



30 September 2014

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

Interim Results for the 6 months ended 30 June 2014

Newbury Racecourse plc, the racing, entertainment and events business, today announces its half year results for the six months ended 30 June 2014.

Financial Highlights

- Turnover up 3% to £4.86m (2013: £4.71m)
- Operating loss on ordinary activities £0.45m (2013: £0.67m loss)
- Exceptional profits resulting from the redevelopment programme of £1.95m (2013: £1.31m)
- Profit Before Tax £1.57m (2013: £0.76m)
- Profit After Tax £1.53m (2013: £0.82m)

Operational Highlights

- Raceday attendances up 9% against 2013
- Kingman wins AON Greenham Stakes, Olympic Glory victorious in JLT Lockinge Stakes
- Events hosted for a number of blue chip companies, including: Thames Water, Hewlett Packard, Deloitte, Boots and the NHS

Property Development Highlights

- Houses and apartments continuing to sell at a good rate, with continued high demand and almost 150 homes now occupied
- Completion of stables refurbishment; commencement of works on the new nursery and stable staff accommodation; works on northern access route and bridge underway
- Cash payments to the company of £0.9m in the 6 month period

Dominic Burke, Chairman of Newbury Racecourse plc commented:

"Trading for the first half of the year has been encouraging. We are delighted with the upturn in raceday attendances and the generally improved trading performance, which is reflected in the financial results for this interim period.

As ever, we have played host to some top class racing. The AON Greenham Stakes in April was won by leading three year old Kingman, who went on to win the Irish 2,000 Guineas and Group 1 races at Royal Ascot, Glorious Goodwood and Deauville in France. We also witnessed a stunning victory by Olympic Glory in the JLT Lockinge Stakes in May.

The property development continues to progress well, with strong residential sales, and, as part of the company's strategic review, we are now finalising plans for a new and improved racecourse infrastructure. The board remains positive about the outlook for the remainder of 2014 and beyond."

For further information please contact:

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Chairman's Statement

We have experienced a promising uplift in trading performance in the first six months of 2014. The half year profit after tax of £1.53m, compared to £0.82m in 2013, reflects an overall improvement in underlying trading of £0.22m, together with exceptional profits in the property business of £1.95m (2013: £1.31m) relating to the recognition of the completed refurbishment of the racecourse stables complex, which forms part of the enabling works funded by David Wilson Homes (DWH) under the Development Agreement.

Improved trading helped narrow operating losses to £0.45m (2013: £0.67m loss) as a result of improved raceday attendances, up 9% year on year, increased customer on-spend and enhanced media revenues from the new Turf TV contract.

The cost saving initiatives implemented during 2013 have continued to deliver benefits in 2014.

As ever, we have played host to some top class racing. The AON Greenham Stakes in April was won by leading three year old Kingman, who went on to win the Irish 2,000 Guineas and Group 1 races at Royal Ascot, Glorious Goodwood and Deauville in France. We also witnessed stunning victories by Olympic Glory in the JLT Lockinge Stakes in May and Tiggy Wiggy in the Weatherbys Super Sprint in August.

David Wilson Homes has continued to make good progress on the residential elements of the redevelopment. Following the launch of the trackside apartments in September 2013 there has been very high demand for these properties. Almost 150 homes have been sold to date in the Western Area, reflecting the quality and desirability of the development at the Racecourse and we have been delighted to welcome a number of our new neighbours at our race meetings.

Outlook

In July we hosted Party in The Paddock with The Beach Boys performing after racing. This was attended by more than 15,000 people, a 48% increase on the same day in 2013. At our August Ladies day race meeting we welcomed internationally renowned DJs Pete Tong and Annie Mac, whose performance also attracted a crowd of more than 15,000.

As reported at the time of the 2013 year end results, the Chief Executive has been leading a strategic review of the business focussing on the proposed racecourse infrastructure investment and the make-up and skill set of the management team. This review has identified a number of areas for improvement.

The DWH contract continues to deliver positive cash flows, underpinning our confidence for the longer term and as such the Board should be in a position to finalise its plans for refurbishment of the racecourse and public facilities later this year. We remain committed to the redevelopment of the racecourse's operational and visitor areas in order to continue to continue our strategy of developing a leading racecourse, leisure and events business.

DOMINIC J BURKE

Chairman

29 September 2014

Chief Executive's report

Performance Review

Turnover increased 3% to £4.86m (2013: £4.71m) in the first half of the year with increased media revenues from the Turf TV contract and a 9% increase in raceday attendances.

Gross profit margin of 14% showed an improvement on 2013 (11%), primarily as a result of increased media revenues year on year. Administrative expenses remained in line with 2013, with the cost saving initiatives implemented during 2013 continuing to deliver benefits in 2014. The resulting operating loss was £0.45m (2013: loss of £0.67m).

Exceptional profits of £1.95m relate to the recognition of the completed refurbishment of the racecourse stables complex which forms part of the enabling works funded by David Wilson Homes under the Development Agreement (2013: £1.31m).

Profit on ordinary activities after tax was £1.53m (2013: £0.82m).

The increase in cash reserves of £0.40m in the period (2013: £1.76m decrease) includes £0.89m of cash receipts from DWH in respect of properties sold in the period and payments of £0.36m in respect of the management restructuring that took place at the end of 2013.

Racing

The Racecourse has hosted some quality racing over the first 6 months of 2014, with no meetings abandoned, and reinforced its long term commitment to increasing prize money. As the Chairman has already mentioned, our highest profile races produced championship level performances from Kingman in the AON Greenham Stakes and Olympic Glory in the JLT Lockinge Stakes. Indeed, both of those two day meetings, in April and May respectively, were outstanding advertisements for the quality of racing that Newbury can produce. We are grateful to have received continued significant support from all of our sponsors, with particular thanks to Betfair, Betfred, JLT and Dubai Duty Free for their investment in the first half of the year.

We took a more selective approach to our music events in 2014 and were pleased with the outcome of the two Party in The Paddock events held this year, namely the Beach Boys in July and international DJs Pete Tong and Annie Mac in August, both attracting crowds in excess of 15,000 and producing improved financial returns compared to the 2013 events.

Hospitality and Retail

We have experienced an increase in revenues from public food and beverage sales, in line with increased attendances, and we continue to drive our retail offer to provide quality and value for money to our customers. We have recently strengthened the team in this area with the appointment of the highly experienced Martin Wales to the position of Head of Catering.

Leisure, conference and events

During the period Conference and Events revenues and profit fell slightly against 2013, although in line with our expectations, primarily as a result of a number of non-repeating events from 2013 and also some movement of key business from the first half of the year to the second half.

However, we have been delighted to host successful events for a number of blue chip clients, including Thames Water, Hewlett Packard, Deloitte, Boots and the NHS.

Trading conditions for this division remain challenging and we are cautious in our outlook for the remainder of the year. However, we are pleased to report that our Christmas party bookings are already ahead of 2013.

Rocking Horse Nursery

A lower headcount led to a 7% drop in turnover. As a result we have implemented a rigorous cost management process that has enabled us to maintain operating profits in line with 2013.

Looking forward, construction of the new £2m Nursery facility on the site has begun and is due to be completed in summer 2015. We are confident that the move to a new state of the art facility will help us grow this business in the coming years and the recent enquiry levels suggest demand will be strong once this is complete.

Property redevelopment

We have been delighted with the response to the DWH residential development and are reaping the rewards of the high demand for homes on the site, with almost 150 homes now occupied and cash payments to the company of £0.89m in the first half of the year. A number of the racecourse's own development works are now completed (including the refurbished stables block), or underway (including the new Nursery and the new stable staff accommodation). Construction work has also commenced on the new access bridge from the North, which will significantly improve access to the racecourse for all our customers. All of these facilities are due for completion in Q3 2015.

Strategic Review

As previously highlighted, we have undertaken a significant review of the operation to evaluate all raceday, non-raceday and ancillary businesses operated by Newbury Racecourse plc.

As part of this review we have strengthened the management team with the appointment of Martin Wales as Head of Catering, Rob Boobyer as Head of Marketing and Andy Clifton as Head of Communications. All come with significant and relevant experience. A recruitment process is underway for the appointment of a new Head of Sales who will lead an enhanced sales team.

This review incorporates the Board's continued assessment of the required infrastructure investment to ensure that we are able to execute successfully our strategy of becoming a leading racecourse, leisure and events business. It has identified a number of key areas for investment that will support our ambitions and maintain our reputation with our customers. We are now finalising these plans and look forward to updating our stakeholders on completion of the review in the near future.

JULIAN THICK
Chief Executive
29 September 2014

Consolidated Profit and Loss Account

Six months ended 30 June 2014

	Note	Un-audited 6 months 30/06/14 £'000 Trading	Un-audited 6 months 30/06/14 £'000 Property	Un-audited 6 months 30/06/14 £'000 Total	Un-audited 6 months 30/06/13 £'000 Trading	Un-audited 6 months 30/06/13 £'000 Property	Un-audited 6 months 30/06/13 £'000 Total
Turnover	1	4,848	15	4,863	4,697	15	4,712
Cost of sales		(4,166)	-	(4,166)	(4,213)	-	(4,213)
Gross profit	1	682	15	697	484	15	499
Administrative expenses		(1,080)	(68)	(1,148)	(1,109)	(64)	(1,173)
Operating loss before exceptional items		(398)	(53)	(451)	(625)	(49)	(674)
Operating loss before exceptional operating items	5	(398)	(53)	(451)	(625)	(49)	(674)
Exceptional operating items		-	-	-	-	-	-
Loss on ordinary activities before interest and exceptional items		(398)	(53)	(451)	(625)	(49)	(674)
Exceptional Items	3	-	1,945	1,945	-	1,314	1,314
Interest receivable and other investment income		-	221	221	-	311	311
Interest payable and similar charges		(124)	(19)	(143)	(147)	(40)	(187)
Profit on ordinary activities before taxation		(522)	2,094	1,572	(772)	1,536	764
Tax (charge)/credit on profit/(loss) on ordinary activities		(43)	-	(43)	59	-	59
Profit on ordinary activities after taxation		(565)	2,094	1,529	(713)	1,536	823
Profit per share (basic and diluted)				45.7p			24.6p

All amounts derive from continuing operations

Consolidated Statement of Total Recognised Gains and Losses

Six months ended 30 June 2014

	Unaudited 6 months 30/06/14 £'000	Unaudited 6 months 30/06/13 £'000
Total recognised profits/(losses) in the period	1,529	823

Consolidated Balance Sheet

Six months ended 30 June 2014

	Note	Unaudited 6 months 30/06/14 £'000	Unaudited 6 months 30/06/13 £'000	Audited 12 months 31/12/13 £'000
Fixed assets				
Tangible assets	9	18,809	17,167	17,052
Investments		117	117	117
		18,926	17,284	17,169
Current assets				
Stocks		185	208	179
Debtors				
- due within one year		14,611	7,017	13,593
- due in more than one year		7,155	17,151	9,727
Cash at bank and in hand		1,278	669	878
Cash Investment		121	121	121
		23,350	25,166	24,498
Creditors: amounts falling due within one year		(10,743)	(4,034)	(11,126)
Net current assets		12,607	21,132	13,372
Total assets less current liabilities		31,533	38,416	30,541
Creditors: amounts falling due after more than one year		(9,679)	(18,235)	(10,174)
Provisions for liabilities		(341)	(363)	(341)
Net assets before pension deficit		21,513	19,818	20,026
Pension deficit		(330)	(324)	(316)
Net assets after pension deficit		21,183	19,494	19,710
Accruals and deferred income				
Deferred capital grants		4,077	4,221	4,133
Capital and reserves				
Called up share capital	10	335	335	335
Share premium account	11	10,202	10,202	10,202
Revaluation reserve	11	75	75	75
Capital redemption reserve	11	143	143	143
Profit and loss account	11	6,351	4,518	4,822
Shareholders' funds		17,106	15,273	15,577
		21,183	19,494	19,710

The unaudited half year financial report of Newbury Racecourse plc, company registration 00080774, was approved by the board on 29 September 2014 and signed on its behalf by:-

D J BURKE (Chairman)

J Thick (Chief Executive)

Consolidated Cash Flow Statement

Six months ended 30 June 2014

	Note	Unaudited 6 months 30/06/14 £'000	Unaudited 6 months 30/06/13 £'000	Audited 12 months 31/12/13 £'000
Net cash inflow/(outflow) from operating activities	1	773	(407)	(115)
Returns on investments and servicing of finance				
Interest received and other investment income		-	24	
Interest paid		(33)		(128)
Pension scheme contribution		-		
Net cash inflow/(outflow) from returns on investments and servicing of finance		(33)	24	(128)
Taxation				
UK corporation tax paid		-	(1,550)	(1,550)
UK corporation tax refund received		-		-
Total tax paid		-	(1,550)	(1,550)
Trading exceptional expenditure				
Restructuring costs		(362)	-	-
Capital expenditure				
Payments to acquire tangible fixed assets		(284)	(291)	(640)
Receipts from exceptional sale of fixed assets		891	-	983
Receipts from sale of fixed assets		-	185	-
Expenses from sale of fixed assets		-	(218)	-
Sale of fixed asset expenses		-		(180)
Net cash (outflow)/inflow from capital expenditure		607	(324)	163
Net cash (outflow)/inflow before financing		985	(2,257)	(1,630)
Financing				
Share buy back expenses		-	(8)	-
Loan finance (repaid)/received		(574)	533	75
Arrangement fees paid		(11)	(32)	-
Net cash (outflow)/inflow from financing		(585)	493	75
Increase/(decrease) in cash in the period		400	(1,764)	(1,555)

Notes to the Consolidated Cash Flow Statement

Six months ended 30 June 2014

	Unaudited 6 months 30/06/14 £'000	Unaudited 6 months 30/06/13 £'000	Audited 12 months 31/12/13 £'000
1. Reconciliation of operating loss to net cash (outflow) from operating activities			
Operating loss	(451)	(674)	(471)
Depreciation charges	490	483	965
Amortisation of capital grants	(55)	(55)	(144)
Impairment of fixed assets	-	6	51
Decrease/(increase) in stocks	(6)	8	37
Increase in debtors and prepayments	(655)	(486)	(197)
Increase in creditors and accruals	1,450	311	(356)
Net cash inflow/(outflow) from operating activities	773	(407)	(115)

	Unaudited 6 months to 30/06/14 £'000	Unaudited 6 months to 30/06/13 £'000	Audited 12 months 31/12/13 £'000
2. Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the period /year	400	(1,764)	(1,555)
Cash outflow from debt and lease financing	11	-	32
Inception of loans	484	(533)	-
Change in net debt resulting from cash flows	895	(2,297)	(1,523)
Non cash movements	-	(177)	(381)
Net debt at 1 January	(6,384)	(4,480)	(4,480)
Net debt at 30 June 2014 / 31 December 2013	(5,489)	(6,954)	(6,384)

	At 1 Jan 2014 £'000	Cash flow £'000	Non cash changes £'000	At 30 June 2014 £'000
3. Analysis of change in net debt				
Cash at bank and in hand	999	400	-	1,399
Debt due after one year				
- loan	(7,383)	574	(79)	(6,888)
- loan arrangement fees	-	11	(11)	-
	(6,384)	985	(90)	(5,489)

Notes to the Interim Financial Statements

Six months ended 30 June 2014

1. BASIS OF PREPARATION

The accounts consolidate those of the company and its subsidiary and are prepared on the basis of the accounting policies as stated in the previous year's financial statements, and where applicable in accordance with United Kingdom Generally Accepted Accounting Practice.

The abridged results for the six months ended 30 June 2014 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 2013 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. EXCEPTIONAL ITEMS

The exceptional profit of £1.95m is made up of the following;

Recognition of replacement assets including the refurbishment of the stables complex and head lads accommodation, together with the new horsebox parking, funded by David Wilson Homes as part of the land sale agreement.

4. 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 are recognised in accordance the substance of the transaction being that of a disposal of land. The minimum guaranteed sum, as set out in the agreement with David Wilson Homes, is recognised at the point of sale, sums receivable in excess of the minimum guarantee are only recognised once actually received.

5. NON GAAP FINANCIAL INFORMATION

The consolidated profit and loss account includes measures which are not accounting measures under UK GAAP which are used to assess the financial performance of the business. These non-GAAP measures are not considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with UK GAAP. These measures, which are termed "non-GAAP" 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.

Notes to the Interim Financial Statements

Six months ended 30 June 2014

6. SEGMENTAL ANALYSIS

	Turnover £'000	Gross profit/ (loss) £'000	Operating (loss)/profit before exceptionals £'000	Operating Exceptional Items £'000	(Loss)/profit before tax £'000	*Net Assets £'000
2014						
Trading	4,469	598	(482)	-	(606)	10,039
Nursery	379	84	84	-	84	(6)
Golf	-	-	-	-	-	-
Total	4,848	682	(398)	-	(522)	10,033
Property	15	15	(53)	1,945	2,094	11,150
Total	4,863	697	(451)	1,945	1,572	21,183

	Turnover £'000	Gross profit/ (loss) £'000	Operating (loss)/profit before exceptionals £'000	Operating Exceptional Items £'000	(Loss)/profit before tax £'000	*Net Assets £'000
2013						
Trading	4,233	419	(690)	-	(837)	17,365
Nursery	407	87	87	-	87	(9)
Golf	57	(22)	(22)	-	(22)	-
Total	4,697	484	(625)	-	(772)	17,356
Property**	15	15	(49)	1,314	1,536	2,138
Total	4,712	499	(674)	1,314	764	19,494

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

7. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax on ordinary activities has been computed in accordance with the ASB Statement on Interim Reports. This statement 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.

8. PROFIT PER SHARE

Basic profit per share of 45.7p is calculated by dividing the profit attributable to ordinary shareholders for the period ended 30 June 2014 of £1,529,000 (2013: £823,000) by the weighted average number of ordinary shares during the period of 3,348,326 (2013: 3,348,326).

Notes to the Interim Financial Statements

Six months ended 30 June 2014

9. TANGIBLE FIXED ASSETS

GROUP	Freehold land, buildings and outdoor fixtures £'000	Fixtures and fittings and equipment £'000	Tractors and motor vehicles £'000	Total £'000
Cost or valuation				
As at 1 January 2014	24,294	5,424	243	29,961
Additions	2,117	130	-	2,247
Disposals	-	-	-	-
As 30 June 2014	26,411	5,554	243	32,208
Depreciation				
At 1 January 2014	8,791	3,929	189	12,909
Charge for year	269	218	3	490
Impairment	-	-	-	-
Disposals	-	-	-	-
At 30 June 2014	9,060	4,147	192	13,399
Net book value at 30 June 2014	17,351	1,407	51	18,809
Net book value at 31 December 2013	15,503	1,495	54	17,052

The transitional rules set out in FRS 15 Tangible Assets have been applied on implementing FRS 15. Accordingly the book values at implementation have been retained. In 1959 a revaluation of part of the freehold land at £117,864 gave rise to an excess of £75,486 over its cost and this sum is included in the total value of this asset. The excess on revaluation is credited to the Revaluation Reserve. The net book value of freehold land and buildings determined by the historical cost convention is £17,276,000 (2013 £15,428,000).

Additions in the six month period ended 30 June 2014 include £1.95m in respect of replacement assets provided by David Wilson Homes as part of the land sale agreement, including the refurbishment of the stables complex and head lads accommodation, together with the new horsebox parking.

The net book value of £18,809,000 includes the following amounts in respect of assets held under finance leases:

	2014 £'000	2013 £'000
Fixtures, fittings and equipment	-	45

Finance lease depreciation for the period amounted to £nil (2013: £6,107)

10. SHARE CAPITAL

	2014 £'000	2013 £'000
Authorised		
Ordinary shares of 10p each	600	600
Total	600	600
	2014 £'000	2013 £'000
Allotted and fully paid		
Ordinary shares of 10p each	335	335
Total	335	335

11. COMBINED RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT IN RESERVES

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2013	335	10,202	143	75	3,695	14,450
Profit for the year to 31 December 2013	-	-	-	-	1,106	1,106
Actuarial gain net of associated deferred tax	-	-	-	-	21	21
At 31 December 2013	335	10,202	143	75	4,822	15,577
Profit for the period to 30 June 2014	-	-	-	-	1,529	1,529
Actuarial loss net of associated deferred tax	-	-	-	-	-	-
At 30 June 2014	335	10,202	143	75	6,351	17,106

12. RETIREMENT BENEFIT OBLIGATIONS

The defined benefit obligation at 30 June 2014 has not been restated from the figures recorded at 31 December 2013, other than the FRS17 interest accrual movement, as in the Directors' opinion there have not been any significant fluctuations in the key assumptions.