



ASCOT RACECOURSE ANNOUNCES 2018 FINANCIAL RESULTS

Pre-tax profits of £6.1m (2017 £6.2m) underpinned by balanced income streams

Increased investment in facilities (£5.4m - up 15%) and prize money (£13.45m excluding QIPCO British Champions Day – up 10%)

Continued positive balance sheet management - net debt reduced to £50.6m

Date: 3 June 2019

Ascot Racecourse today announces its financial results for the 12 months ending 31st December 2018.

Ascot Authority (Holdings) Limited (AAHL) reported a pre-tax profit of £6.1 million.

Financial summary

	2018 £'000	2017 £'000
Turnover	91,272	85,410
Cost of sales	(55,802)	(50,507)
Gross profit	35,470	34,903
Overheads	(26,132)	(24,083)
Other operating income	399	393
Group operating profit	9,737	11,213
Group share of operating profit of BCSL*	282	194
Interest receivable and similar income	110	59
Finance charges	(4,004)	(5,223)
Profit on ordinary activities before taxation	6,125	6,233

* British Champions Series Limited

Highlights

- Turnover up 6.9% due to a strong performance from admissions and fine dining at Royal Ascot, improved returns from boxes and increased income from sponsorship and Official Supplier agreements; Longines upgrade from Official Supplier to Official Partner, a new Official Supplier arrangement with Fever-Tree and renewals from Stella Artois, Lavazza and Harrogate Water;

- Increased investment in racecourse facilities and offerings, including new dining facilities at Royal Ascot and the implementation of a comprehensive planned preventative maintenance programme now that the Grandstand is over 10 years old;

- Increase in prize money to a record £13.45 million (excluding QIPCO British Champions Day) up 10%/£1.2 million (2017: £12.2 million);

- £10m of the bank loan was repaid during the year, £3.4m more than the mandatory payment;

- Net debt at 31 December 2018 was £50.6m (2017: £59.8m), ahead of the repayment schedule;

- Continued major capital expenditure (£4.5m) with the start of the £8m eight-year box refurbishment programme, the second phase of the wayfinding and signage completed, betting equipment purchased, the first phase of upgrading the fire alarm system and office refurbishment;

- 2019 trading to date in line with management expectations - Royal Ascot looks set for another strong year;

- The launch of Bet with Ascot in partnership with Totepool in July 2018. The new World Pool partnership with Totepool and the Hong Kong Jockey Club launches at Royal Ascot in 2019. Approximately 30 individual pools from 10 countries are expected to bet into the world's first ever worldwide pool betting collaboration;

- Around 250 charities benefit in some way from Ascot's support each year under the "Ascot Supports" CSR programme. Ascot's partnership with the Berkshire Community Foundation ensures that local charities benefit direct. The Ascot division of the Round

Table has 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 - 2018, Ascot raised £1.5m for The Prince's Countryside Fund and over £180,000 has been donated to a range of local, military and racing related charities.

Guy Henderson, Chief Executive at Ascot, said:

"2018 was another year of balanced progress in our overall financial performance, with Royal Ascot performing particularly well.

"The business continues to deliver on its policy of balanced sustainable income streams to drive investment in (1) facilities and infrastructure; (2) prize money; (3) venue and customer experience; and (4) international engagement; alongside our debt repayment programme.

"We are grateful to all our partners, sponsors and customers for their continued support. I also wish to thank and pay tribute to our dedicated staff, full time and raceday, for all their efforts in delivering another strong performance 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 Ascot's food & beverage joint venture with Sodexo known as 1711 by Ascot) and up to 7000 casual raceday staff at Royal Ascot.

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 Asia, Australia, Continental Europe, Ireland, and the USA.

Ascot's current turnover is around £91m per annum and generates around £20m in operating cash flow, all of which is reinvested into the business (1) to repay debt following the 2004-2006 £220m redevelopment (now just over £50m net), (2) in prize money, (3) in infrastructure and venue experience, and (4) in international engagement and general business development.

Alongside racing, Ascot runs a £2.5m a year conference and events business and in July 2018 launched its own pool betting business, Bet with Ascot, in partnership with Totepool and also the Hong Kong Jockey Club in the World Pool collaboration.

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

Royal Ascot is broadcast live in over 175 territories worldwide; at home on ITV and overseas, including NBC in the United States. 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. NBCSN presents 4.5 live hours of coverage each day throughout Royal Ascot (The Saturday programme is shown on the main NBC Network) and reached 4.3 million unique viewers in 2018. All coverage is streamed simultaneously on the NBC Sports app and NBCSports.com.

Ascot engages with its wider community in a range of ways as part of its "Ascot Supports" CSR programme. 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 - 2018, Ascot raised £1.5m for The Prince's Countryside Fund. Ascot partners with the Berkshire Community Foundation to directly benefit local charities.