15 May 2018

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

Preliminary Results for the 12 months ended 31 December 2017

Newbury Racecourse plc, the racing, entertainment and events business, today announces its preliminary results for the twelve months ended 31 December 2017.

Financial Highlights

- Total turnover up 5% to £17.81m (2016 restated: £16.96m)
- 30% growth in Rocking Horse Nursery revenues
- 76% growth in hotel turnover
- 9% growth in media revenues
- Profit before interest and exceptional items £0.49m
- Exceptional profits £0.29m (2016: £16.11m) in connection with the disposal of fixed assets
- Consolidated group profit on ordinary activities before tax £0.48m (2016: £16.29m)

Operational Highlights

- Raceday attendances up 11% to 196,000
- Two successful Party in The Paddock events with Jess Glynne and Olly Murs, with overall attendances of more than 42,000
- Continued investment into prizemoney with a 4% like for like increase
- Launch of the Ladbrokes Winter Carnival, attendances of more than 25,000
- 11% increase in Nursery occupancy levels

Redevelopment Highlights

- Completion of the new Owners & Trainers facility and Eastern entrance
- Second phase encompassing the main parade ring and customer areas underway
- Ongoing improvements to infrastructure, lifts and IT across the site
- Refurbishment of the Berkshire stand underway
- Planning consent obtained for the redevelopment of the Pall Mall building
- Cash payments to the company of £3.15m from DWH residential sales during 2017
- All Western area homes now sold. Almost 70% of the Central area apartments now sold. Eastern area construction well underway.

Dominic Burke, Chairman of Newbury Racecourse plc commented:

"2017 saw us making further steady progress against our long term strategic plans, with a 5% increase in turnover and improvements in trading performance across a number of areas of the business.

We made excellent headway on the redevelopment of the racecourse, with the new Owners and Trainers facility and eastern entrance building opened during the year and good progress on the other heartspace works. We were also pleased to obtain planning permission in August for the redevelopment of the Pall Mall building, expected to be completed by the spring of 2019. The David Wilson Homes residential development continues to progress in line with our expectations, being now more than halfway completed and homes continue to sell well.

As our vision for the new Newbury Racecourse emerges for all to see, 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 Harriet Collins, Interim Head of Communications	Tel: 01635 40015
Hudson Sandler Charlie Jack	Tel: 020 7796 4133

Chairman's Statement

2017 saw us making further steady progress against our long term strategy of redevelopment and growth.

Financial Performance

Total turnover grew by 5% to £17.81m in 2017. We have seen improvements in trading performance across a number of areas of the business, with like for like growth in racing revenues of 1%, another excellent year for the Rocking Horse Nursery with growth in revenues of 30% and revenue from The Lodge hotel operation increasing by 76% in its first full year of trading. The Conference and Events business had a more difficult trading year with turnover down 26%, in our view, a result of both wider market conditions and the inevitable short term impact of the construction works on the appearance of the venue.

Profit before interest and exceptional items of £0.49m was inline with prior year (2016 restated; £0.49m). Exceptional profits in the year were £0.29m (2016: £16.11m), with a resulting full year profit after tax of £1.18m (2016 restated: £13.60m).

Racing Highlights

The action on the track in 2017 has, as ever, been high quality, demonstrating our continued ability to attract the very best horses. Highlights included *Altior*'s and *Native River*'s wins on Betfair Super Saturday in February, which continues to be an important stepping stone for many ahead of the Festival, with the former going on to win the Arkle and the latter finishing third in the Gold Cup.

The 2017 flat season saw some spectacular performances, including *Barney Roy* winning the JLT Greenham Stakes, subsequently going on to finish a close second in the 2,000 Guineas and *Ribchester*'s victory in the Group 1 Al Shaqab Lockinge Stakes in May, confirming himself as one of the leading milers in Europe.

At the Weatherbys Super Sprint meeting in July we hosted Jess Glynne, who performed after an excellent day's racing attended by some 18,000 people and was the first of our music nights. Our second Party in the Paddock event for 2017 on Betfred Ladies Day in August, saw pop sensation Olly Murs take to the stage in front of a sell out crowd of 24,000, our largest raceday attendance in five years.

As we turned to the jumps once more, *Total Recall*'s thrilling and hard fought win in the inaugural running of the Ladbroke's Trophy in early December, saw the first Irish trained winner of this race since 1980. The two-day Ladbrokes Winter Carnival meeting, heralded the start of our exciting new partnership with Ladbrokes and attracted attendances of over 25,000 across the two days. With £700,000 in prizemoney on offer, this is a meeting for which we have big aspirations in the future.

The Development

The exciting redevelopment of our own "heartspace" continued apace throughout 2017. The new saddling boxes and pre-parade ring were completed in time for the Dubai Duty Free Spring Trials weekend in April, attended once again by Her Majesty The Queen. The new Eastern Entrance was completed in July and has hugely improved the arrival experience for racegoers and visitors. We were also delighted to complete and open our new Owners' Club in October, providing a state of the art facility for owners and trainers, as well as a superb conference, events and wedding space.

The next phase of heartspace works which includes re-modelling the main parade ring and improvements to the customer areas behind the stands, commenced in late 2017 and is due to be completed by the end of 2018. The refurbishment of the Berkshire Stand and improvements to the wider infrastructure continue and our customers are starting to see the benefits of these works which will enhance the visitor experience for all, whilst generating improved financial returns for the wider business in the longer term.

In August we were granted planning consent for the upgrading of the Pall Mall stand, a much needed investment in this aged building which occupies a prime location opposite the winning post and will, when completed, provide some of the most prestigious hospitality space on the racecourse. The total cost of this project is an estimated £5.17m, taking our total projected redevelopment investment to an estimated £21.0m.

The David Wilson Homes residential development is now more than halfway through, with c.870 homes out of the total 1,480 now built. Demand for new homes on the site remains strong and sales are in line with expectations.

Outlook and market developments

Trading prospects for 2018 look positive to date and the board remains confident in the delivery of the long term business objectives.

The Board has committed to Phase 2 of the racecourse infrastructure development, being the refurbishment of the Berkshire Stand and Pall Mall building, in the long term interests of shareholders, as we need to enhance facilities for both racing and the wider customer experience in order to deliver those long term business objectives for growth in revenue and profits.

The Department for Digital, Culture, Media and Sport is consulting with the bookmaking industry, Local Authorities, charities and other interested parties about new rules for Fixed Odds Betting Terminals "FOBTs" (which make a significant contribution to profits for the UK's bookmakers), together with social responsibility measures in relation to online gaming and gaming machines. Depending on the outcome of this consultation, and in particular the maximum stake for FOBTs, it is possible that the bookmaking industry may suffer a material reduction in profitability and there could be a material reduction in betting shops. The implications of such changes on the horse racing industry are difficult to predict at this stage, but could adversely affect sponsorship from bookmakers, prize money from the Horserace Levy Betting Board and revenues from media rights. The Government is due to report on the consultation and make final proposals later in 2018.

The dividend policy of the company, and the potential for larger returns of capital to our shareholders, are reviewed by the Board from time to time. Given the additional investment by the company in Phase 2 and the current uncertainty around the impact of the government review on FOBTs, the Board have decided that any return to paying dividends or returning capital to shareholders must be deferred until completion of the racecourse development and the final payment is received from David Wilson Homes. Therefore it is not anticipated that any dividend or return of capital to shareholders, if made, will now occur before 2022 at the earliest, following repayment of the Compton Beauchamp Estates loan and the final longstop date in the residential property development contract between the company and David Wilson Homes.

Our vision for the new Newbury Racecourse is now emerging for all to see. A racecourse and a business which will be well placed to meet the demands of the modern day consumer, whilst continuing to invest in and stage racing of the highest quality.

We were delighted to once again be named as one of the top 12 racecourses in the UK by VisitEngland and, for the third consecutive year, to be awarded the Racecourse Association and VisitEngland Excellence Accolade for customer service. On behalf of the board, I would like to thank all the staff for their continued hard work and commitment.

Our sincere thanks as ever to all sponsors, owners, trainers, stable staff, racegoers and customers for their ongoing support and patronage.

DOMINIC J BURKE
Chairman
14 May 2018

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 in line with this strategy has been made in 2017.

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 before tax in the year ended 31 December 2017 was £0.48m (2016 restated: £16.29m) which includes £0.29m of exceptional profits (2016: £16.11m exceptional profits).

Turnover increased by 5% (£0.85m) to £17.81m (2016 restated: £16.96m). The Rocking Horse Nursery revenues showed growth of 30% (£0.30m) on 2016. The Lodge revenues increased by 76% (£0.27m) year on year, 2017 being the first full year of operation. Overall racing revenues grew by 4% (£0.57m), with no abandonments in the year (2016: 3 abandonments) like for like growth in racing revenues was £0.13m (1%). Conference and Events revenues decreased by 26% (£0.31m) on prior year.

Total costs increased by 5% to £17.32m (2016: £16.47m).

Profit before interest and exceptional items was in line with prior year at £0.49m (2016 restated: £0.49m).

Exceptional profits during 2017 were £0.29m (2016: £16.11m) relating to the part release of a provision for costs associated with the exceptional land sale (£0.66m) and net of the movement in fair value of the DWH debtor (£0.37m).

The tax credit of £0.71m (2016 restated: charge £2.69m) includes a deferred tax movement in respect of capital credits claimed in the year.

Profit after tax was £1.18m (2016 restated: £13.60m).

The decrease in cash reserves of £7.84m in the period (2016: £4.0m increase) includes £3.15m of cash receipts from DWH in respect of properties sold in the period, and is net of £7.91m of capital expenditure and tax instalment payments of £0.93m.

Racing

The accounts include a total of 29 days racing (2016: 29) comprising 11 days National Hunt racing (2016: 11) and 18 days flat racing (2016: 18).

As ever the racecourse hosted a full and high quality racing programme during 2017 with no abandonments (2016: 3 meetings abandoned).

Overall raceday attendances in 2017 increased by 11% to 196,000 (2016: 177,000). We saw increased attendances at a number of our fixtures, in particular *Party in the Paddock* with Olly Murs in August which delivered a sell out crowd of 24,000.

May marked the third year of *Al Shaqab's* sponsorship of *Lockinge Day*, Newbury's richest race meeting, which was attended by over 12,000 racegoers. This meeting has established itself as the flagship event in our flat racing calendar and the action on the track once again featured a string of outstanding performances.

Our cornerstone jump meeting, at the beginning of December, celebrated the start of our new five year partnership with Ladbrokes and featured the inaugural running of the Ladbrokes Trophy (formerly the Hennessy Gold Cup). We were delighted with attendances across the two day meeting of more than 25,000.

We continued to make further investment in our prizemoney, with a 4% (£0.16m) like for like increase in our contributions.

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 Ladbrokes for their investment in 2017.

We hosted two successful music events in 2017 with Jess Glynne in July and Olly Murs in August 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. £0.31m (9%), to £3.64m for the twelve months to 31 December 2017, representing c.20% of the Group's overall turnover and reflecting the continued growth in streaming and overseas activities of Racecourse Media Group.

Conference and Events

Conference and Events revenues fell back by 26% (£0.31m) versus 2016, to £0.86m as a result of an 18% decrease in event days and a 9% decrease in average spend.

The reasons for this, we believe, are ongoing uncertainty in the market, personnel changes within the sales team and the short term impact of the development works on the appearance of the venue. As previously stated, 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 year or so, the Conference and Events business performance will improve.

Our restructured Conference & Events sales team is focused entirely on growing this part of our business, through proactive selling and relationship building within key sectors and with a number of agents.

Catering, Hospitality and Retail

Our catering, hospitality and retail business saw overall year on year growth in revenues of £0.14m, although this was largely attributable to there being no abandonments in the year. Raceday catering revenues were c.2% up on 2016 on a like for like basis, however conference catering revenues were down c.20% as a result of the reduced Conference & Events business in the year.

The Rocking Horse Nursery

We are pleased to report another year of strong trading performance at the Rocking Horse Nursery with turnover increasing by 30% to £1.30m and gross operating profits of £0.42m, an improvement of 61% on 2016. This has been driven by an average occupancy increase of 11% over the course of the year.

The Lodge

Turnover for The Lodge, our on-site 36 bedroom hotel, increased by 76% year on year to £0.59m, in what was its first full year of trading.

The Lodge continues to be used as stable staff accommodation for racing and was recently shortlisted in the RCA Showcase Awards Operational Excellence category. Outside of its raceday use, it is proving to be a valuable addition to our portfolio of assets, as both a standalone hotel and in enhancing our Conference & Events offer.

The Redevelopment

The development of the racecourse heartspace progressed in line with our plans during 2017, with the new saddling boxes and pre-parade ring completed in April, the new Eastern Entrance building completed in July and the new Owners' Club completed in October.

Project costs for phase one of the heartspace development of £7.63m were in line with budget.

The next phase of works which focuses on the main parade ring and improvements to the customer areas behind the stands has now commenced and is due to be completed by the end of 2018, at an anticipated cost of £5.42m.

In addition the refurbishment of the Berkshire Stand and improvements to infrastructure across the site, in particular lifts and IT, are all underway. 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.

We successfully obtained planning permission in August for the redevelopment of the Pall Mall stand which will see this building transformed into premium hospitality space, fit for the modern consumer. These works are expected to be completed by the spring of 2019 at a total estimated cost of £5.2m.

The residential development continues to progress well, with the Central and Eastern Area construction programmes in line with schedule. DWH are now approximately half way through the ten year build programme, with all of the major infrastructure works completed and c. 870 homes out of the total 1,480, now built. Cash receipts from DWH from the sale of properties in 2017 were £3.15m, which was in accordance with our expectations.

The operational challenges, that the redevelopment inevitably presents, continue to be proactively managed by the racecourse team alongside our development partners, minimising as far as possible disruption to our customers and neighbours, to whom we are grateful for their continued support and patience.

KEY PERFORMANCE INDICATORS

The Group uses raceday attendance and trading operating profit as the primary performance indicators. Total attendance was 196,000 (2016: 177,000). Operating profit is shown within the profit and loss account on page 16.

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 2017 is 2% (2016: 3%) of the amounts invoiced by suppliers during the year. This percentage, expressed as a proportion of the number of days in the year, is 6 days (2016: 11 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 £2,360 to national charities (2016: £6,560).

By order of the Board

JULIAN THICK
Chief Executive
14 May 2018

* References to "like for like" reflect year on year performance adjusted for the impact of any abandoned racedays, by excluding the affected racedays in both the current and comparative year, to allow for a fair comparison of underlying trading performance in the strategic review commentary.

Sponsors in the year for 31 December 2017

We would like to thank our leading sponsors for their significant support in 2017

Al Shaqab
Bet365
Betfair
Betfred
Be Wiser Insurance
British European Breeders Fund
Dubai Duty Free
JLT
Ladbrokes
Thoroughbred Breeders' Association
Weatherbys
Worthington's

We also received much appreciated support from the following sponsors;

Agetur UK
AJC Premier
Alder Ridge Vineyard
Ballymacoll Stud
Bathwick Tyres
Berry Bros & Rudd
Big Group Insight
BJP Insurance Brokers
Carter Jonas
Christopher Smith Associates LLP
Coln Valley Stud
Comax
Compton Beauchamp Estates Ltd
Conundrum Consulting Ltd
Crossland Employment Solicitors
CSP
Dawnus
Denford Stud
Doom Bar
Donnington Grove Vets
Dreweatts & Bloomsbury Auctions
Equine Productions
Event Bar Management
Fuller Smith & Turner PLC
Goffs UK
Greatwood
Grundon
Haynes Hanson & Clark
HBLB
Heatherwold Stud
Highclere Thoroughbred Racing
Hot to Trot Racing Club
Johnsons Stalbridge Linen Services
KKA
Laurent Perrier
Matthew Fedrick Farrier
Mirage Signs
Mobile Pimm's Bars
Montpellier Domestic Appliances
Newbury BID
Oakley Coachbuilders
Parkway Shopping
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
Snows Peugeot
South Downs Water
St.James's Place Wealth Management
Starlight
Team Archie
Thatcham Butchers
The Kennet Centre
The Pheasant Inn
Upham Brewery
Wedgewood Estates
West Berkshire Mencap
West Berkshire Racing Club
Worshipful Company of Distillers
Zenergi

There were also 7 races sponsored for birthdays, retirement or in memoriam.

Consolidated Profit and Loss Account

Year ended 31 December 2017

	Note	2017 £'000	Restated[1] 2016 £'000
Turnover		**17,806**	16,960
Cost of sales		**(14,662)**	(13,475)
Gross profit		**3,144**	3,485
Administrative expenses		**(2,655)**	(2,994)
Profit before interest and exceptional items		**489**	491
Exceptional Items			
Profit on disposal of fixed assets	3	**290**	19,561
Impairment of fixed assets	3	**-**	(3,449)
Profit before interest		**779**	16,603
Interest receivable and similar income		**6**	31
Interest payable and similar charges		**(307)**	(344)
Profit before taxation		**478**	16,290
Tax credit/(charge)		**705**	(2,691)
Profit after taxation		**1,183**	13,599
Profit per share (basic and diluted) (Note 4)		**35.3p**	406.1p
All amounts derive from continuing operations			

Consolidated Statement of comprehensive income

Year ended 31 December 2017

	2017 £'000	Restated 2016 £'000
Profit for the financial year	**1,183**	13,599
Actuarial gain/(loss) relating to pension scheme	**115**	(820)
Deferred tax on actuarial (loss)/gain	**(22)**	164
Total recognised profit in the year	**1,276**	12,943

[1] See page 17 for details of prior year adjustments

Consolidated Balance Sheet

As at 31 December 2017

	2017 £'000	Restated[2] 2016 £'000
Fixed assets		
Tangible assets	33,560	27,126
Investments	117	117
Investment properties	1,112	1,112
	34,789	28,355
Current assets		
Stocks	203	225
Debtors		
- due within one year	11,993	7,287
- due after more than one year	14,072	19,999
Cash at bank and in hand	2,649	8,783
Cash investment	2,458	4,163
	31,375	40,457
Creditors: amounts falling due within one year	(5,965)	(3,469)
Net current assets	25,410	36,988
Total assets less current liabilities	60,199	65,343
Creditors: amounts falling due after more than one year	(4,746)	(7,505)
Provisions for liabilities	(5,774)	(9,345)
Net assets before pension deficit	49,679	48,493
Pension deficit	(1,127)	(1,200)
Net assets after pension deficit, before deferred capital grants	48,552	47,293
Capital grants		
Deferred capital grants	106	123
Capital and reserves		
Called up share capital	335	335
Share premium account	10,202	10,202
Revaluation reserve	75	75
Equity reserve	143	143
Profit and loss account surplus	37,691	36,415
Shareholders' funds	48,446	47,170
Net assets	48,552	47,293

The financial statements of Newbury Racecourse PLC, Company registration 00080774, were approved by the Board of Directors on 14 May 2018 and signed on its behalf by:

D J BURKE (Chairman)

J M THICK (Chief Executive)

The Racecourse
Newbury, Berkshire
RG14 7NZ

[2] See page 17 for details of prior year adjustments

Consolidated Statement of Changes in Equity
At 31 December 2017

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2016	335	10,202	143	75	20,671	31,426
Prior year adjustment (see note 5)	-	-	-	-	2,801	**2,801**
At 1 January 2016 restated	335	10,202	143	75	23,472	34,227
Profit for the financial year - restated	-	-	-	-	13,599	**13,599**
Other comprehensive income	-	-	-	-	(656)	**(656)**
At 31 December 2016 restated	335	10,202	143	75	36,415	47,170

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2017 restated	335	10,202	143	75	36,415	47,170
Profit for the financial year	-	-	-	-	1,183	**1,183**
Other comprehensive income	-	-	-	-	93	**93**
At 31 December 2017	335	10,202	143	75	37,691	48,446

Consolidated Cash Flow Statement
Year ended 31 December 2017

	2017 £'000	2016 £'000
Net cash outflow from operating activities	(82)	(1,980)
Cash flows from investing activities		
Interest received and other investment income	6	31
Payments to acquire tangible fixed assets/investments	(7,912)	(3,287)
Receipts from exceptional sale of fixed assets	3,146	9,269
Other associated property costs	(2,935)	-
Sale of fixed assets	16	18
Net cash (outflow)/inflow from investing activities	(7,679)	6,031
Net cash inflow before financing	(7,761)	4,051
Financing activities		
Loan finance issued*	(78)	(16)
Arrangement fees paid	-	(30)
Net cash outflow from financing	(78)	(46)
(Decrease)/increase in cash in the year	(7,839)	4,005
Cash as at 1 January	12,946	8,941
Cash as at 31 December	5,107	12,946

*Loan to Britbet Racing LLP, formation of a new betting consortium.

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 2017

1. ACCOUNTING POLICIES

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

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

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of freehold land.

Going concern

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

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

The Board has reviewed the cash flow and working capital requirements in detail. At the balance sheet date, the Company has adequate cash reserves, together with revolving credit facilities which are in place through to March 2022.Following this review the Board has concluded that it has a reasonable expectation that the Group has adequate resources in place to continue in operational existence for the foreseeable future and on that basis the going concern basis has been adopted in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries Newbury Racecourse Enterprises Limited and Newbury Racecourse Management Limited.

Revenue recognition

Services rendered, raceday income including admissions, catering revenues, sponsorship and licence fee income is recognised on the relevant raceday. Annual membership income and box rental is recognised over the period to which they relate.
Other income streams are also recognised over the period to which they relate, for example, ground rents received from residents, conference income is recognised on the day of the conference, the Lodge hotel income is recognised over the duration of the guests stay and nursery income is recognised as the child attends the nursery.

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

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.

Investment property

Investment in properties are freehold interests which are held to earn rental income. Investment properties are recognised at fair value.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

Repairs and renewals

Expenditure on repairs and renewals and costs of temporary facilities during construction works are written off against profits in the year in which they are incurred.

Other investments

Other investments in the balance sheet comprise of investments in equity and subsidiaries. Equity investments are recognised at fair value unless they cannot be reliably measured. Investments in subsidiaries are recognised at cost less impairment.

Lease assets receivable

Lease assets receivable relates to freeholds that the Group has acquired, or has the option to acquire, from David Wilson Homes. The freeholds concerned relate to residential apartment buildings constructed as part of the overall residential development. Individual apartments in the development were sold by David Wilson Homes to purchasers under long-term leases, typically of 125 years. Under the terms of their long-term leases, lessors are required to pay 'ground rent' to the freehold owner for the duration of their lease. As the majority of the risks and rewards, for much of the life of the property, lie with the lessor, the Group does not recognise a fixed asset in relation to the freehold. Since the Group's principal interest in the freehold is limited to the expected future cashflows arising from the ground rent, the Group's cost of investment represents the cost to acquire the future ground rent cashflows.

These are initially recognised at fair value which is calculated based on the net present value of future cashflows arising from the ground rents receivable over the lease term. This also represents the market value of the freehold agreed with David Wilson Homes. These amounts are included in the balance sheet as debtors less than and greater than one year. Ground rent receipts relating to the period, are applied against the net receivable balance. The leases receivables are monitored for indications of impairment by comparing the net present value of future rentals receivable to the carrying value of the lease receivable. Where there is a shortfall in the present value of the future rentals receivable, an impairment of the carrying value of the lease receivable is recognised.

Dividends

Where dividends are declared, appropriately authorised (and hence no longer at the discretion of the Group) after the balance sheet date but before the relevant financial statements are authorised for issue, dividends are not recognised as a liability at the balance sheet date because they do not meet the criteria of a present obligation in FRS102.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not provided on freehold land. On other assets it is provided on cost or re-valued amounts over the estimated lives of the assets as below:-

Freehold land and buildings and outdoor fixtures

- 1% - 5% straight line

Fixtures and fittings and equipment

- 5% - 25% straight line

Tractors and motor vehicles

- 5% - 20% straight line

Investment income

Dividends and other investment income receivable are included in the profit and loss account inclusive of withholding tax but exclusive of other taxes.

Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

Impairment of assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes to the Financial Statements (continued)
Year ended 31 December 2017

Non-financial assets
The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

Non recognised financial information
The consolidated profit and loss account includes measures which are not accounting measures under UK GAPP which are used to access the financial performance of the business. These measures which are termed 'non-GAPP' include reference to EBITDA within the Strategic Report.

Company only result for the year
As permitted by Section 408(3) of the Companies Act 2006, the profit and loss account of Newbury Racecourse Plc is not presented as part of the consolidated accounts.

Tax
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Capital grants
Capital grants received, apart from HBLB grants, are accounted for as deferred grants on the balance sheet and credited to the profit and loss account over the estimated economic lives of the asset to which they relate.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

Horserace Betting Levy Board (HBLB) grants

HBLB grants are accounted for under the performance model in line with standard industry practice. HBLB capital grants 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.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Borrowing costs

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs are accounted for on an accrual basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period which they arise.

Financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Fair value measurement

Assets and liabilities that are measured at fair value are classified by level of fair value hierarchy as follows:
Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – inputs for the asset or liability that are not based on observable market data.

Exceptional items

Directors exercise their judgement in classification of certain items as exceptional and outside the Group's underlying results. The determination of whether items should be separately disclosed as an exceptional item or other adjustment requires judgement on its materiality, nature and incidence. Accounting transactions related to the DWH agreement are considered outside the ordinary course of business, see note 4 for further detail.

Notes to the Financial Statements (continued)

Year ended 31 December 2017

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Critical judgements in applying the Group's accounting policies

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

Capitalisation of design fees and expenditure in connection with the ongoing development works, which during the year ended 31 December 2017 amounted to £0.5m (2016: £2.5m). The total carrying value of capitalised design fees at 31 December 2017 is £0.58m. In the directors' view these costs are directly attributable to the development of a long term fixed asset which will provide future economic benefits in excess of its carrying value.

Estimation techniques

Significant estimation techniques include;

The fair value of the long-term David Wilson Homes debtor balance is determined with reference to current market conditions and to reflect the risks specific to the balance due.

Impairment of assets

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of assets at the balance sheet date was £34.7 million. No impairment loss was recognised in 2017 as there was no further indication of impairment (2016: impairment loss of £3.45m).

Notes to the Financial Statements (continued)

Year ended 31 December 2017

3. EXCEPTIONAL ITEMS

	2017	Restated* 2016
	£'000	£'000
Proceeds from Sale of Fixed Asset	-	26,973
Net book value of asset disposal	347	(3,567)
Other associated items	308	(3,114)
DWH debtor movement in fair value	(365)	(731)
Property transactions/profit on disposal of fixed assets	290	19,561
Impairment	-	(3,449)
Total	290	16,112

In accordance with note 1, accounting transactions related to the DWH agreement are considered outside the ordinary course of business.

No impairment loss was recognised in 2017 as there was no further indication of impairment.

The net book value of assets disposed is the disposal of assets in 2017 associated with the internal redevelopment works, net of the recovery of related costs. Other associated items are attributable to the unwinding of the property provisions in connection with the land sale.

*(restated – see note 5)

4. 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 2017 of £1,183,000 (2016: £13,599,000 (restated – see note 5)) by the weighted average number of ordinary shares during the year of 3,348,326 (2016: 3,348,326).

Notes to the Financial Statements

Year ended 31 December 2017

5. EXPLANATION OF PRIOR YEAR ADJUSTMENTS

The Group has restated comparative financial information in in order to bring the accounting of certain accounting treatments in line with the requirements of FRS 102. The areas affected are set out below:

Investment property:

The Group's interest in freehold property which is held for the purposes of generating rental returns and potential capital appreciation has been reclassified as Investment Property from Tangible Fixed Assets. This reclassification has reduced Tangible Fixed Assets in the Consolidated Group Balance Sheet at 31 December 2016 by £1.11m and increased Investment Property fixed assets by the same value. The carrying value of the property was already held at approximately market value (being the directors' assessment of market value) and consequently no adjustment to the carrying value was required.

Lease assets receivable:

In 2012, under the terms of the David Wilson Homes land sale agreement, part of the consideration arising from David Wilson Homes was an option to purchase, at a substantial discount to market value, the interest in the ground rents of the new residential apartment buildings. Under the requirements of FRS102, the financial statements have been restated to recognise the option to purchase the ground rent receivables on the balance sheet and an additional gain on disposal of £3.36m arising in 2012.

On exercise, the option is derecognised and a lease receivable for the present value of all expected future rentals is recognised. The effect on the financial statements is to increase debtors by £3.56m at 31 December 2016 (£0.10m due less than one year, £3.46m due in more than one year), to increase the deferred tax liability by £0.63m, to reduce fixed asset investments by £0.16m (being the option exercise price previously recognised as a fixed asset investment), to reduce profit for the year ended 31 December 2016 by £0.03m (being the ground rents received in the year) and to increase profit and loss reserves by £2.76m at 31 December 2016.

Deferred Tax:

The Group had previously offset deferred tax assets against its liabilities, FRS102 requires deferred tax assets and liabilities to be disclosed separately in the balance sheet. As at 31 December 2016 provisions for liabilities have increased by £0.03m, pension deficit has increased by £0.22m and debtors due within one year have increased by £0.25m. The application of the amendment has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

Accounting treatment of finance charges:

The Group previously presented fair value movements of the David Wilson Homes debtor partly through Profit on disposal of fixed assets and partly through Investment Income. The fair value movements are now recognised through a single line item, "Property transactions/profit on disposal" Investment Income has been reduced by £0.33m for the year ended 31 December 2016 and Profit on disposal of fixed assets has been increased by £0.33m for the year ended 31 December 2016. Movements in the fair value of the David Wilson Homes debtor are shown separately as an exceptional item given the nature of the transaction.

RECONCILIATION OF EQUITY

	Group	
	At 1 January 2016 £'000	At 31 December 2016 £'000
Equity reported prior to restatement	**31,426**	**33,652**
Prior period adjustments:		
1 Recognition of fair value of lease asset receivable	3,438	3,397
2 Recognition of the deferred tax liability in respect of the above	(637)	(634)
Equity reported after restatement	**34,227**	**36,415**

RECONCILIATION OF PROFIT FOR YEAR ENDED 31 DECEMBER 2016

	2016 £'000
Profit for the financial period previously reported	**12,981**
1 Reversal of lease asset receivable rents recognised during the period	(33)
2 Movement in deferred tax in respect of lease assets receivable	(5)
Profit for the financial period after restatement	**12,943**

Notes

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2017 or 2016, but is derived from those accounts. Statutory accounts for 2016 have been delivered to the Registrar of Companies and those for 2017 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 14 May 2018.