing (2015: 18).

As ever the racecourse hosted a high quality racing programme during 2016, despite regrettably losing three racedays to the weather (2015: no meetings abandoned).

In May we hosted *Al Shaqab Lockinge Day*, Newbury's richest race meeting, which was attended by over 13,000 racegoers, continuing our five year partnership with Al Shaqab. This meeting is gaining traction 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, at the end of November, featured the 60th and final running of the Hennessy Gold Cup, which will be run under new sponsorship from Ladbrokes from 2017. We were delighted with attendances across the new format two day meeting of more than 25,000.

---

1 Turnover in both 2016 and 2015 reflects the change in accounting policy in respect of HBLB funding – note 1 of these financial statements provides further detail.

We continued to make further investment in our prizemoney, with an 8% (£0.13m) like for like increase in our contributions, despite a reduction in the funding we received from the HBLB.

Overall raceday attendances in 2016 were impacted significantly by the three abandonments in January and April, together with one less scheduled raceday, decreasing by 16% to 177,000 (2015: 210,000). We did however see increased attendances at a number of our other fixtures, in particular *Party in the Paddock* with Simply Red in July.

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 Moet Hennessy UK for their investment in 2016.

We hosted three successful music events in 2016 with Simply Red in July, Will Young in August and Mark Ronson in September, attracting total attendances in excess of 42,000.

We are proud of our long association with the Dubai International Arabian Races Committee and we were, once again, delighted to host its flagship UK race meeting here in July.

Media revenues increased by c. £0.30m (9%), to £3.39m for the twelve months to 31 December 2016, representing 20% of the Group's overall turnover and reflecting the continued growth in streaming and overseas activities of Racecourse Media Group.

Catering, Hospitality and Retail

Our catering, hospitality and retail business was impacted by the abandonments, with total year on year revenues down £0.14m, however we did see underlying growth, on a like for like basis, of £0.17m (4%).

This underlying growth demonstrates the return on our investment in a number of key areas of our catering retail facilities and our continued investment in the training of our staff, as part of our drive to improve our offer to customers, which has seen us achieve industry accolades for customer service and Best Racecourse Caterer.

Pool Betting

As part of a racecourse collective, we have made progress during the year towards the structure of a new racecourse controlled Pool Betting offer, which will come into effect from July 2018. The collective have structured a business that will enable racecourses to take control of the betting landscape on their racecourses, provide a heightened level of service and innovation to racegoers, and to share in the long term strategic benefits that will flow from British racecourses controlling a pool on their racing. We will update shareholders on this when further progress has been made.

Conference and Events

Conference and Events revenues grew by 3% (£0.03m) versus 2015, to £1.17m. Gross profits of £0.26m, were 16% behind 2015, due to the changing mix of business delivered in the year.

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 Waitrose, Immediate Media and Mary Howard. The total number of event days sold increased 2% 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. Growing this area of our business will be challenging during our ongoing redevelopment, but we remain confident that as the redeveloped racecourse facilities come on stream over the next two years, the Conference and Events business performance will continue to improve.

The Rocking Horse Nursery

We are pleased to report another year of improved trading performance at the Rocking Horse Nursery with turnover increasing by 41% (£0.29m) and profits of £0.26m, an improvement of 150% on 2015, driven by an average occupancy increase of 6% over the course of the year. This follows the successful recruitment of a new management team, which has set this part of the business in good stead for future growth.

The Redevelopment

The racecourse redevelopment is progressing well. Phase one spend in 2016 was £2.48m against an anticipated total spend of £7.6m. The new saddling boxes and pre-parade ring are now complete and have been well received, with the Owners and Trainers facility and Eastern entrance all due to be completed in the late summer of 2017.

The next phase of works which focuses on the main parade ring and improvements to the customer areas behind the stands, are expected to commence in the autumn of 2017 and be completed by the end of 2018, at an anticipated cost of £5.4m.

In addition we will be undertaking a refurbishment of the Berkshire Stand and improvements to infrastructure, in particular lifts and IT, across the site. All of these works are focused on enhancing the experience for all of our customers, whilst generating improved financial returns for the wider business in the longer term.

The DWH residential development has continued to make excellent progress, with all of the homes in the Western Area now occupied and construction of the Central and Eastern Areas well underway. In line with our expectations, the Group's cash flows were enhanced by an additional £9.27m of payments received from DWH during the year to December 2016.

Following the completion of the enabling works by David Wilson Homes and handover of these assets, the Group carried out a review of the recoverable value of these fixed assets, a number of which were replacements for previously existing infrastructure. This review identified that a small number of these assets were being carried at a net book value which was greater than their recoverable value and has led to the recognition of an impairment loss of £3.45m, in the profit and loss account.

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 177,000 (2015: 210,000), the reasons for this fall in attendance have been addressed above Operating profit/loss is shown within the profit and loss account on page 9.

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, largely 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 twelve months. 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 2016 is 3% (2015: 7.7%) of the amounts invoiced by suppliers during the year. This percentage, expressed as a proportion of the number of days in the year, is 11 days (2015: 28 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 £6,560 to national charities (2015: £27,120).

By order of the Board

JULIAN THICK
Chief Executive
8 May 2017

Sponsors in the year for 31 December 2016

We would like to thank our leading sponsors for their significant support in 2016

Al Shaqab
Bet365
Betfair
Betfred
Bewiser Insurance
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

Agetur UK
AJC Premier
Ballymacoll Stud
Bathwick Tyres
Berry Bros & Rudd
BJP Insurance Brokers
Blackmore Building Contractors Ltd
Bloomsbury Auctions

Carter Jonas
Christopher Smith Associates LLP
Compton Beauchamp Estates Ltd
Coln Valley Stud
Comax
Conundrum Consulting Ltd
Crossland Employment Solicitors
CSP
Daisy's Dream
Denford Stud
Doom Bar
Doncaster Bloodstock Sales
Donnington Grove Vets
Equine Productions
Event Bar Management
Federation of Bloodstock Agents
Focus Insurance
Fuller Smith & Turner PLC
Greatwood
Grundon
Haynes Hanson & Clark
HBLB
Heatherwold Stud
Highclere Thoroughbred Racing
Hot to Trot Racing Club
Indzine Ltd
Inspiration Inc.
Johnsons Stalbridge Linen Services
KKA

Mobile Pimm's Bars
Mirage Signs
Newbury BID
Oakley Coachbuilders
Parkway Shopping
Papa John's Pizza
Pertemps Group
Peter O'Sullevan Charitable Trust
Powersolve Electronics
Premier Food Courts
Pump Technology Ltd
Rayner Bosch Car Services
Relyon Cleaning Services
R & M Electrical
Smith & Williamson
South Down Water
Spinal Injuries Association
Thatcham Butchers
The Pelican Cancer Foundation
Tom's Pies
Tutts Clump Cider
TKP Surfacing
Upham Brewery
Vodafone Group PLC
Wedgewood Estates
West Berkshire Mencap
West Berkshire Racing Club
Whitley Stud
Zenergi

There were also 4 races sponsored for birthdays, retirement or in memoriam.

Consolidated Profit and Loss Account

	Note	2016 Trading £'000	2016 Property £'000	2016 Total £'000	2015 (restated) Trading £'000	2015 (restated) Property £'000	2015 (restated) Total £'000
Turnover	2	16,910	83	16,993	16,263	49	16,312
Cost of sales		(13,475)	-	(13,475)	(13,330)	-	(13,330)
Gross profit	2	3,435	83	3,518	2,933	49	2,982
Administrative expenses		(2,693)	(301)	(2,994)	(2,246)	(184)	(2,430)
Profit/(loss) on ordinary activities before interest and exceptional items	2	742	(218)	524	687	(135)	552
Exceptional Items							
Profit on disposal of fixed assets	3	-	19,232	19,232	-	722	722
Impairment of fixed assets	3	(3,449)	-	(3,449)	-	-	-
(Loss)/profit on ordinary activities before interest		(2,707)	19,014	16,307	687	587	1,274
Interest receivable and similar income		31	329	360	34	629	663
Interest payable and similar charges		(344)	-	(344)	(289)	(38)	(327)
(Loss)/profit on ordinary activities before taxation		(3,020)	19,343	16,323	432	1,178	1,610
Tax (charge)/credit	4	(200)	(2,486)	(2,686)	(71)	66	(5)
(Loss)/profit on ordinary activities after taxation being (loss)/profit for the financial year		(3,220)	16,857	13,637	361	1,244	1,605
Profit per share (basic and diluted) (Note 5)				407.3p			48p

All amounts derive from continuing operations

Consolidated Statement of comprehensive income

Year ended 31 December 2016

	2016 £'000	2015 £'000
Profit for the financial year	13,637	1,605
Actuarial (loss)/gain relating to pension scheme	(820)	566
Deferred tax on actuarial loss/(gain)	164	(120)
Total recognised profit in the year	12,981	2,051

Consolidated Balance Sheet
Year ended 31 December 2016

	Note	2016 £'000	2015 (restated) £'000
Fixed assets			
Tangible assets	6	28,238	35,535
Investment		277	192
		28,515	35,727
Current assets			
Stocks		225	206
Debtors			
- due within one year		6,941	4,285
- due after more than one year		16,540	-
Cash at bank and in hand		8,783	2,105
Cash investment		4,163	6,837
		36,652	13,433
Creditors: amounts falling due within one year		(3,469)	(2,487)
Net current assets		33,183	10,946
Total assets less current liabilities		61,698	46,673
Creditors: amounts falling due after more than one year	7	(7,505)	(7,238)
Provisions for liabilities		(8,683)	(7,461)
Net assets before pension deficit		45,510	31,974
Pension deficit		(980)	(303)
Net assets after pension deficit		44,530	31,671
Deferred income			
Deferred capital grants		123	245
Capital and reserves			
Called up share capital	8	335	335
Share premium account		10,202	10,202
Revaluation reserve		75	75
Equity reserve		143	143
Profit and loss account surplus		33,652	20,671
Shareholders' funds		44,407	31,426
		44,530	31,671

The financial statements of Newbury Racecourse PLC, Company registration 00080774, were approved by the Board of Directors on 8 May 2017 and signed on its behalf by:

D J BURKE (Chairman)

J M THICK (Chief Executive)

Consolidated Statement of Changes in Equity

At 31 December 2016

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 31 December 2015	**335**	**10,202**	**143**	**75**	**16,953**	**27,708**
Changes in accounting policy*	-	-	-	-	3,718	**3,718**
At 1 January 2016 (restated)	**335**	**10,202**	**143**	**75**	**20,671**	**31,426**
Profit/(loss) for the financial year	-	-	-	-	13,637	**13,637**
Actuarial (loss) relating to pension scheme	-	-	-	-	(820)	**(820)**
Deferred tax on actuarial (gain)/loss	-	-	-	-	164	**164**
At 31 December 2016	**335**	**10,202**	**143**	**75**	**33,652**	**44,407**

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.

*see note 1

Consolidated Cash Flow Statement

Year ended 31 December 2016

	Note	2016 £'000	2015 (restated) £'000
Net cash (outflow)/inflow from operating activities	9	**(1,980)**	1,302
Cash flows from investing activities			
Interest received and other investment income		**31**	34
Payments to acquire tangible fixed assets		**(3,287)**	(2,386)
Receipts from exceptional sale of fixed assets		**9,269**	5,494
Sale of fixed assets		**18**	-
Grant from HBLB		**-**	50
Net cash inflow from investing activities		**6,031**	**3,192**
Net cash inflow before financing		**4,051**	**4,494**
Financing activities			
Loan finance received		**(16)**	16
Arrangement fees paid		**(30)**	-
Net cash (outflow)/inflow from financing		**(46)**	16
Increase in cash in the year		**4,005**	4,510
Cash as at 1 January		8,941	4,431
Cash as at 31 December		12,946	8,941

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 2016

1. ACCOUNTING POLICIES

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

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.

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
Property receipts are recognised in accordance with the substance 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.

Impairment of assets
At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Horserace Betting Levy Board (HBLB) grants – *change in accounting policy*
HBLB grants were previously amortised to the profit and loss account over the expected useful life of the relevant asset, under the accruals concept. In the year a decision was made that these should be accounted for under the performance model. The rationale for this change was an alignment with standard industry practice. Practically, this means that instead of HBLB capital grants being amortised to the profit and loss account over the expected useful life of the relevant asset, they are credited to the P&L as revenue in the month of the raceday. The corresponding debtor is carried on the balance sheet until the cash is received. Previously reported results have been restated to reflect this change in accounting policy. For year ended 31st December 2015, Revenue and Cost of Sales have both been increased by £1.99m as a result of this change. Retained earnings as at 31 December

Notes to the Financial Statements

Year ended 31 December 2016

2015 has increased by £3.72m, and liabilities reduced by the same amount. For year ended 31st December 2016, the change in accounting policy has increased revenue by £1.98m and reduced liabilities at 31 December 2016 by £1.98m.

2. 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

2016	Turnover £'000	Gross Profit £'000	Profit/ (loss) Before Exceptional Items £'000	Exceptional Items £'000	Profit/ (loss) Before Tax £'000	*Net assets £'000
Trading	15,576	3,126	433	(1,527)	(1,407)	25,100
Nursery	996	258	258	-	258	2,426
Lodge	338	51	51	(1,922)	(1,871)	1,613
Total	16,910	3,435	742	(3,449)	(3,020)	29,139
Property	83	83	(218)	19,232	19,343	15,391
Total	16,993	3,518	524	15,783	16,323	44,530

2015	Turnover £'000	Gross Profit £'000	Profit/ (loss) Before Exceptional Items £'000	Exceptional Items £'000	Profit/ (loss) Before Tax £'000	*Net assets £'000
Trading	15,554	2,831	585	-	330	33,225
Nursery	709	102	102	-	102	2,275
Total	16,263	2,933	687	-	432	35,500
Property	49	49	(135)	722	1,178	(3,829)
Total	16,312	2,982	552	722	1,610	31,671

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

Notes to the Financial Statements

Year ended 31 December 2016

3. EXCEPTIONAL ITEMS

	2016 £'000	2015 £'000
Proceeds from Sale of Fixed Asset	26,973	722
Net book value of asset disposal	(3,567)	-
Other associated costs	(3,114)	-
DWH debtor discount charge	(1,060)	-
Net profit on disposal of fixed assets	19,232	-
Impairment	(3,449)	-
Total	15,783	722

The profit on disposal of £19,232,000 is the discounted net present value of the sale of site A, less attributable costs. (2015: £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).

Following the completion of the enabling works by David Wilson Homes and handover of these assets, the Group carried out a review of the recoverable value of these fixed assets, a number of which were replacements for previously existing infrastructure. These assets included the Nursery building, the Lodge, the Estate Maintenance yard, the car parks and other infrastructure. The recoverable amount of the relevant assets has been determined on the basis of their value in use, taking into account the future cashflows they will generate. This review led to the recognition of an impairment loss of £3.45m, which has been recognised in the profit and loss account.

No impairment assessment was performed in 2015 as there was no indication of impairment and a number of the relevant enabling works were not yet handed over.

4. TAXATION

	2016 £'000	2015 £'000
Charge for the year	1,691	89
Adjustments in respect of prior years	167	(155)
Total current tax	1,858	(66)
Deferred taxation:		
Origination and reversal of timing differences	560	165
Utilisation of tax losses	-	-
Effect of change in rate	(56)	(174)
Adjustment in respect of prior years	324	80
	828	71
Deferred tax on interest charge on pension scheme	-	-
Tax charge	2,686	5

The actual tax charge for the current and previous year differs from the effective rate 20%, (2015: 20.25%) for the reasons set out in the following reconciliation.

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	16,323	1,610
Tax on profit on ordinary activities at the standard UK rate – 20%	3,265	326
Income not chargeable for tax purposes	(492)	(125)
Expenses not deductible for tax purposes	1,316	95
Chargeable gains/rollover relief	(1,840)	-
Depreciation in excess of capital allowances	-	(56)
Permanent difference in respect of exceptional property transaction	-	94
Effect in change of rate	(56)	(174)
Adjustment in respect of prior years	493	(155)
Utilisation of tax losses	-	-
Total actual amount of current tax	2,686	5

Notes to the Financial Statements

Year ended 31 December 2016

5. 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 2016 of £13,637,000 (2015: £1,605,000) by the weighted average number of ordinary shares during the year of 3,348,326 (2015: 3,348,326)

6. 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 2016	**44,050**	**6,150**	**266**	**50,466**
Additions	3,057	335	-	3,392
Disposals	(6,068)	(613)	(12)	(6,693)
As 31 December 2016	**41,039**	**5,872**	**254**	**47,165**
Depreciation				
At 1 January 2016	**9,951**	**4,774**	**206**	**14,931**
Charge for year	674	371	8	1,053
Disposals	(67)	(428)	(11)	(506)
Impairment charge	3,449	-	-	3,449
At 31 December 2016	**14,007**	**4,717**	**203**	**18,927**
Net book value at 31 December 2016	**27,032**	**1,155**	**51**	**28,238**
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 determined by the historical cost convention is £26,957,000 (2015: £34,024,000).

Freehold land and buildings and outdoor fixtures includes £3,829,000 (2015: £1,420,000) in respect of assets under construction, being capitalised design fees in connection with the heartspace redevelopment which received planning approval in October 2015.

Notes to the Financial Statements

Year ended 31 December 2016

7. LOANS

GROUP & COMPANY

Analysis of loan repayments:	2016 £'000	2015 £'000
Between one and two years	**4,333**	-
Between three and five years	**3,172**	7,238
	7,505	7,238

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%	£7,505,181
		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 2016 was £267,000 (2015: £237 ,000). Interest is calculated using the six monthly LGT Bank (Ireland) Limited International Bank Rate plus 2%. In accordance with FRS102, interest accrued includes an adjustment for the effective rate method.

8. SHARE CAPITAL

	2016 £'000	2015 £'000
Authorised		
6,000,000 Ordinary shares at 10p each	**600**	600
Total	**600**	600

Allotted and fully paid	2016 £'000	2015 £'000
3,348,326 Ordinary shares of 10p each	**335**	335
Total	**335**	335

Notes to the Financial Statements

Year ended 31 December 2016

9. CASHFLOW

1. Reconciliation of operating profit to net cash outflow from operating activities	2016 £'000	2015 £'000
Operating profit	**524**	552
Interest paid	**(28)**	(80)
Depreciation charges	**1,053**	1,060
Amortisation of capital grants	**(122)**	(110)
Tax (paid)/refunded	**(734)**	151
(Increase) in stocks	**(18)**	(19)
(Increase) in debtors and prepayments	**(2,318)**	(282)
(Decrease)/increase in creditors and accruals	**(337)**	30
Net cash outflow from operating activities	**(1,980)**	1,302

2. Reconciliation of net cash flow to movement in net debt	2016 £'000	2015 £'000
Increase in cash in the period	**4,005**	4,510
Inception of loans	**46**	-
Change in net debt resulting from cash flows	**4,051**	4,510
Non cash movements	**(296)**	(233)
Net debt at 1 January	**1,686**	(2,591)
Net debt at 31 December	**5,441**	1,686

3. Analysis of change in net debt	At 1 Jan 2016 £'000	Cash flow £'000	Non cash changes £'000	At 31 Dec 2016 £'000
Cash at bank and in hand	**8,941**	4,005	-	**12,946**
Debt due within one year				
- Loan	**-**	-	-	**-**
Debt due after one year				
- Loan	**(7,255)**	16	(266)	**(7,505)**
- Loan arrangement fees	**-**	30	(30)	**-**
	1,686	4,051	(296)	**5,441**

Notes

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2016 or 2015, but is derived from those accounts. Statutory accounts for 2015 have been delivered to the Registrar of Companies and those for 2016 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

The information included in this announcement is taken from the audited financial statements which are expected to be dispatched to the members shortly and will be available at www.newburyracecourse.co.uk.

This announcement is based on the Company's financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Irelandand with those parts of the Companies Act 2006 that are applicable to companies reporting under UK GAAP.

Neither an audit nor a review provides assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

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

This preliminary statement was approved by the Board of Directors on 8 May 2017.