3 May 2019

NEWBURY RACECOURSE PLC
("the Racecourse" or "the Company")
Preliminary Results for the 12 months ended 31 December 2018

Newbury Racecourse plc, the racing, entertainment and events business, today announces its preliminary results for the twelve months ended 31 December 2018.

Financial Highlights

- Total turnover up 8% to £19.29m (2017: £17.81m)
- Conference & Events revenues increased by 22%
- 10% growth in Rocking Horse Nursery revenues
- 20% growth in hotel turnover
- Profit before interest, tax and exceptional items £0.84m (2017: £0.49m)
- Exceptional profits £0.92m (2017: £0.29m)
- Consolidated group profit on ordinary activities before tax £1.48m (2017: £0.48m)

Operational Highlights

- Raceday attendances of 173,000 (2017: 196,000) impacted by the two days abandoned in March due to snow
- Two successful Party in The Paddock events with Craig David and Rudimental DJ, with overall attendances of more than 33,000
- Continued investment into prizemoney with an 11% like for like increase
- Attendances of more than 23,000 across the two day Ladbrokes Winter Carnival
- 32% increase in C&E event days
- 3% increase in Nursery occupancy levels
- 4% increase in The Lodge hotel occupancy levels

Redevelopment Highlights

- Re-modelling of the main parade ring, improvements to the customer areas behind the stands and new southern entrance building now completed
- Good progress on the phased refurbishment of the Berkshire Stand and improvements to the wider infrastructure
- Cash payments to the Company of £3.25m from DWH residential sales during 2018
- David Wilson Homes residential development more than halfway through, with c.930 homes out of the total 1,495 now built.

Current Trading

- Positive start to trading in 2019, with particularly strong sales for Party in the Paddock dates and Conference and Events
- Ongoing uncertainties around impact of FOBT on funding and media revenues, in spite of this the Company has committed to maintain its total prizemoney at £5m for 2019

Dominic Burke, Chairman of Newbury Racecourse plc commented:

"2018 was another progressive and busy year for Newbury Racecourse. A year which saw positive financial growth in a number of key areas of the business and a year in which we completed our redevelopment of the external heartspace areas of the racecourse.

Our redevelopment has delivered a first class venue that not only provides us with a stage to continue to host racing of the highest quality, but also facilities which are well placed to meet the increasing demands of the modern day consumer, from horsemen and racegoers, to conference and hotel guests, nursery patrons and local residents. Enabling us to continue growing our well diversified business and maximise the returns from our investments."

For further information please contact:

Newbury Racecourse plc Julian Thick, Chief Executive Harriet Collins, Marcomms & Sponsorship Director	Tel: 01635 40015
Hudson Sandler Charlie Jack	Tel: 020 7796 4133

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

2018 was another progressive and busy year for Newbury Racecourse. A year which saw positive financial growth in a number of key areas of the business and a year in which we completed our redevelopment of the external heartspace areas of the racecourse.

Financial Performance

Total turnover grew by 8% to £19.29m in 2018. We have seen improvements in trading performance across a number of areas of the business, with like for like growth in racing revenues of 7%, another excellent year for the Rocking Horse Nursery with growth in revenues of 10% and revenue from The Lodge hotel operation increasing by 20%. We also saw good recovery in the Conference and Events business with turnover up 22%.

Operating profits were £1.76m in year (2017: £0.78m), including exceptional profits of £0.92m (2017: £0.29m). Profit after tax was £1.79m (2017: £1.18m).

Racing Highlights

The action on the track in 2018 has once again been thrilling and of a very high quality, demonstrating our continued ability to attract the very best horses across both codes. Highlights early in the year included brilliant victories from both Altior and Native River on Betfair Super Saturday in February, with the former going on to win the Queen Mother Champion Chase and the latter winning the Cheltenham Gold Cup.

The 2018 flat season got underway with Dubai Duty Free Spring Trials Weekend and some striking performances which highlighted Classic credentials, including Derby contender, The Young Rascal and Lah Ti Dah who went onto Group 1 success later in the season. Another thrilling renewal of the Al Shaqab Lockinge, in May saw Rhododendron narrowly beat Lightning Spear to become the first filly to win the race since 2004 for Aidan O'Brien with over 11,000 racegoers attending the early summer showpiece.

Our first Party in the Paddock event for 2018 took place in July at the Weatherbys Super Sprint meeting, with a sell-out crowd of 20,000 enjoying Craig David who performed after an excellent day's racing, which also saw the introduction of the new JLT Cup for stayers, attracting a strong 16 runner field in its inaugural year. Our second Party in the Paddock event for the year saw the popular DJ band, Rudimental perform after racing on Betfred Ladies Day in August.

As we turned to the Jumps once more, Sizing Tennessee's hard-fought win in the second running of the Ladbrokes Trophy in early December, gave Colin Tizzard a one-two in the race with the two-day meeting seeing increased attendances year on year. This meeting continues to be a key priority for the business to grow and improve, both in stature and size.

The Development

The redevelopment of the racecourse continued throughout 2018 and the team, once again, did an outstanding job of delivering a full calendar of racing and events, in spite of the ongoing disruption. The re-modelling of the main parade ring and improvements to the customer areas behind the stands are now completed and we are delighted with the results and the positive feedback from patrons. The phased refurbishment of the Berkshire Stand and improvements to the wider infrastructure have continued and have significantly enhanced the visitor experience which will as a consequence help us to deliver improved financial returns in the future.

Having obtained planning consent in 2017 for a full re-development of the Pall Mall building, the Board have revisited the strategy for this facility and the decision has been taken to proceed with a reduced scheme, encompassing the Royal Box building only. This scheme will both restore the Royal Box, being our most prestigious facility, to its former glory and will also provide enhanced access, viewing and public facilities.

Following the completion of the major heartspace development works, the board instructed Savills to undertake a residual valuation of the land and major buildings. This valuation, which provided us with an estimate of the long-term residual value of the assets, together with a review of the useful economic lives of the major assets, was undertaken solely for the purpose of re-estimating the annual depreciation attributable to those assets and was not a full market valuation exercise. This has resulted in a reduction in the like for like annual depreciation charge of c. £0.59m, which is reflected in the profit and loss account. The board believes this fairly reflects the substance and long-term residual value of the assets which, as a result of the recent redevelopment of the racecourse and its facilities, will continue to provide significant future economic benefits to the business into the longer term.

The David Wilson Homes residential development is now more than halfway through, with c.930 homes out of the total 1,495 now built. Demand for new homes on the site remains positive and sales are broadly in line with expectations.

Outlook and Market Developments

Trading prospects for 2019 look satisfactory to date. We are seeing very strong sales for our two confirmed Party in the Paddock events, Tom Jones in July and Madness in August. February's Betfair Saturday was regrettably abandoned as a result of the equine influenza outbreak but was an insured fixture so the financial loss was mitigated. Our Conference and Events business has had a positive first quarter with business on the books up significantly on the prior year and growth across a number of key markets.

However, there are trading challenges to come, not least the now confirmed £2 cap on stakes for Fixed Odds Betting Terminals ("FOBTs"), which has taken effect from April 2019. This is predicted to have a significant negative impact upon betting shop profitability and, as a result, there could be a material reduction in the number of betting shops. The implications of such changes on the horse racing industry remain difficult to predict but it is very likely to have a material adverse impact on future contributions to prize money funding from the Horserace Betting Levy Board (HBLB) and the Company's revenues from media rights.

We intend to maintain our total prizemoney for 2019, in spite of the expected decline in funding from the HBLB and lower expected revenues from our media rights. Like many other racecourses, we will need to manage carefully our future prizemoney commitments in light of these developments.

As previously stated, given the additional investment in the racecourse and the current uncertainty around the financial impact of the FOBT situation, the Board have decided that any return to paying dividends or returning capital to shareholders is not now anticipated to 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 redevelopment has delivered a first class venue so we can continue to host racing of the highest quality, as well as having facilities which are well placed to meet the increasing demands of the modern day consumer, from horsemen and racegoers, to conference and hotel guests, nursery patrons and local residents. Our redevelopment should enable us to continue growing our well-diversified business activities and maximise the returns from our investments.

We were delighted to be named, once again, as one of the top racecourses in the UK by VisitEngland and, for the fourth 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 all customers for their ongoing support and patronage.

DOMINIC J BURKE
Chairman

2 May 2019

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 2018

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 and an on-site hotel. 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 2018 was £1.48m (2017: £0.48m) which includes £0.92m of exceptional profits (2017: £0.29m exceptional profits).

Turnover increased by 8% (£1.49m) to £19.29m (2017: £17.81m). Overall racing revenues, excluding the impact of capital credits claimed, grew by 5% (£0.67m). Despite 2 abandonments in the year (2017: no abandonments) like for like growth in racing revenues was £0.86m (7%). Conference and Events revenues increased by 22% (£0.19m) on prior year. The Rocking Horse Nursery revenues showed growth of 10% (£0.13m) on 2017. The Lodge revenues increased by 20% (£0.17m) year on year.

Total costs increased by 7% to £18.45m (2017: £17.32m). A review of the residual values and useful economic lives of land and buildings resulted in a £0.59m reduction in the annual depreciation estimate charged to the profit and loss account.

Exceptional profits during 2018 were £0.92m (2017: £0.29m) being the reduction of a provision in connection with a contingent liability, net of the cost of writing off the carrying value of the old Pall Mall building and the movement in the fair value of the DWH debtor.

Operating profit before interest was £1.76m (2017: £0.78m).

The tax credit of £0.31m (2017: credit £0.71m) relates to the movement in deferred tax during the period.

Profit after tax was £1.79m (2017: £1.18m).

The decrease in cash reserves of £2.89m in the period (2017: £7.84m decrease) includes £3.25m of cash receipts from DWH in respect of properties sold in the period and is net of £6.01m of capital expenditure and tax instalment payments of £0.08m.

Racing

The accounts include a total of 30 days racing (2017: 29) comprising 11 days National Hunt racing (2017: 11) and 19 days flat racing (2017: 18).

As ever the racecourse hosted a full and high-quality racing programme during 2018, although two days in March were unfortunately abandoned due to snow (2017: no meetings abandoned).

Overall raceday attendances in 2018 decreased by 12% to 173,000 (2017: 196,000), primarily as a result of the two abandonments in early March and reduced attendances at Ladies Day in August which had delivered a sell-out crowd for Olly Murs the previous year.

May marked the fourth year of Al Shaqab's sponsorship of Lockinge Day, Newbury's richest race meeting, which was attended by c.11,000 racegoers. This meeting continues to be 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, The Ladbrokes Winter Carnival, at the beginning of December, marked the second year of our five year partnership with Ladbrokes. We and the sponsors were pleased to once again see strong attendances across the two day meeting of more than 23,000.

We continued to make further investment in our prize money, with an 11% (£0.23m) 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, Dubai Duty Free and Ladbrokes for their investment in 2018.

We hosted two successful music events in 2018 with Craig David in July and Rudimental DJ in August attracting total attendances in excess of 33,000.

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. £0.95m (26%), to £4.59m for the twelve months to 31 December 2018, representing c.24% of the Group's overall turnover and reflecting the continued strong performance in streaming and overseas activities of Racecourse Media Group, together with increased LBO income from the new agreement signed in April 2018.

Conference and Events

Conference and Events revenues increased by 22% (£0.19m) versus 2017, to £1.06m as a result of an 32% increase in event days.

Our restructured Conference & Events sales team have been and continue to be focused entirely on growing this part of our business, through proactive selling and relationship building within key sectors and with a number of agents. Despite the ongoing challenges of the redevelopment, we have seen a good level of recovery and we remain confident that with the redeveloped facilities the Conference and Events business performance will continue to improve.

Catering, Hospitality and Retail

Our catering, hospitality and retail business saw overall year on year growth in revenues of £0.12m. Raceday catering revenues were c.6% up on 2017 on a like for like basis, with conference catering revenues up c.18% as a result of the improved 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 10% to £1.43m and gross operating profits of £0.49m, an improvement of 18% on 2017. This has been driven by an average occupancy increase of 3% over the course of the year.

The Lodge

Turnover for The Lodge, our on-site hotel, increased by 20% year on year to £0.71m, driven by an average occupancy increase of 4%. Gross operating profits were £0.1m (2017 £0.1m).

The Redevelopment

The development of the racecourse heartspace continued throughout 2018, with the re-modelled parade ring, betting and retail pods, Southern Entrance and other landscaping works all completed at a total cost of £5.42m.

The enhancement of IT infrastructure across the site, has resulted in improved business technology resilience and capacity, together with an improved customer experience. The refurbishment of the Berkshire Stand and a programme of lift upgrades across the site, continues. These works are focused on enhancing the experience for all of our customers, whilst generating improved financial returns for the wider business in the longer term.

The Board have revisited the strategy for the former Pall Mall building and a decision made to proceed with a reduced scheme, encompassing the Royal Box building only at an estimated cost of £2.5m. The revised scheme removes the aged Pall Mall building which was reaching the end of its useful life and refurbishes the historic Royal Box building, including wholly improved accessibility and extended public conveniences.

The residential development continues to progress well, with the Central Area now completed and more than 90% sold and the Eastern Area construction well underway. DWH are now more than half way through the total build programme, with c. 930 homes out of the total 1,495, now built. Cash receipts from DWH from the sale of properties in 2018 were £3.25m, which was in accordance with our expectations.

The operational challenges, that the redevelopment inevitably presented during 2018, were proactively managed by the racecourse team alongside our development partners, minimising as far as possible disruption to our customers and neighbours.

KEY PERFORMANCE INDICATORS

The Group uses raceday attendance and trading operating profit as the primary performance indicators. Total attendance was 173,000 (2017: 196,000). Operating profit is shown within the profit and loss account on page 17.

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 and the forseeable future thereafter. The extent of this review reflects the current economic climate, including Brexit, 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 are 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 has updated it's committed 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 and banking facilities in place to continue in operational existence for the foreseeable future and the going concern basis has been adopted in preparing the financial statements.

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 2018 is 3% (2017: 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 10 days (2017: 6 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 £3,560 to national charities (2017: £2,360).

This report was approved by the board and signed on its behalf by:

J M Thick
Chief Executive

2 May 2019

* 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 TO 31 DECEMBER 2018

We would like to thank our leading sponsors for their significant support in 2018

Al Shaqab
bet365
Betfair
Betway
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
Alexander Advertising
Betfred
Big Group Insight
BJP Insurance Brokers
British Horse Society
Byerley Stud
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
Dream Lodges
Dreweatts & Bloomsbury Auctions
Enotria
Equine Productions
Event Bar Management
Fuller Smith & Turner PLC
Gigaclear
Goffs UK
Greatwood
Grundon
Haynes Hanson & Clark
Heatherwold Stud
Hot to Trot Racing Club
Indzine
Irish Thoroughbred Marketing
Johnsons Stalbridge Linen Services
KKA
Ladyswood Stud
Laurent Perrier
Matthew Fedrick Farrier
Mirage Signs
Mobile Pimm's Bars
Newbury BID
Oakley Coachbuilders
Parkway Shopping
Pertemps Group
Peter O'Sullevan Charitable Trust
Powersolve Electronics
Premier Food Courts
Prodec Networks
Pump Technology Ltd
Qolcom
Racegoers Club
Racing Welfare
Rayner Bosch Car Service
Relyon Cleaning Services
R & M Electrical
Ross Brooke Chartered Accountants
Sportsguide
Solario Racing
South Downs Water
St.James's Place Wealth Management
Starlight
Team Archie
Thatcham Butchers
TKP Surfacing
T T Tents
West Berkshire Brewery
West Berkshire Mencap
West Berkshire Racing Club

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

CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Turnover		19,295	17,806
Cost of sales		(15,478)	(14,662)
Gross profit		3,817	3,144
Administrative expenses		(2,974)	(2,655)
Net exceptional items	4	915	290
Operating profit		1,758	779
Interest receivable and similar income		12	6
Interest payable and similar expenses		(287)	(307)
Profit before tax		1,483	478
Tax on profit		309	705
Profit after tax		1,792	1,183
Profit per share (basic and diluted) (Note 5)		53.5p	35.3p

All amounts derive from continuing operations

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2018

	2018 £000	2017 £000
Profit for the financial year	1,792	1,183
Other comprehensive income		
Remeasurement of the net defined benefit schemes	418	115
Deferred tax on actuarial (loss)	(71)	(22)
Other comprehensive income for the year	347	93
Total comprehensive income for the year	2,139	1,276

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018

		2018 £000		2017 £000
Fixed assets				
Tangible assets		38,490		33,560
Investments		117		117
Investment property		1,112		1,112
		39,719		34,789
Current assets				
Stocks	250		203	
Debtors (amounts falling due after more than one year £13,403 (2017: £14,072))	20,079		26,065	
Cash at bank and in hand	2,223		5,107	
	22,552		31,375	
Creditors: amounts falling due within one year	(5,110)		(5,965)	
Net current assets		17,442		25,410
Total assets less current liabilities		57,161		60,199
Creditors: amounts falling due after more than one year		(2,471)		(4,746)
Provisions for liabilities				
Provisions		(3,270)		(5,774)
Pension liability		(747)		(1,127)
Net assets		50,673		48,552
Capital grants				
Deferred capital grants		88		106
Capital and reserves				
Called up share capital		335		335
Share premium		10,202		10,202
Revaluation reserve		75		75
Capital redemption reserve		143		143
Profit and loss account		39,830		37,691
Shareholders' funds		50,585		48,446
		50,673		48,552

The financial statements of Newbury Racecourse PLC, Company registration 00080774, were approved by the Board of Directors on 02 May 2019 and were signed on its behalf by:

D J BURKE (Chairman) J M THICK (Chief Executive)

The Racecourse
Newbury, Berkshire
RG14 7NZ

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2018	335	10,20	143	75	37,691	48,446
Profit for the year	-	-	-	-	1,792	1,792
Other comprehensive income	-	-	-	-	347	347
At 31 December 2018	335	10,20	143	75	39,830	50,585

YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2017	335	10,202	143	75	36,415	47,170
Profit for the 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 2018

	2018 £000	2017 £000
Cash flows from operating activities		
Profit for the financial year	1,792	1,183
Adjustments for:		
Exceptional items	(915)	(291)
Amortisation of capital grants	(18)	(17)
Depreciation charges	905	1,187
Interest paid	287	308
Interest received	(12)	(6)
Tax credit	(309)	(704)
(Increase)/decrease in stocks	(47)	21
Decrease/(increase) in debtors	2,374	(1,467)
(Decrease)/increase in creditors	(440)	645
Corporation tax paid	(78)	(927)
Other associated property receipts	40	-
Net cash generated from operating activities	3,579	(68)
Cash flows from investing activities		
Receipts from exceptional sale of fixed assets	3,252	3,146
Purchase of fixed assets	(6,011)	(7,914)
Sale of tangible fixed assets	-	16
Other associated property costs	(647)	(2,935)
Interest received	12	6
Net cash from investing activities	(3,394)	(7,681)
Cash flows from financing activities		
Repayment of CBEL loan	(3,000)	-
British Championship loan repayment	11	-
Loan finance issued	(69)	(78)
Interest paid	(11)	(13)
Net cash used in financing activities	(3,069)	(91)
Net (decrease) in cash and cash equivalents	(2,884)	(7,840)
Cash and cash equivalents at beginning of year	5,107	12,947
Cash and cash equivalents at the end of year	2,223	5,107

Cash and cash equivalents at the end of year comprise:

Cash at bank and in hand	2,223	5,107
	2,223	5,107

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION
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.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The Group and company financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

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; and
• No separate parent company Cash Flow Statement with related notes is included

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 3.

2.2 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.

2.3 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, including Brexit, 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 updated revolving credit facilities which are in place through to March 2022, to support trading requirements and committed loan repayments and covenants.

Following this review the Board has concluded that it has a reasonable expectation that the Group has adequate resources and banking facilities 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.

2.4 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.

2.5 Investment property

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

2.6 Other investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 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.

2.8 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.

2.9 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings and outdoor fixtures	- 2%	- 5% straight line
Tractors and motor vehicles	- 5%	- 10% straight line
Fixtures and fittings and equipment	- 2%	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date (see note 3).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Profit and Loss Account.

2.10 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.

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.

2.11 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.

2.12 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.

2.13 Non-recognised financial information

The 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.

2.14 Cash and cash investments

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

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.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 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.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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.

2.18 Grants

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. Capital grants are in deferred capital grants on the Balance Sheet as the associated works have been performed and it is not in any way repayable.

Horserace Betting Levy Board (HBLB) grants

The HBLB provides funding to racecourses which is used to support racing activities. HBLB grants are accounted for under the performance model in line with standard industry practice. HBLB grants are credited to the Profit and Loss Account as revenue in the month of the raceday, the corresponding debtor is carried on the Balance Sheet until the cash is received.

2.19 Pensions

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.

2.20 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.

2.21 Financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus 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.

2.22 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 5 for further detail.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, 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 2018 amounted to £0.4m (2017: £0.5m). The total carrying value of capitalised design fees at 31 December 2018 is £1.5m. 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:

David Wilson Homes
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. Estimates include the current value of the land as determined by the agreed parameters of the land sale agreement with David Wilson Homes, together with the application of a suitable discount rate.

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 tangible fixed assets and investment property at the Balance Sheet date was £39.6 million. No impairment loss was recognised in 2018 as there was no further indication of impairment required (2017: no impairment loss).

Residual values and useful economic lives
The Group's tangible fixed assets are reviewed, whenever there is a relevant change in circumstances or after relevant review, in order to assess whether the residual values and useful economic lives continue to be appropriate for calculating depreciation in the period. The reassessment of residual values and useful economic lives led to a reduction in depreciation of approximately £0.59m in the period.

4. EXCEPTIONAL ITEMS

	2018 £000	2017 £000
Net book value of asset disposal	(2)	347
Other associated items	904	308
DWH debtor movement in fair value	13	(365)
	915	290

Other associated items are attributable to the reduction of a provision in connection with ongoing obligations related to the sale of land and redevelopment of the racecourse, net of the cost of writing off the carrying value of the Pall Mall building.

In accordance with note 2, accounting transactions related to the DWH agreement are considered outside the ordinary course of business.

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 2018 of £1,792,000 (2017: £1,183,000) by the weighted average number of ordinary shares during the year of 3,348,326 (2017: 3,348,326).

NOTES

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2018 or 2017, but is derived from those accounts. Statutory accounts for 2017 have been delivered to the Registrar of Companies and those for 2018 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 2 May 2019