29 September 2017

NEWBURY RACECOURSE PLC
(“the Racecourse” or “the Company”)

Interim Results for the 6 months ended 30 June 2017

Newbury Racecourse plc, the racing, entertainment and events business, today announces its half year results for the six months ended 30 June 2017.

Financial Highlights

- Turnover up 10% to £7.04m (2016 restated: £6.41m)
- 5% improvement in half year operating performance - operating loss on ordinary activities £0.27m (2016: £0.28m loss)
- Loss on ordinary activities after tax £0.38m (2016: profit £17.2m) – no exceptional profits in the period

Operational Highlights

- 24% increase in attendances
- 4% increase in media revenues
- 31% growth in Rocking Horse Nursery revenues
- 400% growth in Lodge revenues

Property Development Highlights

- More than 500 homes now occupied on site, in line with management’s expectations
- Cash receipts from the sale of properties £1.95m in the first six months of 2017
- Completion of the new saddling boxes, pre-parade ring and eastern entrance building
- Good progress on the new Owners’ Club due for completion in the autumn of 2017

Dominic Burke, Chairman of Newbury Racecourse plc commented:

“In the first six months of 2017 we have continued to make good progress against our strategy of redevelopment and growth, with 10% growth in total turnover.

Raceday attendance in the first half of the year was up 24% on the prior year and we have seen further significant growth in our Nursery business and The Lodge hotel trade, although trading conditions for Hospitality and Conference & Events have been challenging.

We are pleased with the continued steady progress on the DWH residential development and we have made good progress on our own redevelopment, with the new saddling boxes, pre-parade ring and eastern entrance building all now completed and in use.

We remain confident in the delivery of a positive financial outturn for the remainder of 2017.”

For further information please contact:

Newbury Racecourse plc Julian Thick (Chief Executive)	Tel: 01635 40015
Hudson Sandler Charlie Jack	Tel: 020 7796 4133

Chairman's Statement

In the first six months of 2017 we have continued to make good progress against our strategy of redevelopment and growth.

Total turnover increased almost 10% on 2016 to £7.04m (2016 restated[1]: £6.41m), with no loss of fixtures to weather driving a 24% increase in attendance with increased associated revenues. Continued growth in our Nursery business and The Lodge, helped to mitigate challenging trading conditions in Hospitality and Conference & Events.

Overall operating losses for the first six months of £0.27m were a 5% improvement on the same period last year (2016: £0.28m).

With no exceptional items to report in the period (2016: exceptional profit £20.1m), the loss on ordinary activities after tax for the period was £0.38m (2016: profit £17.2m).

The action on the track in the first half of the year has once again been high quality, demonstrating our continued ability to attract the very best horses. Native River's win on Betfair Super Saturday in February, having won the 60th and final running of the Hennessy Gold Cup at the end of 2016, preceded his fine effort when finishing third in the Cheltenham Gold Cup. That same race meeting also provided the stage on which Altior announced himself as heir apparent to retired stablemate Sprinter Sacre, winning the Betfair Exchange Steeple Chase. Highlights of the 2017 flat season to date include 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.

The Development
David Wilson Homes continues to make steady progress, in line with expectations, on the residential development, with the Central and Eastern phases now well underway. 560 homes are now occupied across the site.

We are pleased with progress to date on our own heartspace redevelopment. The new saddling boxes and pre-parade ring were completed in time for the Dubai Duty Free Spring Trials weekend in April, attended by Her Majesty The Queen, an occasion where her horse, Call to Mind, won the Dubai Duty Free Tennis Championships Maiden Stakes. The new Eastern Entrance was completed in July and has hugely improved the arrival experience for racegoers and visitors. Construction of the new Owners' Club is well advanced and this is expected to be completed in October, providing a state of the art facility for owners, trainers and other guests.

Outlook
At the Weatherbys Super Sprint meeting in July we hosted Jess Glynne, who performed after an excellent day's racing, with attendances of more than 18,000. Betfred Ladies Day in August with Olly Murs saw our biggest raceday attendance for 5 years, with 23,000 people enjoying a wonderful spectacle of racing and music. Most recently, the Dubai Duty Free International weekend in September was attended by more than 12,000 people.

As the DWH residential development nears the mid-way point and construction moves further away into the Eastern Area, the business will be less exposed to the disruption it has experienced over the last five years, which should have a positive impact upon trading.

The Board remains confident in the delivery of a positive financial outturn for the remainder of 2017, in line with our long term plans for the business.

DOMINIC J BURKE
Chairman
28 September 2017

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[1] 2016 turnover and costs of sale have been restated in line with the revised accounting policy for HBLB capital credits (see Note 5 for further detail)

CHIEF EXECUTIVE'S REPORT

PERFORMANCE REVIEW

Turnover increased c.10% to £7.04m (2016 restated[2]: £6.41m) in the first half of the year, £0.35m of which relates to the three days abandoned in 2016, with a c.4% increase in like for like media revenues, a 31% increase in Nursery income and a £0.2m (400%) increase in Lodge revenues year on year.

Costs of sale increased by £0.56m, c.10%, in line with increased turnover. Administrative expenses of £1.26m (2016: £1.21m), being a 4% increase, are in line with expectations.

Mid-year operating losses of £0.27m represent a 5% improvement on prior year (2016: loss of £0.28m).

There were no exceptional items in the first six months of 2017 (2016: £20.1m, being the net profit on disposal of the final tranche of land to David Wilson Homes).

The loss on ordinary activities after tax was £0.38m (2016: profit £17.2m).

Racing

There were no abandoned race meetings in the first half of 2017 (2016: three abandonments), as a result, attendances in the first six months of 63,589 were 24% up on the same period in 2016 (55,647).

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

Hospitality and Retail

Revenues from the catering business in the first six months of 2017 were £1.32m, an increase of c.14% on 2016, although this largely related to the three racedays which were abandoned in 2016, with underlying performance comparable to this time last year.

We continue to deliver improvements to our offer and the customer experience, with a programme of refurbishment to our hospitality facilities underway.

Conference and Events

Conference and Events revenues in the period were 19% down on the first half of 2016, with event days c. 18% down on the comparative period.

Trading conditions for this part of the business in the first half of the year have been challenging, particularly whilst the redevelopment is ongoing. The sales team continue to focus on driving forward the sales strategy for this part of the business and the completion of the new Owners' Club in the autumn will significantly enhance our small conference and wedding offer. Christmas parties are once again selling well.

The Lodge

Our 36 bedroom onsite hotel has seen steady growth in occupancy levels since opening fully to the public in June last year. Revenues in the first six months of 2017 were £0.27m and average occupancy is broadly in line with our expectations at this point in The Lodge's journey.

Rocking Horse Nursery

The nursery business has continued to trade strongly with revenues in the first six months of 2017 of £0.65m, 31% up on the comparative period in 2016, with an occupancy increase of 12% versus the same period last year and gross operating profits of £0.23m an improvement of £91k (65%).

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[2] 2016 turnover and costs of sale have been restated in line with the revised accounting policy for HBLB capital credits (see Note 5 for further detail)

The Heartspace Development
The development of the racecourse heartspace progressed in line with our plans during the first half of 2017, with the new saddling boxes and pre-parade ring completed in April, the new Eastern Entrance building was completed in July and the new Owners' Club on track for completion in October. Project costs for the heartspace development to date of £8.5m have been in line with budget.

The Residential Development
The residential development continues to progress well, with the Central and Eastern Area construction programmes in line with schedule. DWH are now almost half way through the ten year build programme, with the vast majority of the major infrastructure works completed and c. 600 homes out of the total 1,480, now built. Cash receipts from DWH from the sale of properties in the first six months of 2017 were £1.95m, which was in accordance with our expectations.

JULIAN THICK
Chief Executive
28 September 2017

Consolidated Profit and Loss Account
Six months ended 30 June 2017

	Note	Un-audited 6 months 30/06/17 £'000 Trading	Un-audited 6 months 30/06/17 £'000 Property	Un-audited 6 months 30/06/17 £'000 Total	Restated Un-audited 6 months 30/06/16 £'000 Trading	Restated Un-audited 6 months 30/06/16 £'000 Property	Restated Un-audited 6 months 30/06/16 £'000 Total
Turnover	6	6,979	56	7,035	6,375	35	6,410
Cost of sales		(6,047)	-	(6,047)	(5,482)	-	(5,482)
Gross profit	6	932	56	988	893	35	928
Administrative expenses		(1,151)	(105)	(1,256)	(1,127)	(82)	(1,209)
Operating loss		(219)	(49)	(268)	(234)	(47)	(281)
Exceptional Items	7	-	-	-	-	20,123	20,123
(Loss)/profit on ordinary activities before interest		(219)	(49)	(268)	(234)	20,076	19,842
Interest receivable and similar income		-	83	83	-	14	14
Interest payable and similar charges		(133)	-	(133)	(162)	(873)	(1,035)
(Loss)/profit on ordinary activities before taxation		(352)	34	(318)	(396)	19,217	18,821
Tax (charge)/credit on (loss)/profit on ordinary activities	8	(58)	-	(58)	(149)	(1,467)	(1,616)
(Loss)/profit for the financial period		(410)	34	(376)	(545)	17,750	17,205
(Loss)/profit per share (basic and diluted)				(11.2p)			514p

All amounts derive from continuing operations

Consolidated Statement of Comprehensive Income
Six months ended 30 June 2017

	Unaudited 6 months 30/06/17 £'000	Unaudited 6 months 30/06/16 £'000
Total comprehensive income for the period	(376)	17,205

Consolidated Balance Sheet

Six months ended 30 June 2017

	Note	Unaudited 6 months 30/06/17 £'000	Audited 12 months 31/12/16 £'000
Fixed assets			
Tangible assets	10	31,598	28,238
Investments		276	277
		31,874	28,515
Current assets			
Stocks		203	225
Debtors			
- due within one year		9,385	6,941
- due in more than one year		13,842	16,540
Cash at bank and in hand		4,826	8,783
Cash Investment		2,168	4,163
		30,424	36,652
Creditors: amounts falling due within one year		(7,207)	(3,469)
Net current assets		23,217	33,183
Total assets less current liabilities		55,091	61,698
Creditors: amounts falling due after more than one year		(7,624)	(7,505)
Provisions for liabilities		(2,333)	(8,683)
Net assets before pension deficit		45,134	45,510
Pension deficit		(988)	(980)
Net assets after pension deficit		44,146	44,530
Deferred income			
Deferred capital grants		115	123
Capital and reserves			
Called up share capital	11	335	335
Share premium account		10,202	10,202
Revaluation reserve		75	75
Equity reserve		143	143
Profit and loss account surplus		33,276	33,652
Shareholders' funds		44,031	44,407
		44,146	44,530

The unaudited half year financial report of Newbury Racecourse plc, company registration 00080774, was approved by the board on 28 September 2017 and signed on its behalf by:-

D J Burke (Chairman) J M Thick (Chief Executive)

Consolidated Statement of Changes in Equity
At 30 June 2017

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 31 December 2016	335	10,202	143	75	33,652	44,407
Loss for the period to 30 June 2017	-	-	-	-	(376)	(376)
At 30 June 2017	335	10,202	143	75	33,276	44,031

Consolidated Cash Flow Statement
Six months ended 30 June 2017

	Note	Unaudited 6 months 30/06/17 £'000	Unaudited 6 months 30/06/16 £'000
Net cash (outflow)/inflow from operating activities	1	(241)	(1,511)
Returns on investments and servicing of finance			
Interest received and other investment income		2	14
Interest paid		(6)	20
Pension scheme contribution		-	-
Net cash outflow from returns on investments and servicing of finance		(4)	34
Taxation			
UK corporation tax		(846)	-
Total tax (paid)		(846)	-
Capital expenditure			
Payments to acquire tangible fixed assets		(4,072)	(347)
Receipts from exceptional sale of fixed assets		1,953	484
Payments relating to land sale		(2,742)	-
Net cash (outflow)/inflow from capital expenditure		(4,861)	137
Net cash inflow/(outflow) before financing		(5,952)	1,340
Financing			
Arrangement fees paid		-	(30)
Loan finance received		-	-
Loan repayment		-	(16)
Net cash inflow/(outflow) from financing		-	(46)
(Decrease)/Increase in cash in the period		(5,952)	(1,386)

Notes to the Consolidated Cash Flow Statement

Six months ended 30 June 2017

1. Reconciliation of operating loss to net cash (outflow) from operating activities	Unaudited 6 months 30/06/17 £'000	Unaudited 6 months 30/06/16 £'000
Operating loss	(268)	(281)
Depreciation charges	450	547
Amortisation of capital grants	-	(61)
(Increase) in stocks	22	(33)
(Increase) in debtors and prepayments	(1,619)	(2,574)
Increase in creditors and accruals	1,174	891
Net cash (outflow)/inflow from operating activities	(241)	(1,511)

2. Reconciliation of net cash flow to movement in net debt	Unaudited 6 months to 30/06/17 £'000	Unaudited 6 months 30/06/16 £'000
(Decrease) in cash in the period	(5,952)	(1,385)
Cash (outflow)/inflow from debt and lease financing	-	-
Change in net debt resulting from cash flows	(5,952)	(1,385)
Non cash movements	(119)	(71)
Net debt at 1 January	5,442	1,687
Net debt at 30 June	(629)	231

3. Analysis of change in net debt	At 1 Jan 2017 £'000	Cash flow £'000	Non cash changes £'000	At 30 June 2017 £'000
Cash at bank and in hand	12,947	(5,952)	-	6,995
Debt due after one year				
- Loan	(7,505)	-	(119)	(7,624)
- loan arrangement fees	-	-	-	-
	5,442	(5,952)	(119)	(629)

Notes to the Interim Financial Statements

Six months ended 30 June 2017

1. BASIS OF PREPARATION

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

These interim financial statements do not include all of the notes and disclosures required to comply with FRS102, as they have been prepared in accordance with the content, recognition and measurement principles for interim financial reports, Financial Reporting Standard 104 (FRS 104).

The abridged results for the six months ended 30 June 2017 do not constitute statutory accounts within the meaning of S434 of the Companies Act 2006. The auditor's report on the accounts of Newbury Racecourse plc for the 12 months to 31 December 2016 was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under S498 (2) or (3) of the Companies Act 2006 and has been delivered to the Registrar of Companies.

2. GOING CONCERN

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

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

The Board has reviewed the cash flow and working capital requirements in detail.

Following this review the Board has concluded that it has a reasonable expectation that the Group has adequate resources in place to continue in operational existence for the foreseeable future and on that basis the going concern basis has been adopted in preparing the financial statements.

3. REVENUE RECOGNITION

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

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

4. NON FRS FINANCIAL INFORMATION

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

5. HORSERACE BETTING LEVY BOARD (HBLB) GRANTS – *change in accounting policy*

HBLB grants were previously amortised to the profit and loss account over the expected useful life of the relevant asset, under the accruals concept. In the prior year a decision was made that these should be accounted for under the performance model. The rationale for this change was an alignment with standard industry practice. Practically, this means that instead of HBLB capital grants being amortised to the profit and loss account over the expected useful life of the relevant asset, they are credited to the P&L as revenue in the month of the raceday. The corresponding debtor is carried on the balance sheet until the cash is received. Previously reported results have been restated to reflect this change in accounting policy. For period ended 30th June 2016, Revenue and Cost of Sales have both been increased by £0.85m as a result of this change. For period ended 30th June 2017, the change in accounting policy has increased revenue and Cost of Sales by £0.91m and reduced liabilities by £0.91m.

Notes to the Interim Financial Statements
Six months ended 30 June 2017

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

(a) The condensed set of financial statements has been prepared in accordance with FRS 104 'Interim Financial Reporting'.

(b) The interim report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

J M Thick Chief Executive	C E Spencer Finance Director
28 September 2017	28 September 2017

Notes to the Interim Financial Statements

Six months ended 30 June 2017

6. SEGMENTAL ANALYSIS

2017	Turnover £'000	Gross profit £'000	Operating (loss)/profit £'000	Profit/(loss) before tax £'000	*Net Assets £'000
Trading	6,066	655	(496)	(629)	26,736
Nursery	645	232	232	232	2,847
Lodge	268	45	45	45	1,203
Property	56	56	(49)	34	13,360
Total	7,035	988	(268)	(318)	44,146

2016 (Restated)	Turnover £'000	Gross profit £'000	Operating (loss)/profit £'000	Profit/(loss) before tax £'000	*Net Assets £'000
Trading	5,829	778	(349)	(511)	19,708
Nursery	493	141	141	141	2,470
Lodge	53	(26)	(26)	(26)	2,875
Property	35	35	(47)	19,217	23,762
Total	6,410	928	(281)	18,821	48,815

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

7. EXCEPTIONAL ITEMS

	2017 £'000	2016 £'000
Profit on Sale of Fixed Asset	-	20,123
Total	-	20,123

Profit on sale of fixed assets in 2016 of £20,123,000, was the recognition of the sale of the final tranche of land to David Wilson Homes, under the terms of the sale agreement dated September 2012 and represents the guaranteed minimum land value, less directly attributable costs. This is shown as a debtor balance (due in more than one year) on the balance sheet, with the cash receivable over time as the residential units are sold.

8. TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES

The tax on ordinary activities has been computed in accordance with FRS 104 Interim Financial Reporting. This requires the company to apply the estimated annual effective tax rate to the profit/(loss) for the interim period and recognise a tax credit only to the extent that the resulting tax asset is more likely than not to reverse.

9. PROFIT PER SHARE

Basic loss per share of 11.2p is calculated by dividing the loss attributable to ordinary shareholders for the period ended 30 June 2017 of £376,000 (2016: profit £17,205,000) by the weighted average number of ordinary shares during the period of 3,348,326 (2016: 3,348,326).

Notes to the Interim Financial Statements
Six months ended 30 June 2017

10. TANGIBLE FIXED ASSETS

GROUP	Freehold land, buildings and outdoor fixtures £'000	Fixtures fittings and equipment £'000	Tractors and motor vehicles £'000	Total £'000
Cost or valuation				
As at 1 January 2017	41,039	5,872	254	47,165
Additions	3,271	525	14	3,810
Disposals	-	-	-	-
As 30 June 2017	**44,310**	**6,397**	**268**	**50,975**
Depreciation				
At 1 January 2017	14,007	4,717	203	18,927
Charge for year	335	110	5	450
Disposals	-	-	-	-
At 30 June 2017	**14,342**	**4,827**	**208**	**19,377**
Net book value at 30 June 2017	**29,968**	**1,570**	**60**	**31,598**
Net book value at 31 December 2016	27,032	1,155	51	28,238

In 1959 a revaluation of part of the freehold land at £117,864 gave rise to an excess of £75,486 over its cost and this sum is included in the total value of this asset. The excess on revaluation is credited to the Revaluation Reserve. The net book value of freehold land and buildings (and excluding outdoor fixtures) determined by the historical cost convention is £29,893,000 (2016 £26,957,000).

11. SHARE CAPITAL

	2017 £'000	2016 £'000
Authorised		
Ordinary shares of 10p each	600	600
Total	600	600

	2017 £'000	2016 £'000
Allotted and fully paid		
Ordinary shares of 10p each	335	335
Total	335	335

Notes to the Interim Financial Statements

Six months ended 30 June 2017

12. RETIREMENT BENEFIT OBLIGATIONS

The defined benefit obligation at 30 June 2017 has not been restated from the figures recorded at 31 December 2016 which were calculated in accordance with FRS 102, s.28, as in the Directors' opinion there have not been any significant fluctuations in the key assumptions.

13. RELATED PARTY TRANSACTIONS

There are no significant changes to the nature and treatment of related party transactions for the period to those reported in the 2016 Annual Report and Accounts.

Notes

The interim financial statements do not constitute statutory financial statements within the meaning of Section 435 of the Companies Act 2006. The financial information for the year ended 31 December 2016 has been extracted from the statutory accounts for the year then ended which have been filed with the Registrar of Companies. The audit report on these accounts was unqualified and did not contain any statements under Section 498 (2) or (3) Companies Act 2006.

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

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

28 September 2017