The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

5th May 2022

NEWBURY RACECOURSE PLC
(the "Racecourse" or the "Company")
Preliminary results for the 12 months ended 31 December 2021

Newbury Racecourse plc, the racing, entertainment and events business, today announces its preliminary results for the twelve months ended 31 December 2021.

2021 Financial and Business Summary

- Turnover increased by 75% to £14.83m (2020: £8.49m).
- Profit before interest, tax and exceptional items of £0.04m (2020: Loss of £2.38m)
- Consolidated group profit on ordinary activities before tax of £0.18m (2020: Loss of £2.27m).
- Consolidated group loss on ordinary activities after tax of £0.88m (2020: Loss of £2.04m) due to a deferred tax charge in the year relating to the increase in the corporation tax rate to 25% from April 2023.
- Raceday attendances of 105,000 (2020: 12,000). Twenty-nine meetings (nineteen with a paying attendance) compared with twenty (four with paying attendance) in 2020.
- In 2021 the Company continued to be severely impacted by the COVID-19 pandemic alongside the decision by the UK Government to implement national lockdowns which subsequently placed restrictions on the Racecourse's ability to operate normally.
- The Company operated all its 2021 racing fixtures, with, for the period between January and May, the only income coming from betting and media rights agreements. The nursery traded as normal, the conference & events business re-opened in July, but the hotel remained closed throughout 2021.
- In June 2021, the Company announced a catering agreement with Levy Restaurants (a division of Compass Group) to provide all raceday, events, hotel, and nursery catering. The Board is confident that this relationship, which became effective from 1 June 2021, will provide the Racecourse with access to innovative technology solutions, new restaurant, bar and food outlet concepts and improved commercial benefits which the Company has already begun to see in the subsequent period of trading.
- On 7 July 2021, the Company announced that it had signed an all media rights agreement with Arena Leisure Racing Ltd & At The Races Ltd (Sky Sports Racing) to replace the existing contract with Racecourse Media Group Ltd. The existing media rights agreement expires in respect of Betting Office retail rights on 31 March 2023 and in respect of all other media rights on 31 December 2023. The new agreement is anticipated to provide the Racecourse with both financial and strategic benefits and will run until the end of 2028.

2022 Update

- The UK Government's lifting of all legal restrictions on public life meant that the Company was able to forward plan accordingly. With paying attendance with unlimited crowds having been permitted since July 2021, the raceday hospitality business has reopened and the nursery remains fully open to all children. The hotel re-opened to paying guests on 6th January 2022, having been closed for almost 22 months.
- The Company has completed a review of its Conference & Events business and decided to withdraw from pro-actively marketing within this sector for the foreseeable future, until it is satisfied that the market is in a suitable position to re-commence activities.
- On 1st March 2022 the Company received £10.7m from David Wilson Homes which was the final contractual payment due to the Company in relation to the purchase of land for the racecourse residential development. This has enabled the Company to fully pay down the NatWest Bank loan and settle the final payment of the Compton Beauchamp Estates Loan. The Company is now debt free.

Dividend and Prize Money

- Following receipt of the final £10.7m from David Wilson Homes, the settling of the Company's loan debt and the future minimum guaranteed income expected from the media rights agreement, the Company is now in a position to provide an update on returning capital to shareholders.
- The Company is today declaring a special interim dividend, payable to all shareholders, of 89.6 pence per share. The special interim dividend will be paid on 7 June 2022 to shareholders on the register at the close of business on 13 May 2022. The special interim dividend totals £3m.

- Subject to future financial performance, the Company intends to declare an annual dividend funded from trading activities from the 2023 trading year onwards, with the dividend per share being declared annually alongside the Company's preliminary results announcement.
- The anticipated increase in guaranteed income from the media rights agreement will enable the Company to substantially increase its commitment to prize money from 2023 onwards. Subject to normal trading conditions continuing and the Government review of the Gambling Act not materially impacting betting turnover on the Company's racing, the Board will be committing to a minimum of 40% of its total media rights income being invested into prize money. This will then be reviewed three years from now.

Dominic Burke, Chairman of Newbury Racecourse plc commented:

"Following the challenges presented since March 2020, I am delighted that both the horseracing industry and our business has finally returned to normal activity. In the early part of 2021, we were only able to generate income during the behind closed doors meetings through our media and betting rights agreements and lost the significant benefit of being able to generate key revenues through catering and hospitality. However, since Government restrictions were lifted in July, we have been able to host an unrestricted paying attendance at our racedays, which included two Party In The Paddock concerts in August and September featuring Olly Murs and Rick Astley respectively. Attendances were also encouraging in the latter part of the year with the Ladbrokes Winter Carnival crowds in line with 2019. We were able to keep our Nursery business open throughout the year, but the Hotel only re-opened in January 2022. We have, however, made the decision to cease pro-actively marketing our Conference & Events business until we have confidence in the market.

Despite this positive development, the impact of the financial operating losses from 2020 and the first half of 2021 were substantial and has set the business back from its original strategic investment plan, so we have needed to adapt the business accordingly. The fact that we are able to report a pre-tax profit for the year is of significant importance.

During 2021 we signed two major strategic agreements, with Levy Restaurants becoming our Catering partner with effect from 1 June 2021 and all our media rights transferring to Arena Leisure Racing (Sky Sports Racing) in two separate stages starting with Betting Office retail rights from 1 April 2023 followed by all other rights from 1 January 2024. Both of these arrangements are expected to improve the financial performance of the Company.

As expected, we have also received the final payment due from David Wilson Homes which has enabled the business to settle all outstanding loans and be free of debt. On this basis I am pleased that we are able to satisfy the commitment that we made in 2012 to return some capital to shareholders. The Board has agreed to make a £3m special interim dividend distribution on 7 June, the day before the AGM. Following this, we anticipate being in a position to pay an annual dividend, subject to financial performance, from the trading year 2023 onwards. Finally, from 2023, when our new media rights arrangements come into effect, we will be significantly increasing our investment into prize money and will be committing to invest a minimum of 40% of total media rights income into prize money. This will then be reviewed three years from now.

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

For further information please contact:

Newbury Racecourse plc Julian Thick, Chief Executive Harriet Collins, Marcomms & Sponsorship Director	Tel: 01635 40015
Allenby Capital Limited Nick Naylor/Liz Kirchner (Corporate Finance)	Tel: 0203 328 5656
Hudson Sandler Charlie Jack	Tel: 0207 796 4133

CHAIRMAN'S STATEMENT

Year ended 31 December 2021

Introduction

Following the challenges presented since March 2020 I am delighted that both the horseracing industry and our business has finally returned to normal activity. In the early part of 2021, we were only able to generate income during the behind closed doors meetings through our media and betting rights agreements and lost the significant benefit of being able to generate key revenues through attendance, catering and hospitality. However, since all Government restrictions were lifted in July 2021, we have been able to host an unrestricted paying attendance at our racedays, which included two Party In The Paddock concerts in August and September featuring Olly Murs and Rick Astley respectively. Attendances were also encouraging in the latter part of the year with the Ladbrokes Winter Carnival crowds in line with where they were in 2019. We were able to keep our nursery business open throughout the year, but the hotel only re-opened in January 2022. We have also made the decision to cease pro-actively marketing our Conference & Events business until we have confidence in the market.

We set ourselves ambitious targets and a clear strategy to drive further growth in our business, but the impact of the pandemic resulted in a significant financial loss in 2020 and, despite returning to profit (before tax) in 2021, the effects of lockdowns and restrictions has set the business back from its original strategic investment plan. I am confident that the difficult decisions and actions taken during 2020 meant that ultimately, we were well placed to resume full trading activities in 2021 once circumstances permitted in July. The major investment we have made into our racecourse facilities and infrastructure over recent years was to position Newbury Racecourse for the future, in line with our strategic objective to be a modern and leading racecourse, entertainment and events business. This ambition remains unchanged.

2021 Financial Performance

Statutory turnover grew by 75% to £14.83m in 2021 (2020: £8.49m). We were able to host 29 fixtures during the year, compared with 20 in 2020. 10 of these were held with no paying public so we were particularly grateful for our Media and Betting Rights to provide much needed income for these days, whilst Licensed Betting Shops were also closed. Once all Government restrictions were lifted in July the business was once again able to benefit from paying customers, especially benefitting our two Party In The Paddock events and the Ladbrokes Winter Carnival, as well as the commercial upside generated from our catering arrangement with Levy. The nursery business remained open throughout the majority of the year and generated turnover of £1.56m (2020: £1.22m). The Lodge Hotel generated nominal income in 2021 compared with £0.13m in 2020. Due to the change of model following the implementation of the catering arrangement, the statutory income will reduce as we will only report our share of the profit as a royalty.

Following the difficult decision to implement a staffing re-structure in 2020 and reduce permanent headcount by 30 employees we were able to manage the fixed overhead against the reduced revenue in 2021. The Company made limited use of the Government Coronavirus Job Retention Scheme, accepted the Business Rates discount but made no other use of any direct Government support package.

The operating profit in the year was £0.20m (2020: loss of £2.29m), which was net of exceptional gain items of £0.15m (2020: gain of £0.09m). Loss after tax was £0.88m (2020: Loss of £2.04m). The company incurred a deferred tax charge in the year of £1.06m largely due to the change in the corporation tax rate to 25% from April 2023.

2021 Racing Highlights

The 2021 racing programme returned to its normal calendar following the disruption in 2020, and despite no crowds in attendance until 10th June we still welcomed over 105,000 racegoers to the racecourse.

The action on the track was once again 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 wins in the Betfair Hurdle for *Soaring Glory* and for *Secret Investor* in the Denman Chase.

The flat season got underway with Dubai Duty Free Spring Trials Weekend providing victories for *Al Aasy, Chindit* and *Alcohol Free*, who underlined that Fred Darling Stakes win with subsequent success in the Coronation Stakes and Sussex Stakes. Following its cancellation in 2020, the Al Shaqab Lockinge returned in May and saw *Palace Pier* beat *Lady Bowthorpe* to the finish and secure Frankie Dettori's fifth win in our early summer showpiece, now only one win behind Lester Piggott's record.

Our first Party in the Paddock event at the racecourse in almost two years took place in August at the BetVictor Hungerford meeting, with a crowd of over 16,000 enjoying Olly Murs who performed after an excellent day's racing, which saw *Sacred* win the day's feature race. Our second Party in the Paddock in September saw the timeless Rick Astley perform some 80's classics at the Dubai Duty Free International Saturday where *Wings of War* was victorious in the Mill Reef Stakes.

As we turned to the jumps once more, *Cloudy Glen's* win in the Ladbrokes Trophy in late November, gave an emotional win for the Trevor Hemming's estate following *Cloth Cap's* win a year earlier and Trevor's sad passing in between.

The Development

The redevelopment since 2012 has delivered Newbury with a first-class venue so that 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 hotel guests, nursery patrons and local residents. We strongly believe that the redevelopment will enable us to continue to grow our already well diversified business activities and maximise the returns from our investment.

The David Wilson Homes ('DWH') residential development continued throughout 2021 after a short pause during 2020 and is now into its final phase. The Central Area apartments are fully completed and sold, with the Company now owning the freeholds of thirteen apartment blocks. DWH is continuing with construction in the Eastern Area of the site due for completion in 2026. Approximately 1,000 homes out of the planned total of c.1,500 are now built.

The final receipt for the balance of the guaranteed minimum land value of £10.7m due from DWH, under the 2012 development agreement, was received in March 2022.

Financing and Liquidity

During the first half of 2021 we repaid £1.5m of the previously fully drawn revolving credit facility to National Westminster Bank plc ("NWB") as a result of our improved cash position and outlook given the easing of restrictions at that time on the business.

Subsequently the final payment received from David Wilson Homes in March 2022 has enabled the business to settle the outstanding £4.5m balance on the NWB loan as well as make the final £2.7m repayment of the Compton Beauchamp Estates Loan, meaning the Company is debt-free at the time of writing.

Outlook

During 2021 the Company signed two major strategic agreements. Firstly, Levy (part of Compass Group UK & Ireland) became our Catering partner which took effect from 1 June 2021. We have seen some encouraging initial benefits of this partnership so look forward to working with them for the next ten years and developing this important segment of our operation. Secondly, all our media rights will transfer to Sky/Arena Leisure Racing in two separate stages starting with Betting Shop retail rights moving on 1 April 2023, and all other rights moving to new arrangements from 1 January 2024. This will see all our racing broadcast on Sky Sports Racing TV as well as a number of days on ITV which we are very excited about. This new media rights contract will give improved exposure to our racing and is backed by minimum guarantees that give us great confidence about the future of this important revenue stream. As a result, I am pleased to announce that, subject to normal trading conditions continuing and the Government review of the Gambling Act not materially impacting betting related turnover on our racing, the Company will be substantially increasing its commitment to prize money and will commit to a minimum of 40% of our total media rights income being directly invested into prize money from 2023 onwards, which will then be reviewed three years from now.

We have also secured two additional BHA fixtures for 2022 meaning we will run a total of 31 racedays during the year (19 Flat and 12 National Hunt).

Dividends

Given the completion of the David Wilson Homes transaction I am pleased that we are able to satisfy the commitment made in 2012, and in subsequent announcements, to return capital to shareholders. The Board has agreed to make a £3m special interim dividend distribution in June prior to the AGM.

From the 2023 trading year onwards, it is anticipated that the Company will re-commence paying an annual dividend, subject to financial performance and once the full benefit of the new media rights agreement takes effect.

On behalf of the Board, I would like to thank all the staff for their continued hard work, resolve and commitment to the business during the extraordinary and challenging past two year period.

Our sincere thanks, as ever, to all sponsors, members, customers, owners and all those connected to the racing industry for their ongoing support.

DOMINIC J BURKE
Chairman

3 May 2022

STRATEGIC REPORT
Year ended 31 December 2021

STRATEGY AND OBJECTIVES
The Board's strategy is for Newbury Racecourse plc to provide a profitable and diversified business for the benefit of all stakeholders. This will be delivered through first class facilities including a modern market-leading racecourse, hotel, children's nursery, hospitality, and events businesses. Where commercially viable these will be supported by further innovative activities. One of the key aims of this Strategic Report is to set out and appraise the business model through which we deliver that strategy.

THE BUSINESS MODEL
Newbury Racecourse PLC is the parent of a Group of companies which own Newbury Racecourse and engages in racing, hospitality and associated food and beverage 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 also owns freehold property from which it receives annual income and until March 2022 benefitted from the sale of residential properties on the site, as part of its long-term development agreement with David Wilson Homes.

PERFORMANCE REVIEW
Due to the UK Government's restrictions affecting our ability to operate as normal since spring 2020, the business remains substantially behind 2019 levels. However, in 2021 we delivered a 75% year-on-year increase in group turnover to £14.83m (2020: £8.49m), which also demonstrates the significant impact that the initial lockdown had during the early part of 2020 once all trading was ceased by the Government on 17th March 2020.

Revenues across all our businesses were higher than 2020 but that in no way represents a positive position for the business compared with expectations under normal circumstances. Racing with a paying crowd resumed on 10 June 2021, which along with Licenced Betting Shops fully re-opening, resulted in racing revenue being up 81% on 2020. Our Conference & Events business re-opened on 12 April 2021 with income up 45% and the nursery has seen a 28% increase in income, both against substantially lower prior year figures than normal trading delivers.

As a result of these revenue improvements, the Company is reporting a return to profit before tax in 2021 with operating profits before exceptional items of £0.04m (2020: loss of £2.38m).

Exceptional items in 2021 were a credit of £0.15m (2020: credit of £0.09m) being the fair value movement on the David Wilson Homes debtor, based upon the expected timing and value of future receipts.

The loss after tax was £0.88m (2020: loss £2.04m).

Racing
The accounts include a total of 29 days racing (2020: 20). Of these, 19 were held with a paying crowd in attendance, albeit some with varying levels of public restrictions in place and with the remainder Behind Closed Doors ("BCD"). This compared to 4 with a paying attendance in 2020.

Overall raceday attendances in 2021 were 105,000 (2020: 12,000).

Total media related revenues of £4.38m, were up 52% compared with 2020, as a direct consequence of the higher number of racedays being hosted and the effect of Licensed Betting Offices phased re-opening. In the year this accounted for 33% of our total trading revenue compared with 41% in 2020, when 16 fixtures were held with no paying attendance.

Newbury's richest race meeting, the Al Shaqab Lockinge Day, was able to return in 2021, having been cancelled in 2020 following the implementation of an emergency racing programme by the BHA. This meeting continues to be the flagship event in our flat racing calendar, with Al Shaqab confirming their continued generous support of this race following a five-year extension to their sponsorship announced during 2019.

Despite the difficult trading conditions and restrictions in place impacting our ability to race with full public attendance, our total prizemoney in 2021 was £4.71m (2020: £2.72m). We were able to make an Executive Contribution to prizemoney of £1.51m (2020: £0.54m) and are grateful for the ongoing support of all our sponsors, with particular thanks to Al Shaqab Racing, bet365, Betfair, BetVictor, Dubai Duty Free and Ladbrokes for their commitment in 2021.

Catering, Hospitality and Conference & Events
2021 saw the re-opening of the C&E business in April following almost a year of enforced closure. Consequently, revenues were £0.26m compared with £0.18m in 2020, resulting in an operating Gross Operating Profit of £0.15m (2020: loss £0.16m).

Our Catering business transferred to an outsourced arrangement with Levy Restaurants on 1 June 2021 which will result in the Company receiving income from the shared arrangement rather than reporting the full income and costs. We have been encouraged by trading since that date which has been in line with expectations. Prior to June there was minimal trading whilst the business remained closed, although we continued with the outdoor pop-up Pub concept that we introduced in 2020 in order to generate income within restriction guidelines.

The Rocking Horse Nursery

The Rocking Horse Nursery traded at normal levels throughout 2021, returning to those experienced in 2019. Revenues for 2021 were £1.56m, up 28% against 2020. This business unit reported an operating profit of £0.53m (2020: £0.45m).

The Lodge

Our 36-bedroom onsite hotel remained closed to the public throughout 2021 having initially ceased trading in March 2020. Previously the hotel had delivered good levels of growth through to 2019 since opening to the general public. The Lodge has an important role at the racecourse and will continue to fulfil the key raceday requirements of providing accommodation to travelling stable staff, in addition to supporting other local businesses and travellers. This facility reopened in January 2022.

The Redevelopment

David Wilson Homes were still able to continue with the residential development during the year with the Central Area apartments now fully completed and sold and with construction continuing in the Eastern Area. Approximately 1,000 homes out of the total c.1,500 are now built and sold with a further 80 currently under construction. Cash receipts from DWH from the sale of properties in 2021 were £0.17m (2020: £0.10m). The final balance of the guaranteed minimum land value to be paid by DWH has been received in March 2022 – as at 31 December 2021 the recognised balance outstanding was £10.7m, which is the amount received.

FINANCIAL COMMENTARY

Consolidated Group profit before tax in the year ended 31 December 2021 was £0.18m (2020: Loss of £2.27m) which includes £0.15m of exceptional profit (2020: £0.09m).

Total statutory turnover in 2021 was £14.83m (2020: £8.49m). Overall racing revenues increased to £12.48m compared with 2020 (£6.89m). Overall media and betting rights revenues (included in overall racing income) were £4.38m (2020: £2.88m), due to the higher number of fixtures and the gradual re-opening of LBO's following the various lockdowns.

Conference and Events revenues were £0.26m (2020: £0.18m) and The Lodge was £0.04m (2020: £0.13m) due to the former re-commencing trading following ceasing of operations in March 2020 whilst the latter has had no paying guests since the same date. The nursery turnover was £1.56m (2020: £1.22m) which was up 28% as a result of the business returning to pre-pandemic occupancy and trading levels. Total costs for the year were £14.86m (2020: £11.72m) due to the increased number of racedays with a paying attendance. The overheads were reduced in 2020 with the majority of savings made through a staff re-structure which reduced average headcount by 26 (a 25% reduction). The Company also recovered £0.06m from the Government through the Coronavirus Job Retention Scheme grant as well as benefitting from the Business Rates holiday.

Exceptional profits during 2021 were £0.15m (2020: £0.09m) being the movement in the fair value of the DWH debtor.

Overall operating profit before interest was £0.20m (2020: £2.29m loss). Interest payable was £0.19m (2020: £0.15m) due to the increase in interest charges on loan facilities. The tax charge of £1.06m (2020: credit £0.23m) relates to the movement in deferred tax during the period. Loss after tax was £0.88m (2020: £2.04m loss).

The increase in cash reserves of £0.48m in the period (2020: £4.26m increase) includes £1.5m repayment of loan previously drawn down, £2.41m of cash generated from operating activities, £0.17m of cash receipts from DWH in respect of properties sold in the period and £0.53m of capital expenditure. There have been no other substantial movements in the balance sheet other than the loan debt becoming payable within one year as well as the debtor due from David Wilson Homes.

KEY PERFORMANCE INDICATORS

The Group uses raceday attendance, trading operating profit and cash generated from operating activities, as the primary performance indicators. Total attendance was 105,000 (2020: 12,000). Operating profit is shown within the profit and loss account and cash generated from operating activities is shown within the consolidated statement of cashflows.

PRINCIPAL RISKS AND UNCERTAINTIES

Cashflow Risk

The main cash flow risks, under normal trading circumstances, are the vulnerability of race meetings to abandonment due to adverse weather conditions, animal disease and fluctuating attendances particularly for the Party in the Paddock events, together with the previous possibility of delayed property receipts from David Wilson Homes. The practice of covering the racetrack to protect it from frost and investment in improved drainage, as well as insuring key racedays, mitigates some of the raceday risk. Regular review of variable conferencing costs reduces the impact of a decline in conference sales. Short term cash flow risk is mitigated by regular review of the expected timing of receipts and by ensuring that the Group has committed contingencies 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.

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 term debt and revolving credit facilities which are 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, as well as having a dynamic pricing model in place.

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, thorough and continual 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 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. A system of regular reviews of the forecasted business 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 (and other factors such as animal disease and national mourning), 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 reasonable expectation that the Group has adequate resources in place to continue in operational existence for the foreseeable future and has not identified a material uncertainty in this regard. On this basis the going concern basis has been adopted in preparing the financial statements.

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees, members, partners, the horseracing community and other stakeholders, the impact of its activities on the local community, the environment and the Company's reputation for good business conduct, when making decisions. The board identifies stakeholders through its annual strategic review. As the business evolves the board recognises that those with a direct interest and involvement in the decisions of the company changes.

In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company and for these stakeholders in the long term. For example:

- The engagement of the business with the horseracing community and stakeholders, such as the Racecourse Association and Horsemen's Group is routinely considered during the board's decision-making process.
- The Company has a frequent forum with local residents to ensure communication lines are open & accessible.
- The Company continues to regularly engage with Annual members and corporate box holders and to encourage feedback.
- The Company encourages a supportive and inclusive working culture within the business as set out in our 'Uniquely Newbury' employee programme, alongside supporting personal development and promoting wellness & mental health awareness.

Key board decisions made during the year in the interests of overall business success set out below:

Significant events/decisions	Key S172 matters affected	Actions and impact
Response to COVID-19	Customers, employees, shareholders, West Berkshire community	• The board met in addition to the formal meeting programme to consider the impact of the pandemic on all key stakeholders. • In consideration of the health and welfare of employees and racegoers, Government social distancing guidelines were strictly followed, including, the reintroduction of racing behind closed doors. With regards to the reintroduction of racing with crowds in attendance, the recommendations and requirements of the British Horseracing Authority were followed as appropriate in the interests of all 'racing' stakeholder groups. • Decisions were made based on the best information available and with regards to the best business outcome, in a continually changing situation. • The wider impact on the horseracing industry was also carefully considered with business providing appropriate support throughout. • With regard to the welfare of our local community, we allowed the NHS to use our facility as vaccination centre for the local health practice community, as well as a blood testing centre.
Outsourced Catering arrangement	Customers, employees, shareholders	• The board considered various options before deciding to outsource the catering operation. • The board followed a thorough tender process involving a number of interested providers before making a selection based on: - Commercial benefits - Investment support - Access to technology and innovation - Economies of purchasing scale - Access to human resources - Suitability and experience • Consultation was made with existing affected employees who were all transferred under TUPE. • Transition to the new arrangement was completed in line with the agreed timetable in June 2021. • The board has further reviewed the agreement and taken the decision to extend the contract until 31st December 2031, subject to satisfactory compliance with performance and service level criteria.
Media Rights Agreement	Customers, employees, shareholders	• The board made thorough consideration for all options with regards the Company's media and betting rights agreement. • The decision was made taking into account all factors to ensure commercial returns were maximised and racing from Newbury would be available to the largest audience possible. • Following this exercise, it was decided in the best interests of all stakeholders to move to a new contract with Arena Leisure Racing for all retail and digital rights. • The new single agreement will take effect when the two existing agreements end on 31st March 2023 and 31st December 2023 and will currently terminate on 31st December 2028.

During the period to 31 December 2021 the Company has sought to act in a way that upholds these principals. The Directors believe that the application of Section 172 requirements can be demonstrated in relation to some of the key decisions made and actions taken during 2021.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards in corporate governance throughout its operations and to ensure all of its practices are conducted transparently, ethically and efficiently. The Company believes scrutinising all aspects of its business and reflecting, analysing and improving its procedures will result in the continued success of the Company and deliver value to shareholders. Therefore, and in accordance with the Aquis Growth Market Apex Rule Book, (the “AQSE Rules”), the Company has chosen to comply with the UK's Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code"). The Company is committed to the ten principles of corporate governance as practiced by the AQSE market. These principles are disclosed in the ‘Corporate Governance Statement’ within the annual report.

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 with our ‘Uniquely Newbury’ employee engagement programme at the forefront of these initiatives.

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 2021 is 11% (2020: 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 40 days (2020: 8 days).

Business Relationships
The Directors recognise the need to foster the Company’s business relationships with suppliers, customers and others. To that effect, the Company have policies and procedures in place, by which principal decisions taken by the company during the financial year were followed.

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 £3,000 to national charities (2020: £2,225).

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

J M THICK
Chief Executive

3 MAY 2022

Consolidated Profit and Loss Account

Year ended 31 December 2021

	2021 £'000	2020 £'000
Turnover	14,831	8,487
Cost of sales	(12,107)	(9,501)
Gross profit/(loss)	2,724	(1,014)
Administrative expenses	(2,748)	(2,223)
Other operating income	66	857
Net exceptional items	154	94
Operating profit/(loss)	196	(2,286)
Interest receivable and similar income	175	171
Interest payable and similar charges	(192)	(150)
Profit/(loss) before tax	179	(2,265)
Tax (charge)/credit	(1,062)	225
Loss after tax	(883)	(2,040)
Profit per share (basic and diluted)	(26.4)p	(60.9)p

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

	2021 £'000	2020 £'000
Loss for the financial year	(883)	(2,040)
Remeasurement of the net defined benefit liability	737	(600)
Deferred tax on actuarial (loss)/gain	(116)	114
Deferred tax prior year adjustment	-	5
Other comprehensive profit/(loss) for the year	621	(481)
Total recognised loss in the year	(262)	(2,521)

Consolidated Balance Sheet
As at 31 December 2021

	2021 £'000	Restated 2020 £'000
Fixed assets		
Tangible assets	40,811	41,549
Investments	117	117
	40,928	41,666
Current assets		
Stocks	22	177
Debtors		
- due within one year	12,695	2,539
- due after more than one year	3,618	14,046
Cash at bank and in hand	6,009	5,529
	22,344	22,291
Creditors: amounts falling due within one year	(10,160)	(2,304)
Net current assets	12,184	19,987
Total assets less current liabilities	53,112	61,653
Creditors: amounts falling due after more than one year	-	(8,611)
Provisions for liabilities	(3,759)	(2,578)
Pension deficit	(705)	(1,538)
Net assets	48,648	48,926
Capital grants		
Deferred capital grants	36	52
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	37,857	38,119
Shareholders' funds	48,612	48,874
Net assets	48,648	48,926

Consolidated Statement of Changes in Equity
As at 31 December 2021

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2021	335	10,202	143	75	38,119	48,874
Loss for the year	-	-	-	-	(883)	(883)
Other comprehensive income	-	-	-	-	621	621
Total comprehensive income	-	-	-	-	(262)	(262)
At 31 December 2021	335	10,202	143	75	37,857	48,612

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2020	335	10,202	143	75	40,640	51,395
Loss for the year	-	-	-	-	(2,040)	(2,040)
Other comprehensive income	-	-	-	-	(481)	(481)
Total comprehensive income	-	-	-	-	(2,521)	(2,521)
At 31 December 2020	335	10,202	143	75	38,119	48,874

Consolidated Cash Flow Statement

Year ended 31 December 2021

	2021	2020
	£'000	£'000
Cash flows from operating activities		
Loss for the financial year	(883)	(2,040)
Adjustments for:		
Exceptional items	(154)	(94)
Amortisation of capital grants	(17)	(18)
Depreciation charges	1,262	1,194
Interest payable	192	150
Interest receivable	(175)	(171)
Tax charge/(credit)	1,062	(225)
Decrease in stocks	155	95
Decrease in debtors	2	860
Increase/(decrease) in creditors	672	(450)
Corporation tax received	287	207
Other associated property receipts	128	236
Pension top up payments	(122)	(109)
Net cash inflow/(outflow) from operating activities	2,409	(365)
Cash flows from investing activities		
Interest received	10	7
Loan repayments received	9	9
Purchase of fixed assets	(532)	(2,032)
Receipts from exceptional sale of fixed assets	167	101
Purchase of freeholds	-	(411)
Sale of investment properties	-	1,500
Net cash outflow from investing activities	(346)	(826)
Cash flows from financing activities		
Receipt of bank loan	-	5,500
Repayment of bank loan	(1,500)	-
Interest paid	(83)	(49)
Net cash (outflow)/inflow from financing	(1,583)	5,451
Net increase in cash in the year	480	4,260
Cash as at 1 January 2021	5,529	1,269
Cash as at 31 December 2021	6,009	5,529

Notes to the Financial Statements

Year ended 31 December 2021

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" (FRS 102) 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:

- 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 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, thorough and continual 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 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 has given due consideration to the potential future impacts of COVID-19 on attendances and the racing calendar. A system of regular reviews of the forecasted business 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 (and other factors such as animal disease and national mourning), 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 reasonable expectation that the Group has adequate resources in place to continue in operational existence for the foreseeable future and has not identified a material uncertainty in this regard. On this basis the going concern basis has been adopted in preparing the financial statements.

2.4 Revenue recognition

Services rendered, raceday income including admissions, catering arrangement & hospitality revenues, sponsorship and licence fee income is recognised on the relevant raceday. Income from the joint arrangement with outsourced caterers is recognised at the agreed share rate on profits generated from such operation. 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.

For purposes of improved transparency over revenue, all income relating to prizemoney such as HBLB grants, and Owner's entry stakes are allocated as revenue rather than offsetting cost of sales.

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

Turnover is stated net of VAT (where applicable) and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Property receipts are recognised in accordance with the substance of the transaction being that of an exceptional sale of land to David Wilson Homes. 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, which is included in Other Debtors, 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 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.

2.6 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.

2.7 Lease assets receivable

Lease assets receivable relates to freeholds that the Group has acquired 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, lessees 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 lessee, the Group does not recognise a fixed asset in relation to the freehold to the extent attributable to the lease.

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 at the time of the underlying transaction. 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 amounts arising from the unwinding of discounted cashflows are included in interest receivable.

2.8 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, 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.

2.9 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.

2.10 Impairment of fixed assets

Assets that are subject to depreciation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have previously been impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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 Cash and cash equivalents

Cash is represented by cash in hand and cash equivalents, being short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

2.14 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.

2.15 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.

2.16 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 or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for 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.

Deferred tax assets and deferred tax liabilities are offset when the entity has a legally enforceable right to set off current tax assets against current tax liabilities, and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.17 Grants

Coronavirus Job Retention Scheme grants, provided by the Government, are accounted for under the performance model in line with accounting standards, with these grants credited to the Profit and Loss Account as other operating income in the month of the corresponding payroll expense. The corresponding debtor is carried on the balance sheet until the cash is received. Business Rates Relief received by the Group is treated as a direct reduction in expenses.

Capital grants received 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.

2.18 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.

2.19 Borrowing and loan issue 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. Debt issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.20 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 less 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.

2.21 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 6 for further detail.

3. CRITICAL ACCOUNTING JUDGEMENTS 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.

The following are the critical judgements and key sources of estimation uncertainty 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.

David Wilson Homes
The fair value of the long-term David Wilson Homes debtor balance is an estimate that 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 based on management judgement.

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 £41.7 million. No indication of impairment has been identified in 2021 (2020: none identified).

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, based on management estimates, continue to be appropriate for calculating depreciation in the period. There was no change in residual values or useful economic lives during 2021.

4. EXCEPTIONAL ITEMS

	2021 £'000	2020 £'000
Net book value of asset disposal	**-**	(6)
DWH debtor movement in fair value	**154**	100
Total	**154**	94

5. PROFIT PER SHARE

Basic and diluted profit per share is calculated by dividing the loss attributable to ordinary shareholders for the year ended 31 December 2021 of £883,000 (2020: loss of £2,040,000) by the weighted average number of ordinary shares during the year of 3,348,326 (2020: 3,348,326).

NOTES

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2021 or 2020 but is derived from those accounts. Statutory accounts for 2020 have been delivered to the Registrar of Companies and those for 2021 will be delivered following the Company's annual general meeting.

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. The audit report for the year ended 31 December 2021 and for the year ended 31 December 2020 was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis, without qualifying their report or qualified, including if the audit report contained a statement under section 498(2) (accounting records or returns inadequate or accounts or directors' remuneration report not agreeing with records and returns) or section 498(3) (failure to obtain necessary information and explanations).

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

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

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

This preliminary statement was approved by the Board of Directors on 3 May 2022