



4 May 2016

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

Preliminary Results for the 12 months ended 31 December 2015

Newbury Racecourse plc, the racing, entertainment and events business, today announces its preliminary results for the twelve months ended 31 December 2015.

Financial Highlights

- Trading business turnover up 15% to £14.3m (2014: £12.4m), with racing revenues also up 15%
- Consolidated group profit on ordinary activities before tax £1.61m (2014 restated: loss, £1.54m)
- Trading business profit before tax of £0.43m (2014 restated: £0.05m)

Operational Highlights

- Raceday attendance up 7% to 210,000
- bet365 Hennessy Festival attendance 30,000. Attendance on Hennessy Gold Cup day the highest for 21 years
- Prize money increased by 21% to £4.72m
- Events hosted for a number of blue chip companies, including: Thames Water, Open University, Boden, NHS, John Lewis, Lloyds Bank and Albourne Partners
- Three successful Party in The Paddock events with DJ Fresh & Danny Howard, Bjorn Again and Madness

Property Development Highlights

- Houses and apartments continued to sell well, with the first phase in the Western Area now 98% sold
- Construction of the second phase in the Central Area has commenced
- Completion of new nursery, hostel, estates yard and car parks
- Construction of the new access bridge complete
- Cash payments to the company of £5.49m

Dominic Burke, Chairman of Newbury Racecourse plc commented:

"2015 was a year of positive growth and improved financial performance for Newbury Racecourse. We are pleased to have seen significant improvements in the trading performance across a number of areas of the business, with revenues from our racing activities growing by 15% and our Conference & Events revenues growing by 31%. The full year profit after tax was £1.61 million, reflecting a 15% increase in turnover to £14.3 million, together with exceptional profits of £0.72 million.

We are delighted with the tremendous progress made on both the residential development by David Wilson Homes and the delivery of a number of racecourse infrastructure improvements during the year. The plans for our own redevelopment, which will enhance the raceday experience and generate improved financial returns for the business in the long term, were approved in October and works will commence in the summer of 2016."

For further information please contact:

Newbury Racecourse plc
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Chairman's Statement ¹

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

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

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

Racing Highlights

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

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

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

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

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

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

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

The Development

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

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

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

In July, the Board announced that it had submitted detailed planning proposals for the racecourse's own redevelopment. These plans, which were approved in October, include new entrances, remodelling of the parade ring areas and a new owners and trainers facility. These improvements are focused on enhancing the experience for

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

all of our racegoers, whilst generating improved financial returns for the wider business in the longer term. The works will commence during the early summer of 2016.

Outlook

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

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

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

DOMINIC J BURKE
Chairman
3 May 2016

STRATEGIC REPORT

STRATEGY AND OBJECTIVES

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

THE BUSINESS MODEL

Newbury Racecourse PLC is the parent of a Group of companies which own Newbury Racecourse and engage in racing, hospitality and catering retail activities. In addition, the Group operates a conference and events business, and a children's nursery. Alongside its trading activities, the Group owns freehold property from which it receives annual income and also benefits from the sale of residential properties on the site, as part of its long term development agreement with David Wilson Homes.

PERFORMANCE REVIEW

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

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

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

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

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

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

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

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

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

Racing

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

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

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

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

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

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

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

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

Catering, Hospitality and Retail

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

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

Leisure, Conference and Events

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

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

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

The Rocking Horse Nursery

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

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

Property Redevelopment

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

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

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

FUTURE DEVELOPMENTS

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

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

KEY PERFORMANCE INDICATORS

The Group uses raceday attendance and trading operating profit/loss as the primary performance indicators. Total attendance was 210,000 (2014: 196,000). Operating profit/loss is shown within the profit and loss account on page 13.

PRINCIPAL RISKS AND UNCERTAINTIES

Cashflow Risk

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

Credit Risk

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

Liquidity Risk

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

Price Risk

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

Cost Risk

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

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

Interest Rate Risk

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

Going Concern

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

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

The Board has reviewed the cash flow and working capital requirements in detail. The Group currently has committed credit facilities in place through to March 2022. Following this review the Board has concluded that it has a reasonable expectation that the Group has adequate resources in place to continue in operational existence for the foreseeable future and on that basis the going concern basis has been adopted in preparing the financial statements.

CORPORATE AND SOCIAL RESPONSIBILITY

Employee Consultation

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

Policy on Payments to Suppliers

Although no specific code is followed, it is the Group's and Company's policy, unless otherwise agreed with suppliers, to pay suppliers within 30 days of the receipt of an invoice, subject to satisfactory performance by the supplier. The amount owed to trade creditors at 31 December 2015 is 7.7% (2014: 6.2%) of the amounts invoiced by suppliers during the year. This percentage, expressed as a proportion of the number of days in the year, is 28 days (2014: 23 days).

Disabled Employees

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

Charitable Donations

During the year the Group made charitable contributions totalling £27,120 to national charities (2014: £3,972).

By order of the Board

JULIAN THICK
Chief Executive
3 May 2016

Sponsors in the year for 31 December 2015

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

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

We also received much appreciated support from the following sponsors

Academy Insurance
Agetur UK
AJC Premier
Aon Limited
Ballymacoll Stud
Bathwick Tyres
Berry Bros & Rudd
Bewiser Insurance
BJP Insurance Brokers
Blackmore Building Contractors Ltd
Bloomsbury Auctions
Borges Salmon LLP
Carter Jonas
Christopher Smith Associates LLP
Compton Beauchamp Estates Ltd
Coln Valley Stud
Crossland Employment Solicitors
CSP
Denford Stud
Doom Bar
Doncaster Bloodstock Sales
Emma Lavelle Racing Ltd
Event Bar Management
Fuller Smith & Turner PLC
Greatwood
Grundon
Haynes Hanson & Clark
HBLB
Heatherwold Stud
Highclere Thoroughbred Racing
Hot to Trot Racing Club
Infiniti
Inkerman
KKA

Kentford Racing
Key4Life
Luck Greayor Bloodstock
Malone Roofing
NSPCC
Oakley Coachbuilders
Pertemps Group
Powersolve Electronics
Premier Food Courts
Pump Technology Ltd
Punter Southall
Q Associates Ltd
Racing UK
Rayner Bosch Car Services
Relyon Cleaning Services
R & M Electrical
Smith & Williamson
South Down Water
Sri Lanka Tourist Board
Starlight
The Hawk Inn
The Pheasant Inn
TKP Surfacing
Ultima Business Solutions
Vodafone Group PLC
Wedgewood Estates
West Berkshire Mencap
West Berkshire Racing Club
Whitley Stud
Zenergi

There were also 6 races sponsored for birthdays, retirement or in memoriam.

Consolidated Profit and Loss Account

Year ended 31 December 2015

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

Operating profit/(loss) before exceptional operating items		687	(135)	552	299	(75)	224
Asset impairment	3	-	-	-	-	(776)	(776)
		687	(135)	552	299	(851)	(552)

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

Profit/(loss) per share (basic and diluted) (Note 5)				48p			(29p)
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All amounts derive from continuing operations

Consolidated Statement of Total Recognised Gains and Losses

Year ended 31 December 2015

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

Consolidated Balance Sheet

Year ended 31 December 2015

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

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

D J BURKE (Chairman)

J THICK (Chief Executive)

Consolidated Statement of Changes in Equity

At 31 December 2015

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

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

Consolidated Cash Flow Statement

Year ended 31 December 2015

	Note	2015 £'000	2015 £'000	2014 (restated) £'000	2014 (restated) £'000
Net cash inflow/(outflow) from operating activities	9		1,231		1,430
Returns on investments and servicing of finance					
Interest received and other investment income		34		-	
Interest paid		(80)		(91)	
Net cash outflow from returns on investments and servicing of finance			(46)		(91)
Taxation					
UK corporation tax refunded/(paid)		151		-	
Total tax refunded/(paid)			151		-
Capital expenditure					
Payments to acquire tangible fixed assets		(2,386)		(600)	
Receipts from exceptional sale of fixed assets		5,494		3,293	
Grant from HBLB		50		-	
Net cash inflow from capital expenditure			3,158		2,693
Net cash inflow/(outflow) before financing			4,494		4,032
Financing					
Loan finance received		16		-	
Loan repayment		-		(599)	
Net cash inflow/(outflow) from financing			16		(599)
Increase in cash in the year			4,510		3,433

Notes to the Financial Statements

Year ended 31 December 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The financial statements for the year ended 31 December 2015 reflect the transition to FRS102 and the restatement of the comparative year's results – see Note 11 for details. 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.

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

	Turnover £'000	Gross Profit £'000	Operating Profit/ (loss) Before Exceptional Items £'000	Exceptional Operating Items £'000	Exceptional Items £'000	Profit/ (loss) Before Tax £'000	*Net assets £'000
2015							
Trading	13,557	2,831	585	-	-	330	33,225
Nursery	709	102	102	-	-	102	2,275
Total	14,266	2,933	687	-	-	432	35,500
Property	49	49	(135)	-	722	1,178	(3,829)
Total	14,315	2,982	552	-	722	1,610	31,671

	Turnover £'000	Gross Profit £'000	Operating Profit/ (loss) Before Exceptional Items £'000	Exceptional Operating Items £'000	Exceptional Items £'000	Profit/ (loss) Before Tax £'000	*Net assets £'000
2014 (restated)							
Trading	11,693	2,257	189	-	2	(61)	30,798
Nursery	690	110	110	-	-	110	(9)
Total	12,383	2,367	299	-	2	49	30,789
Property	31	31	(75)	(776)	363	(1,586)	(1,109)
Total	12,414	2,398	224	(776)	365	(1,537)	29,680

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

Notes to the Financial Statements

Year ended 31 December 2015

3. EXCEPTIONAL ITEMS

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

Asset Impairment

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

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

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

4. TAXATION

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

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

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

The transitional rules set out in FRS102 regarding Tangible Assets have been applied on implementing FRS102. Accordingly the book values at implementation have been retained. In 1959 a revaluation of part of the freehold land at £117,864 gave rise to an excess of £75,486 over its cost and this sum is included in the total value of this asset. The excess on revaluation is credited to the Revaluation Reserve. The net book value of freehold land and buildings determined by the historical cost convention is £34,024,000 (2014: £30,466,000).

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

Notes to the Financial Statements

Year ended 31 December 2015

7. LOANS

GROUP & COMPANY

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

Compton Beauchamp Estates Limited Loan

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

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

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

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

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

8. SHARE CAPITAL

	2015 £'000	2014 £'000
Authorised		
Ordinary shares at 10p each	600	600
Total	600	600
Allotted and fully paid		
Ordinary shares of 10p each	335	335
Total	335	335

Notes to the Financial Statements

Year ended 31 December 2015

9. CASHFLOW

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

10. SUBSEQUENT EVENTS

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

11. EXPLANATION OF TRANSITION TO FRS 102

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

RECONCILIATION OF EQUITY

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

RECONCILIATION OF PROFIT FOR YEAR ENDED 31 DECEMBER 2014

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

Notes

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2015 or 2014, but is derived from those accounts. Statutory accounts for 2014 have been delivered to the Registrar of Companies and those for 2015 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 Ireland" and with those parts of the Companies Act 2006 that are applicable to companies reporting under UK GAAP.

The financial statements for the year ended 31 December 2015 reflect the transition to FRS102 and the restatement of the comparative year's results.

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 3 May 2016.