



## **ASCOT RACECOURSE ANNOUNCES 2017 FINANCIAL RESULTS**

**Pre-tax profits rise from £5.1m to £6.2m**

**Prudent balance sheet management - net debt reduced by £11.9m ahead of schedule to under £60m**

**Increase in Capital Investment and 2018 Prize money**

**Date: Monday, June 4, 2018**

Ascot Racecourse today announces its financial results for the 12 months ending December 31, 2017.

Ascot Authority (Holdings) Limited (AAHL) reported a pre-tax profit of £6.2 million.

### **Financial summary**

	2017 £'000	2016 £'000
Turnover	85,410	80,081
Cost of sales	(50,507)	(47,656)
Gross profit	34,903	32,425
Administrative expenses	(24,083)	(22,877)
Other operating income	393	357
Group operating profit	11,213	9,905
Group share of operating profit of BCSL	194	209
Interest receivable and similar income	59	111
Finance charges	(5,223)	(5,120)
Profit on ordinary activities before taxation	6,233	5,105

## Highlights

- Turnover up 6.7% due to a strong performance from admission and fine dining at Royal Ascot, improved returns from boxes and increased income from sponsorship and Official Supplier agreements such as Christy's, St James's Place, Pernod Ricard, Porsche and Cunard;
- Investment in racecourse facilities and offerings, including the new Village Enclosure at Royal Ascot;
- Profits boosted by a successful Royal Ascot in 2017, with the meeting's ticket income up by 7%;
- Strong cash generation resulted in earnings before interest, tax, depreciation & amortisation (EBITDA) of £20.3m (£19m in 2016);
- £10.95m of the bank loan was repaid during the year, £4.3m more than the mandatory payment;
- Net debt at 31 December 2017 was £59.8m (2016: £71.8m) and Ascot remains on track to be effectively debt free by 2023;
- Continued major capital expenditure (£4.7m) with the first phase of the wayfinding and signage completed, progress on a new Customer Relationship Management system, enhancements to some bar and restaurant facilities and office refurbishment;
- 2018 trading to date in line with management expectations - Royal Ascot looks set for another strong year;
- AscotBet, Ascot Racecourse's pool betting operation, will launch as planned in July 2018, in partnership with Totepool. The customer facing brand for AscotBet will be Bet With Ascot;
- Prize money in 2018 has been increased to a record £13.45 million. This represents an increase of £1.2 million, 10% up on the 2017 figure of £12.2 million.
- Around 250 charities benefit in some way from Ascot's support each year and a partnership with the Berkshire Community Foundation ensures that local charities benefit direct. The Ascot division of the Round Table have raised over £200,000 at the fireworks raceday in recent years and Ascot's Property Raceday raises just under £200,000 per annum for children's charities. From 2015 - 2017, Ascot raised £1.1m for The Prince's Countryside Fund and over £20,000 has been raised for the Injured Jockeys Fund, via Ascot's ambassador programme.

### **Guy Henderson, Chief Executive at Ascot, said:**

"2017 was another year of progress in our financial performance, with Royal Ascot performing particularly well. The opening of the new Village Enclosure on the inside of the track, in which we have further invested, was positively received and has generated strong sales for 2018.

"Operational improvement and site maintenance remained a key focus for us last year and that continues to be the case. We have just embarked on an extensive 10 year Planned Preventative Maintenance project, it now being 12 years since our £220 million redevelopment, under which mainly through our P&L we will be investing around an

additional £2m per annum into maintaining our core racecourse facilities. We are also now in the second year of a three-year process to roll out our new brand on site, which includes significant emphasis on wayfinding.

“Prize-money, excluding the industry-owned QIPCO British Champions Day in October, will increase by £1.2 million in 2018 and the continuing growth in our international reach and appeal is pleasing. We are delighted that the Hong Kong Jockey Club will be simulcasting a fourth day of Royal Ascot this year and look forward to the launch of Bet With Ascot, our pool betting operation, in partnership with Totepool, in July.

“We thank all our partners, sponsors, customers and staff for their continued support in delivering another year of improvement all round.”

**ENDS**

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### **Notes for Editors**

Ascot Racecourse was founded in 1711 by Queen Anne and is constituted under a statutory trust contained in the Ascot Authority Act 1913. Three trustees (the “Ascot Authority”) are appointed by the Monarch and are ultimately responsible for the stewardship of the trust. The statutory purpose of the trust is to act for the benefit of racing at Ascot. All returns are reinvested in the business for the benefit of Horsemen (Owners, Breeders, Trainers, Jockeys and Stable Staff), racegoers and off course followers, both in the UK and Internationally.

Underneath the Trust, a corporate structure runs the business which employs around 200 people full time (directly and through our food & beverage joint venture with Sodexo known as 1711 by Ascot) and up to 6000 casual raceday staff.

Ascot hosts around 600,000 racegoers a year across 26 racedays (flat and jumps), 300,000 of whom come to Royal Ascot - a pivotal event on the racing and fashion calendar and a semi-state occasion - which equates to roughly 10% of the total number of racegoers attending in the UK from about 1.5% of the fixtures.

Ascot stages nine of the country’s Group One (elite) flat races in the summer, and a further four on the industry owned QIPCO British Champions Day. The Royal Meeting is the most international race meeting in Europe, regularly attracting runners from Australia, the USA, Asia and from within Europe.

Ascot currently turns over around £90m per annum and generates around £20m in net cash, all of which is reinvested into the business (1) to repay debt following the 2004-2006 £220m redevelopment (now under £60m), (2) in infrastructure and venue experience (currently around £7m per annum), (3) in prize money and (4) in general business development.

Alongside racing, Ascot runs a £2m a year conference and events business and from July 2018 will run its own pool betting business, AscotBet, in conjunction with the Tote.

Ascot's overall direct economic impact has been measured by Deloitte as being around £150m per annum (excluding the very substantial off course betting).

Ascot is broadcast live in over 175 territories worldwide; at home on ITV and overseas, including NBC. International reach is pivotal to Ascot's future business development and as a shop window for international investment in British Racing's £3bn per annum industry.

Ascot engages with its wider community in a range of ways. Around 250 charities benefit in some way from Ascot's support each year. Ascot's Property Raceday raises just under £200,000 per annum for children's charities and from 2015 - 2017, Ascot raised £1.1m for The Prince's Countryside Fund. Ascot partners with the Berkshire Community Foundation to directly benefit regional charities.