

**Appendices to Proof of Evidence of William Gittus on Behalf of Appellant**

**Appeal By Jockey Club Racecourses Limited for Development of Sandown Park Racecourse**

**PINS Appeal Ref: APP/K3605/W/20/3249790**

**Appendix 1** Economic Impact of British Racing – Deloitte/BHA 2013

**Appendix 2** Racecourse Attendance Figures – HBLB 2019

**Appendix 3** Sandown Park Customer Data – JCR

**Appendix 4** Sandown Elmbridge Economic Benefit Calculator 2018 – JCR

**Appendix 5** RCA Racecourse Finance Information 2020 – RCA

**Appendix 6** Sports, Leisure and Entertainment Facilities Comparison Table – Rapleys/JCR

**Appendix 7** Family Racing Customer Research – JCR

**Appendix 8** Potential Funding Sources – JCR

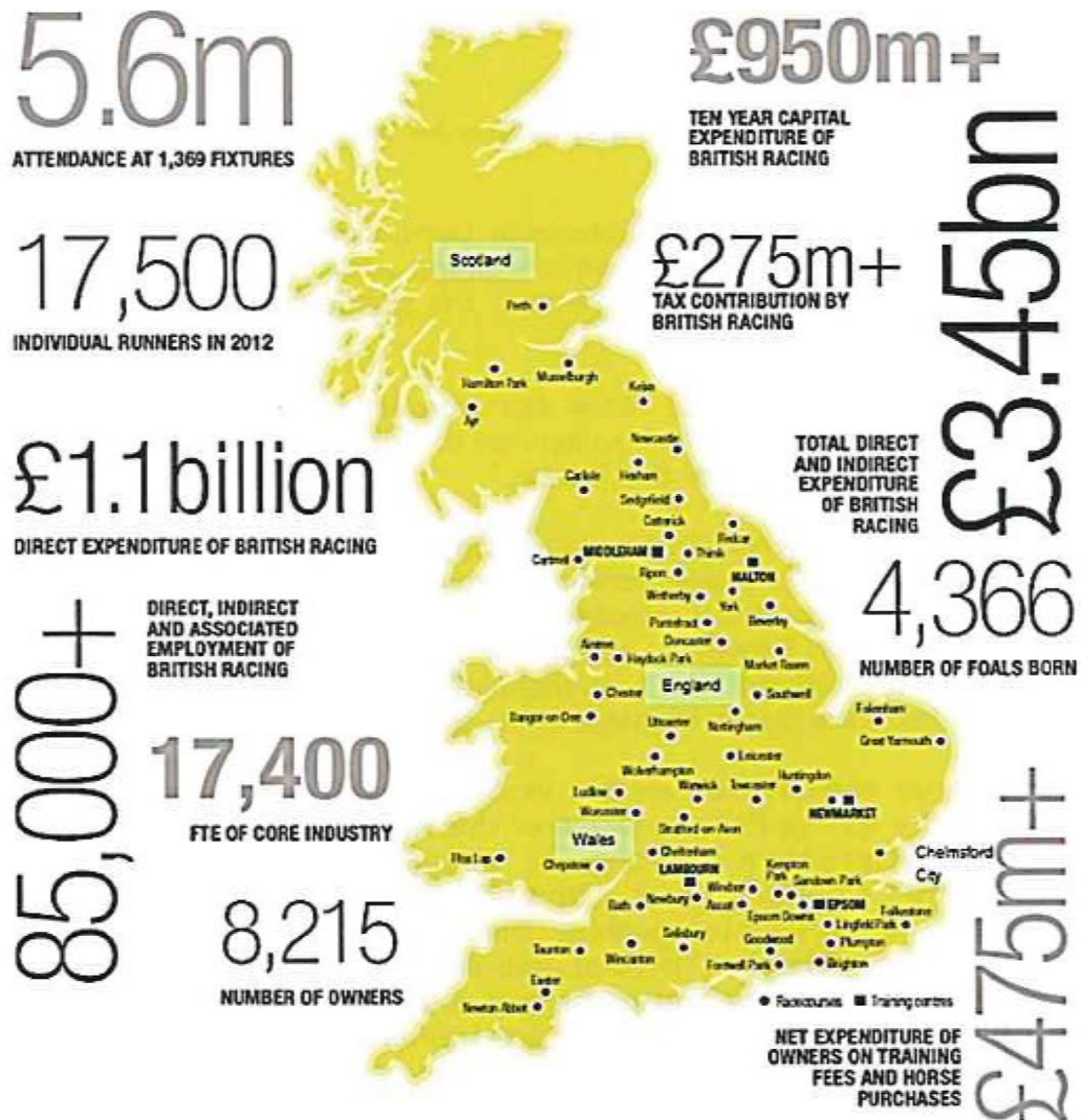
**Appendix 9** Extracts of JCR Annual Review 2019 – JCR

## **Appendix 1**

Economic Impact of British Racing – Deloitte/BHA 2013

## Appendix 1

### Economic Impact of British Racing – Deloitte 2013 – Report to British Horseracing Authority



## **Appendix 2**

Racecourse Attendance Figures – HBLB 2019

# HBLB Attendance Comparison (RA02)



Produced By: Annabel Fearn

Date Produced: 04/02/2020 14:21:19

All Groups And Racecourses

Month	Year	Flat			Jump			Mixed			Total		
		Total Attendance	Total Fixtures	Average Attendance	Total Attendance	Total Fixtures	Average Attendance	Total Attendance	Total Fixtures	Average Attendance	Total Attendance	Total Fixtures	Average Attendance
Jan	2019	27,656	46	601	149,877	57	2,629	0	0	0	177,533	103	1,724
	2018	29,940	47	637	142,116	55	2,584	0	0	0	172,056	102	1,687
	Variance %	-8	-2	-6	6	4	2	0	0	0	3	1	2
Feb	2019	18,582	37	502	92,669	44	2,106	0	0	0	111,251	81	1,373
	2018	23,265	40	582	108,315	53	2,044	0	0	0	131,580	93	1,415
	Variance %	-20	-8	-14	-14	-17	3	0	0	0	-15	-13	-3
Mar	2019	49,138	41	1,198	417,935	69	6,057	0	0	0	467,073	110	4,246
	2018	63,269	45	1,406	367,145	53	6,927	0	0	0	430,414	98	4,392
	Variance %	-22	-9	-15	14	30	-13	0	0	0	9	12	-3
Apr	2019	173,703	71	2,447	310,150	51	6,081	0	0	0	483,853	122	3,966
	2018	123,542	57	2,167	289,722	51	5,681	0	0	0	413,264	108	3,827
	Variance %	41	25	13	7	0	7	0	0	0	17	13	4
May	2019	466,532	103	4,529	165,238	49	3,372	7,660	1	7,660	639,430	153	4,179
	2018	447,730	104	4,305	165,490	51	3,245	8,246	1	8,246	621,466	156	3,984
	Variance %	4	-1	5	0	-4	4	-7	0	-7	3	-2	5
Jun	2019	825,111	107	7,711	97,261	29	3,354	0	0	0	922,372	136	6,782
	2018	881,250	117	7,532	101,968	30	3,399	0	0	0	983,218	147	6,689
	Variance %	-6	-9	2	-5	-3	-1	0	0	0	-6	-8	1
Jul	2019	679,955	120	5,666	87,020	26	3,347	0	0	0	766,975	146	5,253
	2018	659,536	124	5,319	106,399	27	3,941	0	0	0	765,935	151	5,072
	Variance %	3	-3	7	-18	-4	-15	0	0	0	0	-3	4
Aug	2019	712,232	131	5,437	90,789	20	4,539	0	0	0	803,021	151	5,318

Month	Year	Flat			Jump			Mixed			Total		
		Total Attendance	Total Fixtures	Average Attendance	Total Attendance	Total Fixtures	Average Attendance	Total Attendance	Total Fixtures	Average Attendance	Total Attendance	Total Fixtures	Average Attendance
Aug	2018	714,771	129	5,541	102,237	22	4,647	0	0	0	817,008	151	5,411
	Variance %	0	2	-2	-11	-9	-2	0	0	0	-2	0	-2
Sep	2019	334,087	99	3,375	44,984	22	2,045	0	0	0	379,071	121	3,133
	2018	387,039	101	3,832	51,364	22	2,335	0	0	0	438,403	123	3,564
	Variance %	-14	-2	-12	-12	0	-12	0	0	0	-14	-2	-12
Oct	2019	164,324	71	2,314	127,563	47	2,714	0	0	0	291,887	118	2,474
	2018	212,564	74	2,872	122,545	48	2,553	0	0	0	335,109	122	2,747
	Variance %	-23	-4	-19	4	-2	6	0	0	0	-13	-3	-10
Nov	2019	37,171	38	978	238,389	69	3,455	0	0	0	275,560	107	2,575
	2018	51,370	44	1,168	253,728	71	3,574	0	0	0	305,098	115	2,653
	Variance %	-28	-14	-16	-6	-3	-3	0	0	0	-10	-7	-3
Dec	2019	32,185	33	975	274,783	63	4,362	0	0	0	306,968	96	3,198
	2018	38,085	32	1,190	321,132	73	4,399	0	0	0	359,217	105	3,421
	Variance %	-16	3	-18	-14	-14	-1	0	0	0	-15	-9	-7
TOTALS:	2019	3,520,676	897	3,925	2,096,658	546	3,840	7,660	1	7,660	5,624,994	1,444	3,895
	2018	3,632,361	914	3,974	2,132,161	556	3,835	8,246	1	8,246	5,772,768	1,471	3,924
	Variance %	-3	-2	-1	-2	-2	0	-7	0	-7	-3	-2	-1

## **Appendix 3**

Sandown Park Customer Data – JCR

Key data for Sandown Park

- From our total customer data base we see that “day-outers” are the biggest group of customers at 70% of total L12M
- For specifically Sandown this is 73%

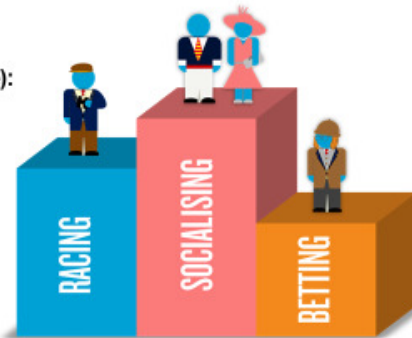
% of total customers by segment	National	Sandown Park
Loyal (3+ visits L13M)	8%	6%
Regular (2 visits L13M)	22%	22%
Day-outer (1 visit L13M)	70%	73%

Source: JCR customer database

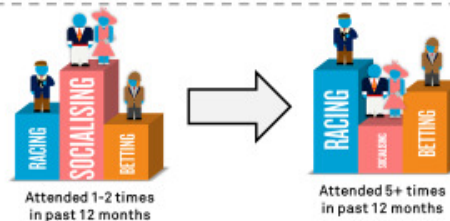
- Overall racegoers place the wider experience (“socialising”) as the most important reason for attending.
- This is particularly important for less frequent “day-outers” (since for more regular attendees the racing becomes the most important... so mathematically it is day-outers that are making the experience significantly more important)

The motivations to attend horseracing are socialising, then racing, then betting.

We asked all  
Racegoers  
(been racing before):



Socialising is the primary motivation for first timers, racing for frequent racegoers.



Customer Survey

When you attend a horseracing fixture, how important are the following factors?

Racegoers

Source: Two Circles market research

- Sandown Park has low retention generally, but this is particularly marked in “day outers” and “first timers”

Jan – Aug	2016	2017	2018	2019
Direct Retention (%)	24%	25%	23%	24%

## CUSTOMER SEGMENT

LOYAL FANS

61%

REGULARS

48%

DAY OUTERS

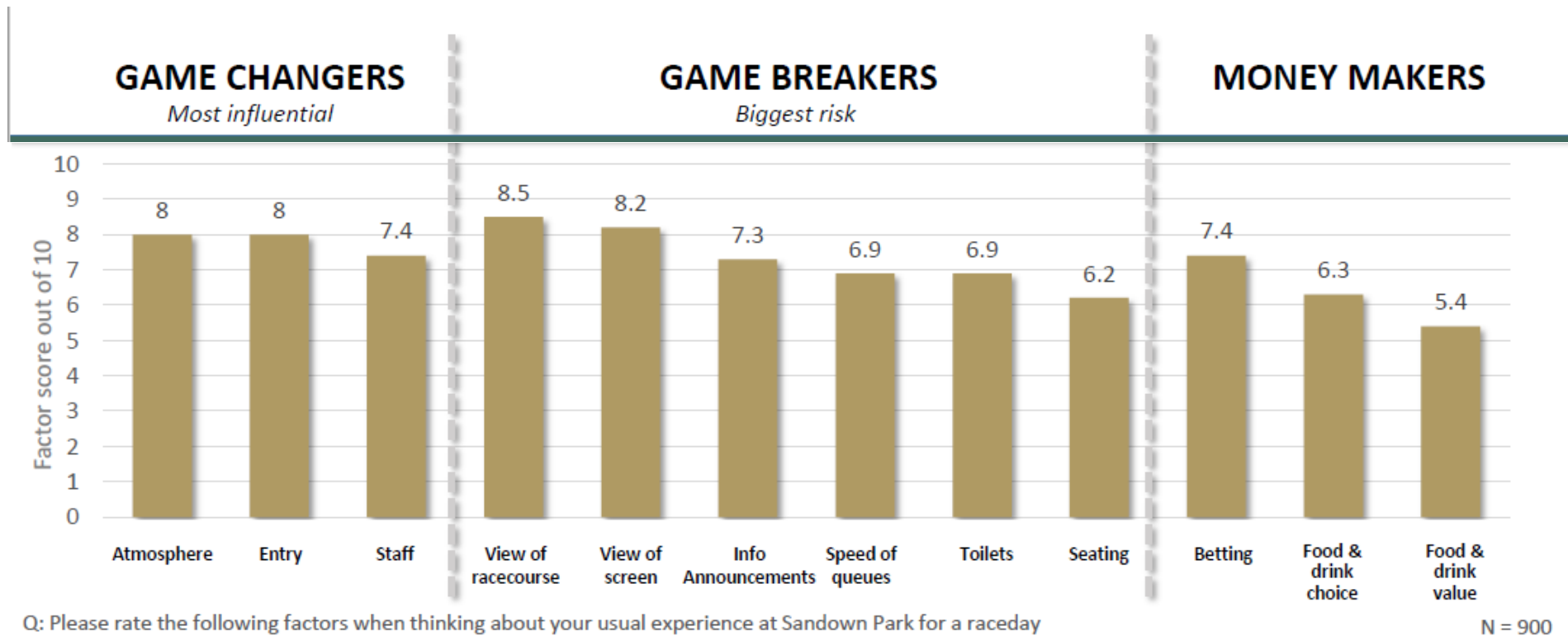
33%

FIRST TIMERS

16%

Source: JCR 2019 data analysis

- Experience is recognised as the key driver of retention
- Sandown Park scores poorly across key areas of venue experience
  - Note: 9 out of 10 is considered the target score. Less than this requires attention



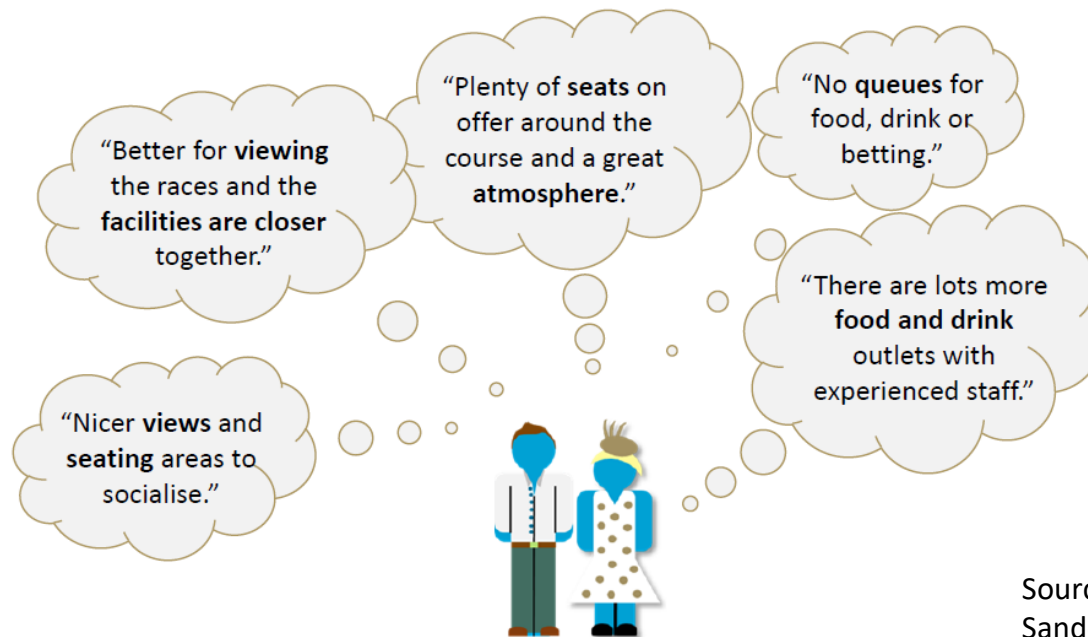
Source: JCR 2019 research programme with Sandown Park customers

- Clear feedback from Sandown Park customers that venue experience and facilities are poor versus competitive racecourses



## OTHER RACECOURSES

Respondents feel viewing, seats and queues are better at other racecourses when asked.



Source: JCR 2019 research programme with Sandown Park customers

## **Appendix 4**

Sandown Elmbridge Economic Benefit Calculator 2018 – JCR

**Event Name: Sandown Park Racing**

**Event Year: 2018**

**Host Economy: Elmbridge**

**Event Region: London**

---

**Spectator spending £1,364,280**

Based on 157,005 spectator admissions

- **Total Spectator Admissions 157,005**
- **Average number of days attended 1**
- **% of Spectators resident in the host economy 57**
- **% of non-local spectators who are casual visitors 0**
- **Number of Commercial stayers 156**
- **Number of Non-Commercial stayers 8,479**
- **Number of Day visitors 58,877**
- **Average number of nights spent in the host economy 1**
- **Average cost per bed-night (per person) £90**
- **Average daily spend on non-accommodation items £20**

**Attendee spending £1,057,000**

Based on 70,000 attendee admissions

- **Total Attendees 70,000**
- 

- **Average number of days attended 1**
- 

- **% of Attendees resident in the host economy 47**
- 

- **Number of Commercial stayers 3,500**
- 

- **Number of Non-Commercial stayers 0**
- 

- **Number of Day visitors 33,600**
- 

- **Average number of nights spent in the host economy 1**
- 

- **Average cost per bed-night (per person) £90**
- 

- **Average daily spend on non-accommodation items £20**
- 

#### **Direct leakages £0**

- **Spectator and Attendee Spending with Non-local Vendors £0**
- 

#### **Direct spending £4,004,000**

- **Organiser spend in Host Economy £4,004,000**
- 

#### **Direct Economic Impact £6,425,280**

- **Direct Economic Impact £6,425,280**
-

GVA

- **Spending to GVA Ratio 46.5%**

---

- **GVA Impact £2,987,755**

---

- **GVA per Workforce Job £39,504**

---

- **Jobs Supported 76**

---

## **Appendix 5**

RCA Racecourse Finance Information 2020 – RCA



# The Racecourse Association

Racecourse Finance Presentation



# Purpose & Methodology

## **Purpose**

In recent years, and particularly since the strong growth of media rights income, there has been a plea from our partners in the industry for greater transparency from racecourses about their finances and how they spend their income. This document sets out to give an overall picture of racecourse income and expenditure and address some of the misunderstandings that exist which have been damaging to our sport and to our ability to craft a better future for our industry. We had intended to publish this document at the beginning of the year but unfortunately, Project Enable, from which we have derived much of the information, took longer than scheduled and then we were overtaken by lockdown.

Racecourses are independent businesses which need to be able to make their own decisions about how their income is spent, just like any other participant in the sport. They have to generate a surplus in order to be able to make the long-term capital commitments necessary to run a racecourse and to borrow money to do so. It is also a legitimate aspiration for shareholders to expect a return on their investment. Many are unable or unwilling to fully open up their books for genuine reasons of legal and commercial confidentiality – there are strict competition law barriers in place. We believe that this should be understood and respected as it is for the businesses of trainers, breeders, and other Horsemen. However, we hope that this document is received as it is intended – as a positive and sincere attempt to help our partners understand racecourse finances sufficiently well for us all to be able to make the joint decisions needed, especially at this time of crisis.

## **Methodology**

The figures have been pulled together using publicly available information and independent third-party analysis derived from information collected directly from racecourses by industry consultants Portas and Regulus. Racecourses do not all adopt the same financial year end although the most common is 31 December. When figures are presented in aggregate they are drawn from the most recently published accounts which may not relate to identical financial periods. Forecasts from Portas for 2020 exclude the effects of Coronavirus.

The RCA does not collect and store confidential financial information on racecourses.

# Summary – Racecourse Income & Expenditure

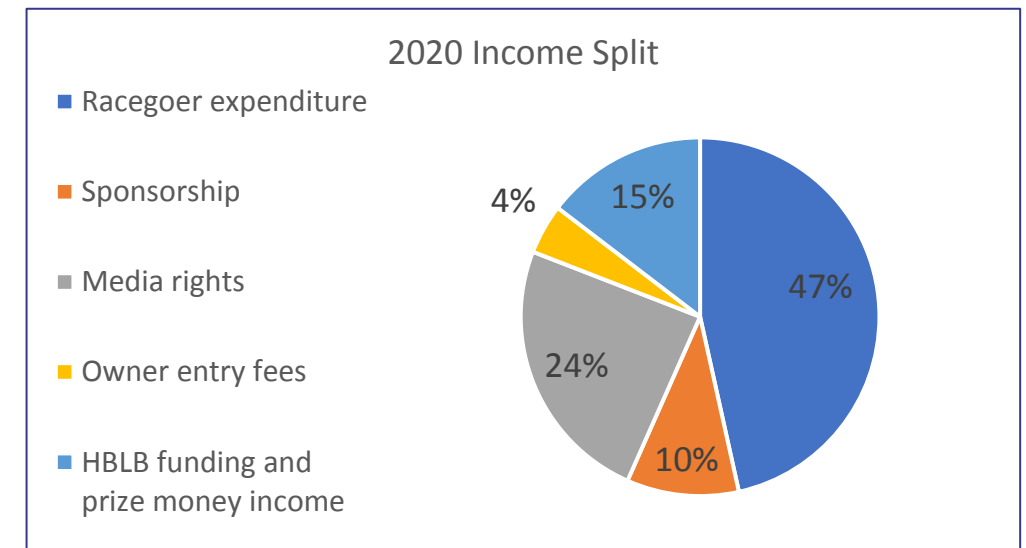
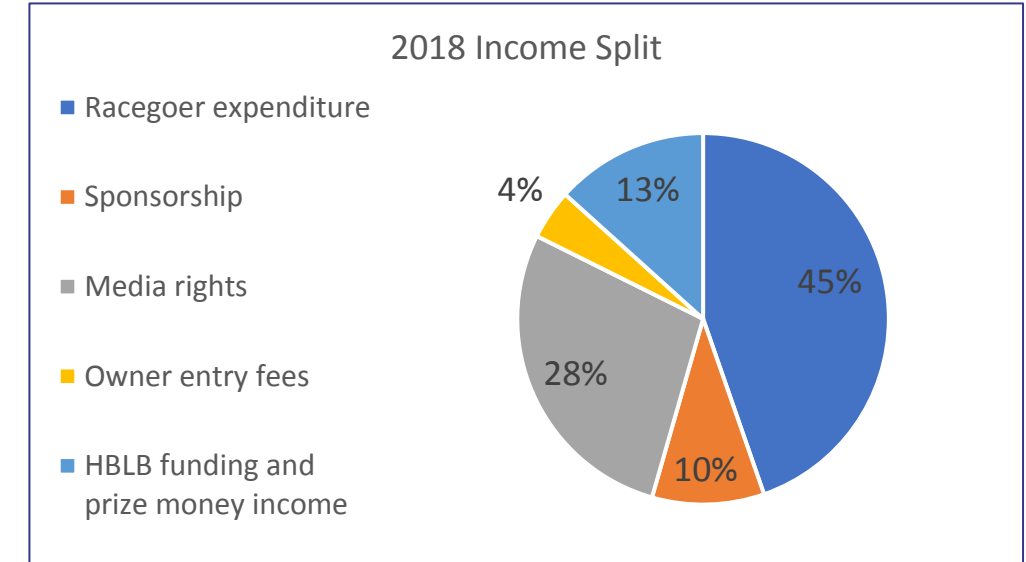
## Highlights

- Overall, racecourse total turnover from racing activities in 2018 was £575m with operating profit after capex of £28m
- 29% of total income was spent on prize money, 33% on event costs and 27% on overheads leaving just 11% which was more than taken up by capital expenditure, interest, debt servicing and tax, leaving a net outflow of cash
- Even before Coronavirus, racecourse profitability was expected to decline in 2020 by 15% due to a significant decline in media rights income from the closure of betting shops
- The effect of Coronavirus on racecourses was total losses of £8m per month during shutdown and £4m per month whilst racing behind closed doors
- Across all racecourses 47% of forecast income for 2020 was expected to be generated from racegoers and 39% from bookmakers (in the form of Levy and Media Rights)
- The proportion of income from racegoers varies widely, for example large racecourses have 60% racegoer income and 20% betting revenue whereas small/medium racecourses have 30% racegoer income and 63% betting revenue
- If paying spectators don't return in significant volumes to racing in 2020, all racecourses are expected to make losses

# Racecourse P&L

Total Racecourse Profitability was forecast to decline in 2020 due to a fall in media rights payments.

	<u>2018</u> <u>TOTAL</u> £	<u>2020</u> <u>TOTAL</u> £
Racegoer expenditure	256,662,000	257,683,000
Sponsorship & other commercial income	56,053,000	56,034,000
Media rights	160,419,000	134,407,000
Owner entry fees	24,910,000	24,913,000
HBLB funding and prize money income	76,500,000	80,895,000
Revenues	574,544,000	553,932,000
Event costs	164,853,000	163,704,000
BHA Fixture fees	24,212,000	23,880,000
Total prize money	166,618,000	155,788,000
Costs	355,683,000	343,372,000
Gross profit	218,861,000	210,560,000
Overheads	153,239,000	153,227,000
Operating profit	65,622,000	57,333,000
Capex from current P&L	37,653,000	37,633,000
Free Cash Flow	27,969,000	19,700,000

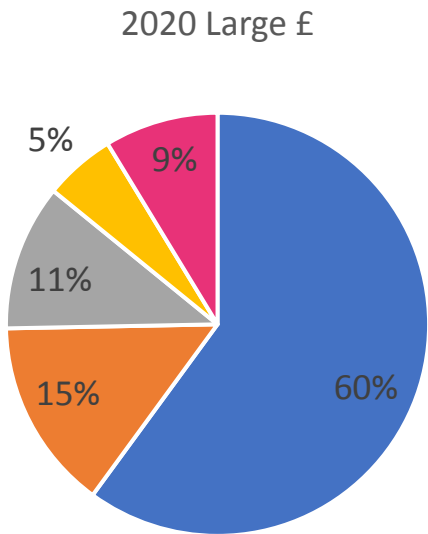
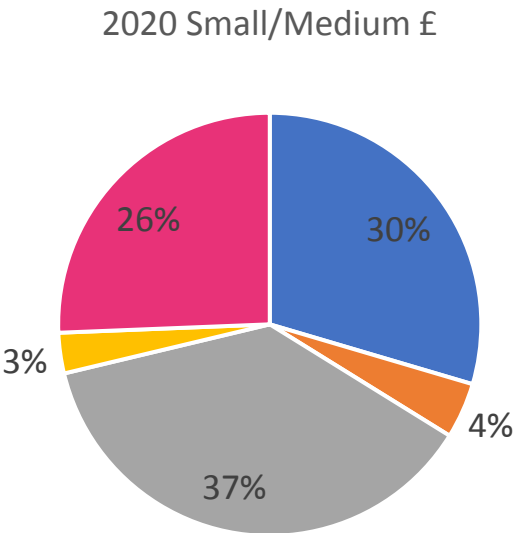
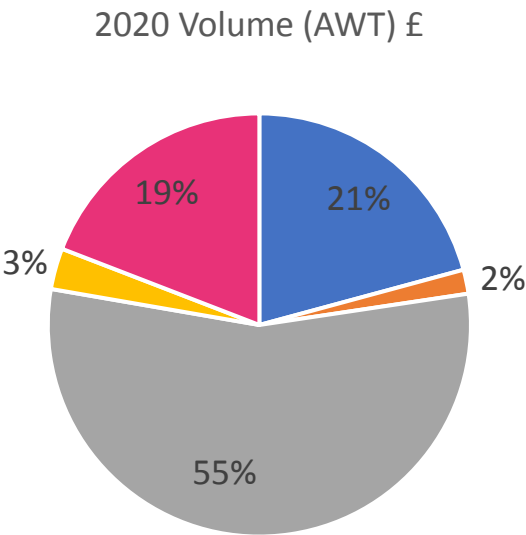


# Average Racecourse Income

	Number of courses	6	39	14
	2020	2020	2020	
Average Racecourse Income	Volume	Small/Medium	Large	
	£	£	£	
Racegoer expenditure	2,723,000	1,097,000	14,183,000	
Sponsorship & other commercial income	241,000	158,000	3,459,000	
Media rights	7,215,000	1,389,000	2,639,000	
Owner entry fees	411,000	115,000	1,283,000	
HBLB funding and prize money income	2,506,000	951,000	2,055,000	
Average Revenues	13,096,000	3,710,000	23,619,000	

The income breakdown in the table shows the significant differences for the three racecourse types as projected for 2020 pre-Covid

The percentage of media rights income contributed to prize money varies widely by racecourse depending upon the proportion of total income media rights makes up.



# Typical Racecourse P&L – Pontefract & Newton Abbot 2018

Example racecourse P&L – Pontefract 2018

	2018 Pontefract £
Racegoer expenditure	798,188
Sponsorship & other commercial income	49,766
Media rights	1,917,131
Owner entry fees	45,000
HBLB funding and prize money income	528,803
Revenues	3,338,888
Event costs	772,157
BHA Fixture fees	222,680
Total prize money	1,228,998
Costs	2,223,835
Gross profit	1,115,053
Overheads	1,026,470
Operating profit	88,583
Capex from current P&L	60,000
Free Cash Flow	28,583

Source: Pontefract racecourse

Example racecourse P&L – Newton Abbot 2018

	2018 Newton Abbot £
Racegoer expenditure	1,085,922
Sponsorship & other commercial income	41,030
Media rights	1,423,612
Owner entry fees	-
HBLB funding and prize money income	700,627
Revenues	3,251,191
Event costs	685,124
BHA Fixture fees	281,463
Total prize money	1,162,621
Costs	2,129,208
Gross profit	1,121,983
Overheads	1,223,262
Operating profit	-101,279
Capex from current P&L	0
Free Cash Flow	-101,279

Source: Newton Abbot racecourse

# Effect of Coronavirus – Newton Abbot racecourse

	Actual 2018 Newton Abbot £
Racegoer expenditure	1,085,922
Sponsorship & other commercial income	41,030
Media rights	1,423,612
Owner entry fees	-
HBLB funding and prize money income	700,627
Revenues	3,251,191
Event costs	685,124
BHA Fixture fees	281,463
Total prize money	1,162,621
Costs	2,129,208
Gross profit	1,121,983
Overheads	1,223,262
Operating profit	-101,279
Capex from current P&L	0
Free Cash Flow	-101,279

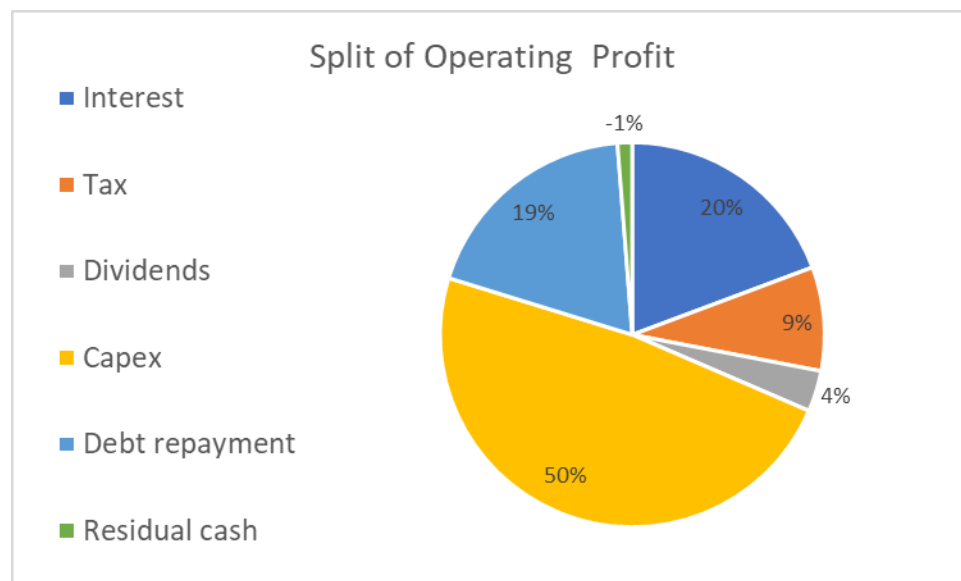
	Projected 2020 Newton Abbot £
Racegoer expenditure	-
Sponsorship & other commercial income	2,000
Media rights	550,000
Owner entry fees	-
HBLB funding and prize money income	368,610
Revenues	920,610
Event costs	284,610
BHA Fixture fees	127,290
Total prize money	302,200
Costs	714,100
Gross profit	206,510
Overheads	502,707
Operating profit	-296,197
Capex from current P&L	0
Free Cash Flow	-296,197

- Illustrates the devastating impact of Covid 19 – revenue down 72%, losses trebled
- Newton Abbot face severe cashflow difficulties from September 2020 onwards
- At the other end of the scale Ascot are forecasting a 2020 revenue decline of 74% and Jockey Club a decline of £75m
- Loss of sponsorship income has a severe impact for all courses – all drops to the bottom line
- All racecourses are expected to be loss making in 2020

# How Operating Profit is spent

Methodology: The operating profit for 2018 was taken from information from the Portas Enable presentation. The capex information was taken from the Regulus Model, and tax, dividends and debt repayment was all taken from companies house statutory accounts where possible.

## Operating Profit 2018 £65.6m



As can be seen from the chart, operating profit earned in 2018 was used mainly to service debt, pay tax or reinvested into the racecourses. Roughly half of profits were reinvested in the form of capex.

The residual cash number is negative, because more was spent in the year on these items than profit earned.

## Highlights

- 88% of racecourses did not pay any form of material (>£20,000) dividend in their most recent financial year = most operate a model where any surplus funds are reinvested to maintain and upgrade facilities
- Racecourses do not hold large cash reserves unless there are saving for major capital expenditure, and overall are in a significant net debt position
- Return on Investment across Racecourses is very low at only 3.35%

# Racecourse Dividends & Net Debt

## Racecourse Dividends

Examining statutory accounts, only 7 out of 59 racecourses paid any dividend greater than £20,000 in their most recent financial year.

The total dividend paid by all racecourses was £2.3m, and an average dividend pay out ratio for these 7 courses was 24.0% - typical corporate payouts are 35-55%.

## Net Debt Position

Racecourses often choose to use bank and other borrowings, including shareholder loans, to finance their businesses. The Net Debt (cash balances less bank and other borrowings) position of racecourses per most recent statutory accounts is £(455)m – this represents a multiple of operating profits of 7x, much higher than commercial norms

Racecourses holding cash balances have typically earmarked those funds for capital projects

# Racecourses make low returns from investment despite significant risk

The Return on Investment of racecourses is 3.35%.

	£
Fixed Assets - Tangible & Intangible	1,391,709,066
Operating Profit	65,623,000
Interest	(13,095,316)
Tax	(5,869,745)
	46,657,939
Return on Investment	3.35%

Source: Companies House statutory accounts

Racecourses earn a return similar to utility companies but the risk profiles are entirely different. Utilities operate at very low risk due to fixed pricing formulas – racecourses bear full commercial and asset risk as Covid has demonstrated.

This is considerably lower than other sectors of the leisure economy average, as can be illustrated in the table below.

Sector	ROI (%)
Restaurants	26.67
Retail	13.86
Casinos & Gaming	10.40
Consumer Non-Cyclical	9.89
Basic Materials	9.54
Transportation	8.74
Hotels & Tourism	7.73
Conglomerates	5.36
Broadcast & Media	4.4
Racecourses	3.35
Utilities	2.89

Source: CSIMarket.com

## Highlights

- Prizemoney is made up of three components – Executive Contribution from racecourses, HBLB funding and entry fees
- Total prizemoney has grown by 72% from 2011 to 2019, a real increase of 42%, Executive Contribution has grown by 79% over the same period. Fixture numbers declined slightly during the same period
- Overall, Executive Contribution as a % of Media Rights has been at 53% for the last two years
- This was expected to decline to close to 50% in 2020 due to £22m hit from betting shop closures
- Levels of Executive Contribution are decided by individual racecourses each year
- The percentage of media rights income contributed to prize money varies widely by racecourse depending upon the proportion of total income media rights makes up.

# Racecourse Executive Contribution

% of Prize Money

Year	Racecourse EC	Owners/Entries	HBLB + Other
2009	25%	16%	59%
2010	31%	16%	54%
2011	48%	16%	35%
2012	47%	16%	37%
2013	43%	16%	42%
2014	44%	16%	39%
2015	47%	16%	37%
2016	50%	16%	34%
2017	52%	16%	33%
2018	52%	15%	33%
2019*	50%	15%	35%

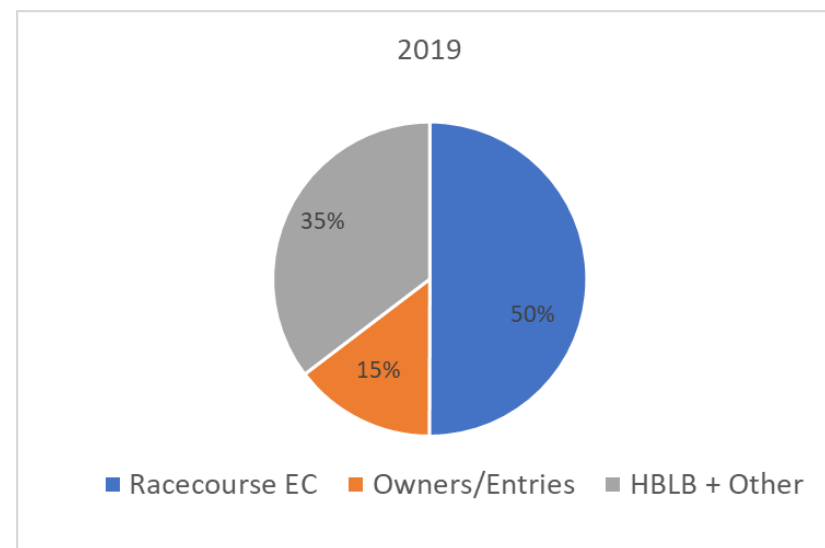
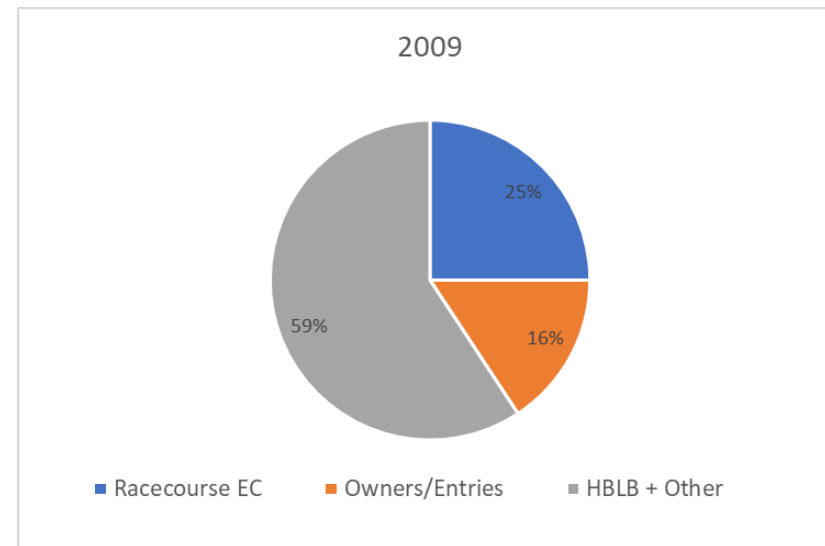
Racecourse Executive Contribution has increased steadily in both % and absolute terms in past decade.

Since 2011, total prize money has gone up by more than 72% and racecourse executive contribution has gone up 79%. In the same period fixture numbers declined slightly from 1,469 to 1,444

Prize money and EC started to fall in 2019 due to retail bookmaker closures

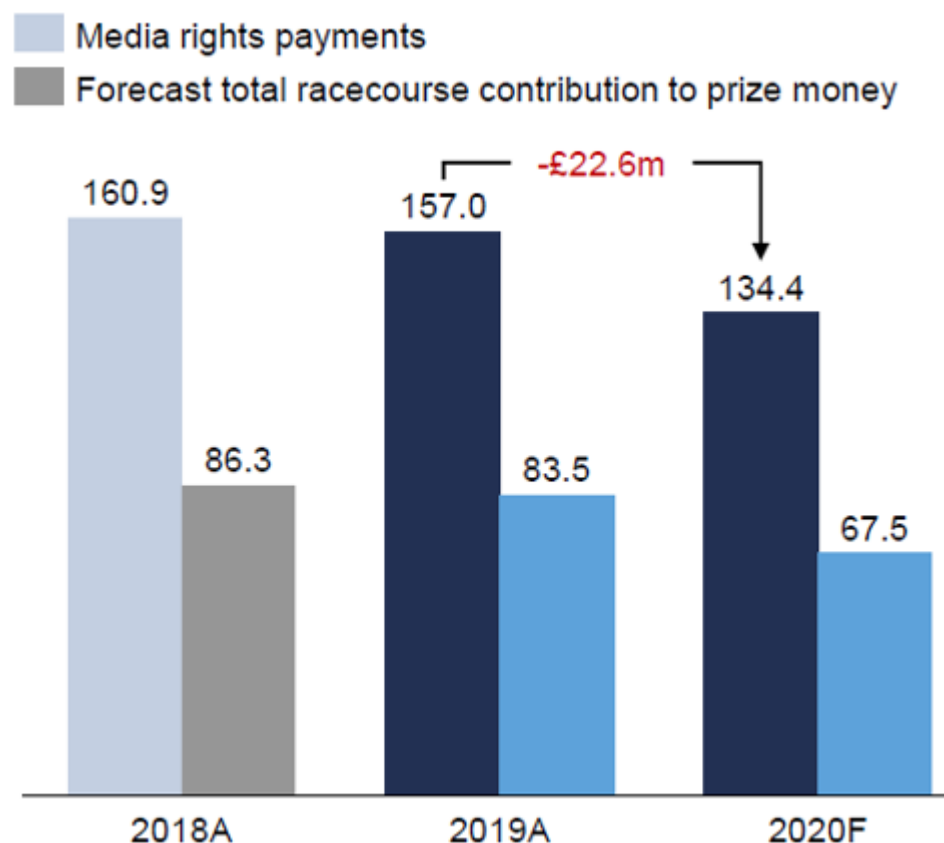
Year	Prize Money	Growth in Absolute PM	Racecourse EC	Growth in Racecourse EC
2009	£110,461,036		£27,611,318	
2010	£98,962,667	-10%	£30,353,524	10%
2011	£93,892,923	-5%	£45,243,773	49%
2012	£97,729,738	4%	£46,091,530	2%
2013	£114,222,676	17%	£48,584,347	5%
2014	£122,988,698	8%	£54,570,357	12%
2015	£131,803,737	7%	£61,658,258	13%
2016	£137,603,058	4%	£68,473,362	11%
2017	£142,536,192	4%	£73,626,731	8%
2018	£166,306,475	17%	£86,372,808	17%
2019*	£161,835,510	-3%	£80,980,345	-6%

Source: RCA master file, \*provisional numbers for 2019, yet to be finalised



# Media rights and Contribution 2018 - 2020

From 2019 to 2020 there were 1,241 betting shop closures which has the implication of reduced net media rights payments (£22.6m) and prize money contributions. EC as a % of Media Rights income was forecast to remain above 50% before the effect of Covid.



Executive Contribution as a % of Media Rights was expected to dip in 2020 due to betting shop closures and reduced income

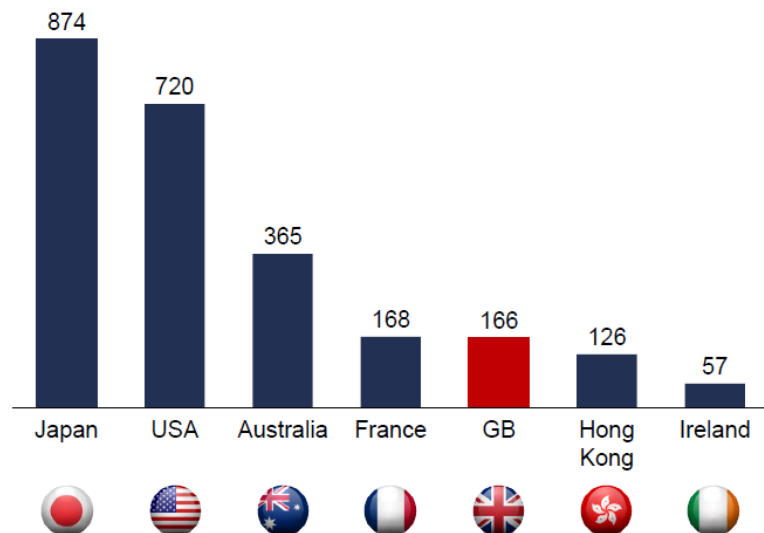
Actual	2018	53.6%
Actual	2019	53.2%
Forecast	2020	50.2%

# Reflections on Prize Money

- Racecourses are aware that a significant part of attracting and retaining owners depends upon their assessment of whether their money was well spent including their prize money
- In response, racecourses have made a 42% real increase in prize money over 8 years but this has not resulted in any material increase in the number of owners (13,044 v 12,861 – source BHA)
- There is much more competition in the UK for the betting £ compared with other jurisdictions which severely limits betting income from racing comparatively (see appendix) and places far greater importance on racegoer spend
- Racecourses as a whole are in a net debt position and do not make significant profits
- As things stand, there is not the scope to make further major increases in prize money and in any case, it will never be enough. Racehorse owner expenditure in 2019 was approximately £621m compared with total prizemoney of £161m – prize money would need to increase by a factor of 3.85 to just cover costs
- In addition to prize money, huge investment is made by racecourses in their raceday experience and in raceday facilities for owners and trainers. Over the past 5 years £15m has been spent on facilities for owners and trainers, in the next 2 years £6.7m was planned to be spent. Jockey Club alone spend over £3m annually in operating on course facilities for owners. Ascot spend over £500k.
- The most constructive way forward is to work together to try to make incremental increases in income through betting, racegoers and diversification and to investigate other ways of making the owners' experience worthwhile that have a greater impact for the money spent

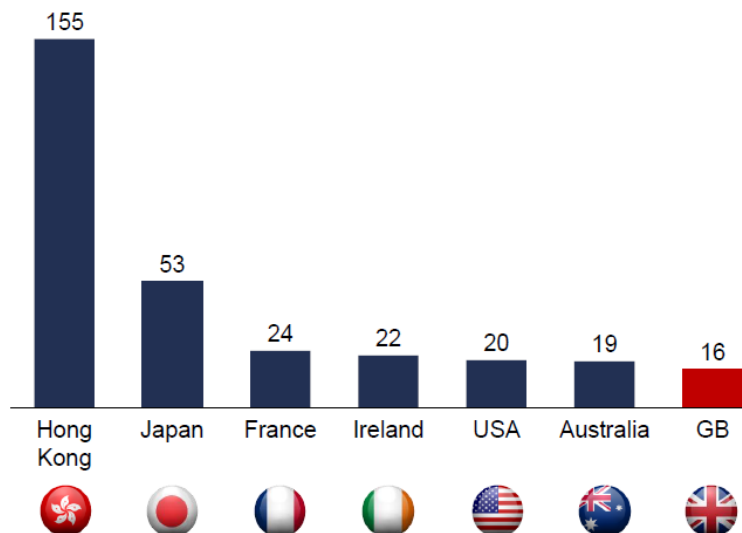
## Appendix: Prize Money in other racing jurisdictions

Total prize money (£ millions)



- Total prize money in Australia has increased 84% in the last ten years against an increase of 54% in Britain, 18% in France and a decline in America

Average prize money per race (£ thousands) – (minimum 500 races)



- Hong Kong offers the most prize money per race – almost ten times more than GB

Centralised funding models in Japan and Hong Kong lead to higher returns to racing. The average prize money per race in Hong Kong is so high as there are a much lower number of race meetings in Hong Kong (88 in 2018). Hong Kong Jockey Club run the whole operation, meaning they have a larger proportion of betting income to put into prize money.

Jurisdictions with a pari-mutuel (pool betting) structure, also typically generate higher returns to racing than those with fixed odds. Using France as an example, they have no fixed odds bookmakers which allows it to generate higher returns to prize money.

In places such as Australia and the US, there is a combination of pool betting and fixed odds, however those jurisdictions have a higher proportion of pool betting, leading to higher prize money.

The growth of the Tote in the UK and the opening up of more international pool betting is helpful but does not materially change the position shown above.

## **Appendix 6**

Sports, Leisure and Entertainment Facilities Comparison Table – Rapleys/JCR

## **Appendix 6 Sports, Leisure and Entertainment Facilities Comparison**

<b>TYPE</b>	<b>FACILITY NAME</b>	<b>LOCATION</b>	<b>CATCHMENT</b>	<b>FACILITIES</b>	<b>QUALITY OF FACILITIES + RECENT EXPENDITURE</b>	<b>PLANNING DESCRIPTION</b>	<b>NO. OF HOTELS<sup>1</sup> WITHIN 2 MILES</b>
Racecourses	Sandown Park	Esher, Surrey	Regional, National and International	Sporting, Family, Recreation, Ski slope, Golf Centre, Confs, Exhibitions, Events and Weddings	Medium Quality In need of substantial modernisation. 2019 – hospitality area refurb £900K	Green Belt, Adjacent to Conservation Area	None
	Aintree Racecourse	Adjacent to Aintree, Liverpool	Regional, National and International	Sporting, recreation, events, confs, weddings, an Equestrian Centre and Golf Centre	High quality		Aintree Racecourse
	Ascot Racecourse	Adjacent to Ascot, Berkshire	Regional, National and International	Sporting, Recreation, Confs, Exhibitions, weddings, Drive in Cinema	High quality 2006 - Redevt of the Grandstand and paddock areas - £220m 2007 - Further alterations to the grandstand - £10m	Part Green Belt	4 hotels
	Cheltenham Racecourse	Adjacent to Cheltenham, Gloucestershire	Regional, National and International	Sporting, family, recreation, a major conf centre, events and weddings	High quality 2016 - Major redevt of facilities inc new Grandstand - £45m	Green Belt	15 hotels
	Doncaster Racecourse	Doncaster, South Yorkshire	Regional, National and International	Sporting, confs, exhibitions, weddings, events and meetings	High quality 2008 – Major redevt inc new grandstand, hospitality suites, conf centre and syphonic drainage system - £34m	Part Green Belt and SINC	1 on-site hotel (154 bedrms) 9 off-site hotels
	Epsom Downs Racecourse	Adjacent to Epsom Downs, Surrey	Regional, National and International	Sporting, family, recreation, conf, events and weddings	High quality 2009 - Redevt inc, new grandstand, entrance pavilion & a 120 bedrm hotel - £38m on racecourse elements	Green Belt	1 on-site hotel (120 bedrms) & 3 off-site hotels
	Goodwood Racecourse	4 miles outside Chichester, West Sussex	Regional, National and International	Sporting, recreation, family, events and weddings Within the wider Goodwood Estate – Motor circuit, cycling Golf course, aerodrome, shooting health club, drive-in cinema.	High quality 2001 - Remodelling/ redevt of racecourse facilities - £4.9m	South Downs National Park. Adjacent to Grade I Historic Park and Garden.	1 on-site hotel (91 bedrms & 5 suites) (within the wider Goodwood Estate)
	Kempton Park	Adjacent to Sunbury on Thames, Surrey	Regional, National and International	Sporting, confs, weddings, events, and antique market	Good quality 2006 - All weather track devt - £18.78m	Green Belt	3 hotels

<sup>1</sup> Hotels - 3 star rating or above, excluding pubs, B&Bs, guest houses and lodges

## **Appendix 6 Sports, Leisure and Entertainment Facilities Comparison**

<b>TYPE</b>	<b>FACILITY NAME</b>	<b>LOCATION</b>	<b>CATCHMENT</b>	<b>FACILITIES</b>	<b>QUALITY OF FACILITIES + RECENT EXPENDITURE</b>	<b>PLANNING DESCRIPTION</b>	<b>NO. OF HOTELS<sup>1</sup> WITHIN 2 MILES</b>
	Lingfield Park	Lingfield, Surrey	Regional	Sporting, recreational, leisure club, golf course & academy, resort	High quality 2009 – redevelopment inc stable staff accommodation & 116 bedrm hotel	Green Belt	1 on-site hotel & spa (116 bedrms)
	Newbury Racecourse	Adjacent to Newbury, West Berkshire	Regional, National and International	Sporting, family, recreation, confs, events, exhibitions and weddings	High quality Extensive long term phased 1500 unit residential development (planning permission 2010) to fund racecourse Redevt, inc new stables, staff hostel, vet facilities, refurbs of the Berkshire grandstand, new parade ring, car park - £20m on racecourse elements.	Adjacent to a Conservation Area  Part within/outside settlement boundary.	3 hotels
	Newmarket Racecourse (Rowley Mile and July Courses)	Newmarket, Suffolk	Regional, National and International	Sporting, confs, weddings, events and meetings	High quality 2006/7 – Redevt of hospitality areas on the July Course - £10m 2016 – Refurbs of Rowley Mile Grandstand	Outside Settlement Boundary	5 hotels
	Royal Windsor Racecourse	Adjacent to Windsor, Berkshire	Regional, National and International	Sporting, confs, weddings, events and meetings	Good quality 2018 – planning permission granted for a 150 bedrm hotel inc 20 for stable staff, high quality food and bev facilities –described as ‘important to help underpin the future of the racecourse’ – £20.6m on refurb	Green Belt	9 hotels
	Towcester Racecourse (horseracing permanently ceased in 2019)	Adjacent to Towcester, Northamptonshire	Regional	Sporting, recreation, events and entertainment (Greyhound racing since 2014)	Superficially medium quality but Low quality infrastructure  2005 - New grandstand 2014 - New greyhound track	Grade II Historic Park and Garden. Within the setting of the Grade II listed buildings.	None
	York Racecourse	York, Yorkshire	Regional, National and International	Sporting, confs, weddings, events and meetings	High quality 2014/2015 – remodelling of racecourse, increstoration of John Carr Grandstand and new facilities buildings - £10.65m	Green Belt  Buildings – within Conservation Area	29 hotels

## **Appendix 6 Sports, Leisure and Entertainment Facilities Comparison**

<b>TYPE</b>	<b>FACILITY NAME</b>	<b>LOCATION</b>	<b>CATCHMENT</b>	<b>FACILITIES</b>	<b>QUALITY OF FACILITIES + RECENT EXPENDITURE</b>	<b>PLANNING DESCRIPTION</b>	<b>NO. OF HOTELS<sup>1</sup> WITHIN 2 MILES</b>
					2018/19 – Upgrade of the Melrose Stand built in 1989 to create a Premier Racing Lounge	A number of listed buildings	
Tennis	All England Lawn Tennis Club	Wimbledon, London SW	Regional, National, and International	On-site: The Wimbledon Lawn Tennis Museum Wimbledon Shop Wingfield Café Restaurant /broadcasting facilities Off-site (3.3 miles away): All England Lawn Tennis Club Community Sports Ground	High quality 1993 – Long Term Devt Plan to bring complex up to par with major world champs sites. 2013 - Master Plan for the future of the Club's grounds. Recent projects inc: 2018 – No. 1 Court upgrade, restaurants refurb, new Champs dressing rooms, Screen for The Hill, additional floor on museum building & main office. 2019 – Somerset Road Project, inc replacement of existing indoor courts for year-round -£70m.	Largely designated open space.  Part MOL, a Green Corridor, Open Space, SINC, Conservation Area & Historic Park (Grade II).	8 hotels
Tennis	Dukes Meadow, Chiswick	Chiswick, London W	Regional	9-hole par 3 golf course, 50 bay driving range, x5 indoor x4 outdoor tennis courts, indoor ski, café, restaurant, shop, function rm and bar, gym, educational centre, specialist sport treatment rms, table tennis, dance studios	High quality  2019 – permission granted for new 5 court tennis hall and 4 outdoor courts	MOL Same level of policy protection as Green Belt	14 hotels
Cricket Grounds	Lords Cricket Ground	St Johns Wood, London NW	Regional, National and International	Sporting, confs and weddings	High quality 2004-2017 – Redevt of the ground to increase operational efficiency and improving the spectator experience, inc a new stand (Warner Stand) - £25m. 2019-2021 – Planning permission for two 3-tier stands - £50m 2021 - 2032 – a new building inc office, shop and hospitality facilities, further stands, a pub, reorgs of the Pavilion and Memorial building and imprvt to the Groundsmen & tickets facilities.	Conservation Area	Over 50 hotels

## **Appendix 6 Sports, Leisure and Entertainment Facilities Comparison**

<b>TYPE</b>	<b>FACILITY NAME</b>	<b>LOCATION</b>	<b>CATCHMENT</b>	<b>FACILITIES</b>	<b>QUALITY OF FACILITIES + RECENT EXPENDITURE</b>	<b>PLANNING DESCRIPTION</b>	<b>NO. OF HOTELS<sup>1</sup> WITHIN 2 MILES</b>
	Southampton Ageas Bowl	Southampton Hampshire	Regional, National and International	Sporting, golf course, a health club, confs, events, weddings, music concerts, spa and gym.	High quality 2011 - The development to increase the ground capacity and a hotel - £45m	Strategic Gap (with a Special Policy Area designation for the devt of the cricket ground).	1 on-site hotel (171 bedrms) 2 off-site hotels
Football	Wembley Stadium	Wembley, London, NW	National, International	8 restaurants, 34 bars, 47 shops, conf/cooperate, suites and rooms, occupational health medical ward, music venue, art media facilities	High quality 2007 – stadium reopened £798m. 2015 – new roof works. 2018 – permission for replacement of existing 'Pedway' ramp structure at front of stadium. March 2020 - New pitch, upgraded changing rms, new LED floodlight, art-sound system at Carabao Cup Final.	Wembley Strategic Cultural Area (London Plan)	14 hotels
Football	Craven Cottage, Fulham FC	Fulham, London, SW	Regional	Sporting, confs and events,	High quality 2013 – Permission for Riverside Stand. 2016 – Permission for partial redevt of Putney Stand. Not implemented. 2018/19 – Permission for, & works commence on, Riverside Stand increasing capacity and inc restaurants, cafes, bars, hospitality and event space, club and lounge facilities, x9 serviced apartmts. 2020- Pending application for a health club and short stay hotel accommodation (a change from approved serviced apartments). Riverside Stand £80m deal with Club spending £5m to buy part of Thames for river wall expansion.	Outdoor sporting facilities. Within Flood Zone 3 benefiting from flood defences. The Johnny Haynes Stand/Craven Cottage - Grade II listed. Adjacent to Grade II listed on the Register of Parks and Gardens, MOL, a Conservation Area, Blue Ribbon Network.	Over 50 hotels
	Stamford Bridge, Chelsea FC	Chelsea, London, SW	Regional	Sporting, confs, exhibitions, health club, restaurants and cafes and music venue	High quality Ongoing regeneration inc the West Stand completely rebuilt in 2001.	Strategic View Open Space Adjacent to Conservation Area	2 on-site hotels (231 bedrms) & over 50 off-site hotels

## **Appendix 6 Sports, Leisure and Entertainment Facilities Comparison**

<b>TYPE</b>	<b>FACILITY NAME</b>	<b>LOCATION</b>	<b>CATCHMENT</b>	<b>FACILITIES</b>	<b>QUALITY OF FACILITIES + RECENT EXPENDITURE</b>	<b>PLANNING DESCRIPTION</b>	<b>NO. OF HOTELS<sup>1</sup> WITHIN 2 MILES</b>
					2017 - Planning permission for redevt to create a new 60,000 capacity stadium.	& Nature Conservation Areas	
	Emirates Stadium, Arsenal FC	Highbury, London, N	Regional	Sporting, meetings and events facilities	High quality The Stadium has been subject to ongoing regeneration/major renovation: 2006 – New stadium - £390m 2011 – Upgrades of bars 2012 – Upgrades of Emirates Lounge 2015 – Royal Oak Bar upgrade works. 2016 – Upgrades of Club East Entrance and electronic points of sale and in-stadium television and screens. 2018 – Major refurb of Dial Square restaurants. increasing the stand capacity. 2019 – New Hospitality Building constructed. 2019 – Major renovation of Champions Bar and the Highbury Suite.	Adjacent to Open Space and Metropolitan SINC	24 hotels
	White Hart Lane, Tottenham Hotspur Stadium	Tottenham, London, N17	Regional	Sporting, Leisure (Sky Walk), confs and events and gym.	High quality 2019 – New Stadium Opened - £1billion 2019/2020 – Non-material amendment approved to increase the seating capacity.	Adjacent to Conservation Area and Listed Buildings	180 bedrm Hotel to be constructed on site & 3 off-site hotels
	Saint Mary's Stadium, Southampton	SouthamptonHampshire	Regional	Sporting, concerts, confs, events and exhibitions.	High quality 2001 – New Stadium constructed - £32m	Area of archaeological potential	14 hotels
	London Stadium (West Ham FC)	Stratford, Queen Elizabeth Olympic Park, London	Regional	Sporting, concerts, confs and events, shop and café.	High quality 2016 – The former Olympic Stadium was renovated as a multi-purpose stadium - £323m (Cost of renovation, separate from the construction cost of the Olympic Stadium). 2020 – planned alterations to the stadium to add two new lower tier	Adjacent to MOL	15 hotels

## **Appendix 6 Sports, Leisure and Entertainment Facilities Comparison**

<b>TYPE</b>	<b>FACILITY NAME</b>	<b>LOCATION</b>	<b>CATCHMENT</b>	<b>FACILITIES</b>	<b>QUALITY OF FACILITIES + RECENT EXPENDITURE</b>	<b>PLANNING DESCRIPTION</b>	<b>NO. OF HOTELS<sup>1</sup> WITHIN 2 MILES</b>
					stands to be constructed by 2021/2022 season.		
Rugby Stadium	Twickenham RFU Stadium	Twickenham	Regional, National and International	Sporting, Performing arts complex, health and leisure, shop, confs, meeting and events.	High quality 2006 – South Stand Redevt 2015 - West Stand Refurbs (£34m value)	Adjacent to MOL	1 on-site hotel (144 bedrms) & 13 off-site hotels
Pay and Play Surrey Golf Courses	Hoebidge Golf Centre	Working, Surrey	Regional	Sporting, family, Fitness centre, events, meetings and weddings	Very good standard 2016 – a new detached function building, extensions/alterations to upgrade the facility - £500k investment	Green Belt, Area of Landscape Importance & Thames Basin Heath SPA Zone B	3 hotels
	Pine Ridge Golf Club	Camberley, Surrey	Regional	Sporting, events and weddings	Very good standard 1993-the club opened. 2008 - Planning permission granted for extension to the club house, inc a health club, outdoor tennis courts.	Open Countryside Adjoining MOL	3 hotels
	Guildford Golf Club	Guildford, Surrey	Regional	Sporting, confs, weddings and dining	Very good standard 1997 – Course improvements, inc a major bunker renovation programme, practice ground, a buggy store and concrete hardstanding.	Green Belt, SNCI and within the AONB and an Area of Great Landscape Value	5 hotels
Casinos	Hippodrome	Leicester Square, Central London	Regional	Entertainment, restaurant and bar, theatre, events and confs	High standard 2012 – casino opened following works/renovation and repair of the building - £40m	Grade II listed Conservation Area	Over 50 hotels
	Grosvenor Casino	Holborn, Central London	Regional	Entertainment, restaurant and bar	Very good standard 2007 – planning permission granted for alterations.	Conservation Area	1 on-site hotel & over 50 off-site hotels
Multiplex Cinemas	Odeon Luxe Epsom	Epsom, Surrey	Regional	Entertainment, café and bar	High Quality 2020- Major internal refurbs and upgrade	N/A	4 hotels
	Odeon Luxe Kingston	Kingston, Surrey	Regional	Entertainment and café	High Quality 2016 – Major internal refurbs and upgrade	N/A	6 hotels

## **Appendix 6 Sports, Leisure and Entertainment Facilities Comparison**

<b>TYPE</b>	<b>FACILITY NAME</b>	<b>LOCATION</b>	<b>CATCHMENT</b>	<b>FACILITIES</b>	<b>QUALITY OF FACILITIES + RECENT EXPENDITURE</b>	<b>PLANNING DESCRIPTION</b>	<b>NO. OF HOTELS<sup>1</sup> WITHIN 2 MILES</b>
	Cineworld Wandsworth	WandsworthS W London	Regional	Entertainment Café and bar	High quality 2017 – Major internal refurb and upgrade	N/A	11 hotels
	Everyman Walton	Walton on Thames, Surrey	Regional	Entertainment	High quality 2013 – Major internal refurb and upgrade	N/A	4 hotels
Sports Complex	Surrey Sports Park	Guildford, Surrey	Regional	Sports, health and fitness, swimming pool, multi-sports halls, outdoor tennis courts and pitches, climb centre confs, mtngs and exhibitions, cafe, bar & restaurant.	High Quality 2010 – Sports Park opened £36m	N/A	5 hotels
Family Entertainment	Thorpe Park Resort	Chertsey, Surrey	Regional	Entertainment, family, rides and attractions	Good standard Ongoing upgrades/construction of rides and attractions	Green Belt, part in SNCI and Special Protection Area Relevant Site, in close proximity to SSSI, RAMSAR Site & SPA, SPA 5-7km zone	1 on-site hotel (90 bedrms) & 6 off-site hotels
	Paultons Park, Peppa Pig World	New Forest, Hampshire	Regional	Entertainment, family, cinema, rides and attractions	Good standard Ongoing upgrades/construction of rides and attractions	In the National Park Boundary	2 hotels
	Chessington World of Adventure Resort	Chessington, Surrey	Regional	Entertainment, family, zoo and sea life centre, rides and attractions and Go Ape	Good standard Ongoing upgrades/construction of rides, attractions and facilities, inc: 2014 - Circa £15m to a new wing to the hotel, a swimming pool, roller coaster and a children's play area in the zoo. 2020 - the opening of a new area inc 3 new attractions.	Green Belt	2 on-site hotels (219 & 69 bedrms) and 1 off-site hotel

## **Appendix 7**

Family Racing Customer Research – JCR

## APPENDIX 7

**From:** Eloise Brownless [REDACTED]  
**Sent:** 17 August 2020 15:07  
**To:** Anderson, Michelle [REDACTED]  
**Cc:** Gregg Taylor [REDACTED] Hamilton, Rebecca [REDACTED]  
**Subject:** RE: Family Zone - Family Racing - Sandown Park appeal

Hi Michelle,

Sorry for not getting back to you sooner, hope you had a lovely weekend?

The 2019 Under 18s Race Free campaign was led by some consumer research with the results showing...

- 86% of parents wish that their children played outside more over the summer
- 83% of parents think there are not enough low-cost activities for children over the summer holidays-
- 77% of parents have been put off taking their children to live sport because of the cost of the tickets

In terms of the campaign itself, below shows our objective and results.

- There was a YOY growth of U18s Race Free advanced ticket sales of +1%. This equated to an additional £1.1m contribution to the industry.
- Awareness of the U18s Race Free Campaign in the National Rep Survey increased to 5.2 million. Our target for 2019 was 5.1 million.

I hope this helps, and please let us know if we can provide any other info or if you have any questions.

Thanks,

Eloise

**Eloise Brownless**  
**Senior Campaign Executive**

**Great British Racing**  
75 High Holborn, London WC1V 6LS  
**Mobile:** [REDACTED]  
**Website:** [greatbritishracing.com](http://greatbritishracing.com)  
**Twitter:** [@GBRacing](https://twitter.com/GBRacing)

## **Appendix 8**

Potential Funding Sources – JCR

## Appendix 8

# Sandown Racecourse Development Project

## Potential Sources of Funding

All	Funding Source	Fund	Grant size £	Large grant size	Criteria	Criteria met	Conclusion
1	National Lottery	Heritage Lottery Fund	Various 3,000 - 5m+	Potentially	Heritage projects only; mandatory criterion: audience or volunteer profile must change	No	Not available
2		National Lottery Community Fund	Various 0 - 5m+	Potentially	Bold ideas to address long-term social issues – Currently Covid 19 support only	No	Not available
3		Awards for All	300 – 10,000	No	For voluntary and community organisations	No	Not available
4	Sport England	Community Asset Fund	1000 – 150,000	No	Support of needs of local communities – currently closed	No	Not available
5		Small Grants	300 – 10,000	No	Local organisations and communities	No	Not available and inadequate
6	UK Government	Enable Grants	Up to 15,000	No	Charities to deliver more effectively	No	Not available and inadequate
7		Invest Grants	25,000 for 2-3 yrs	No	Core organisational costs	No	Not available and inadequate
8		Reach Funding	10,000 – 500,000	No	People and communities most in need	No	Not available
9		Repayment Investment	Up to 500,000	No	To raise awareness of social investment market	No	Not available
10		Big Loans	20,000 – 250,000	No	Small organisations to access loan funding	No	Not available

## Appendix 8

	Funding Source	Fund	Grant size £	Large grant size	Criteria	Criteria met	Conclusion
11		Main Grants	up to 10,000 for 3 yrs	No	Making differences to children's lives	Potentially but unlikely	Inadequate
12		Sport Awards	300 – 10,000	No	For more people to play sport	potentially but unlikely	Inadequate
13		KSF Awards	up to 10,000	No	For a financial boost	No	Not available
14	Surrey County Council	Community Action Fund	Up to 100,000	No	Community grants for communities and buildings	No	Not available
15		Members Community Allocation	5000		To strengthen and improve communities	No	Not available and inadequate
16		Community Covenant grant	1250 average	No	Improve links with the Armed Forces Community in Surrey	No	Not available
17		Community Foundation for Surrey	5000	No	Relief of vulnerable and isolated residents	No	Not available
18	Elmbridge Borough Council	Community-covenant		No	As Surrey CC above	No	Not available
19		Discretionary grant fund	Up to 2000	No	For small businesses – now closed	No	Not available
20		Community Infrastructure Levy	15% of CIL	N/A	Community infrastructure	No	Not available
21		Elmbridge Annual Grant	4000 average	No	Support of local projects	No	Not Available
22		Partnership Fund	up to 5000	No	Voluntary sector support	No	Not available
23		Sports Funding	Sport England - above	No	As above	No	Not available
24		Civic Improvement Fund	4000 average	No	Improving street scene	No	Not available
25		Mayor of Elmbridge Trust Fund	Small grants	No	Assisting individuals in need	No	Not available
26		Charity of Robert Phillips	Small grants	No	Individuals in need	No	Not available
27	British Horseracing Authority	Not Available	No	No	N/A	No	Not available

## Appendix 8

	<b>Funding Source</b>	<b>Fund</b>	<b>Grant available £</b>	<b>Large grant size</b>	<b>Criteria</b>	<b>Criteria met</b>	<b>Conclusion</b>
28	Horserace Betting Levy Board	Covid-19 emergency funding only	No	No	N/A	N/A	Not available
29	Racecourse Association	Not Available	No	No	N/A	N/A	Not available
30	Racehorse Owners Association	Not available	No	No	N/A	N/A	Not available
31	The Jockey Club	Cross subsidy from other JCR racecourses	Net JCR profits 2018 £4.5m distributed over other racecourses to maintain their viability	No	Not available for major capital improvements	No	Not available
32		Increased revenue receipts after carrying out proposed development available for payment of loan interest and capital repayments	Proposed development is minimum required to arrest decline. All future net receipts required for continuing infrastructure and other improvements + maintenance of Sandown	No	Only if for capital and maintenance expenditure on continuing improvements at Sandown	No – No net receipts available in future	Not available
33	Bank or other loan	Potentially available if interest and capital repayments made and JCR debt increased.	No – loan with terms of repayment, not a grant	No – loan not a grant	Payment of interest and capital repayments required	No - current JCR £110m debt is required to be reduced not increased.	Potentially available but current JCR £110m debt is required to be reduced not increased
34	Betting Companies	Not available	No	No	N/A	N/A	Not available
35	Other Private sources	Unviable; JCR £110m in debt	No	No	Not a loan or share distribution	No	Not available
36	Crowdfunding	Purchase of shares	No	No	Cannot be a distribution of shares	No	Not available

## **Appendix 9**

Extracts of JCR Annual Review 2019 – JCR



# **SUPPORTING BRITISH RACING**

---

**ANNUAL REVIEW AND OUTLOOK 2019**

## Group Business Performance

*The following financial information has been extracted from the audited financial statements of The Jockey Club for the year ended 31 December 2018.*

## CONTINUED GROWTH + REINVESTMENT

In 2018, The Jockey Club delivered a tenth consecutive year of revenue growth, with Group turnover up by 6.7% year-on-year to a new record £214.6 million (2017: £201.1 million). This represented an increase in turnover of 68.2% over the past decade and enabled us to contribute a record £27.1 million to prize money last year.

As the most significant contributor to the Group's turnover, Jockey Club Racecourses had another strong year, notably seeing continued growth at our large Festivals. With attendance increases in 2018 at The Festival at Cheltenham and the Randox Health Grand National Festival at Aintree, those seven days delivered more than £1 million in additional profits compared to 2017, with increased sponsorship revenues accounting for more than £0.4 million of this.

The QIPCO Guineas also saw impressive year-on-year growth, while attendances at The Investec Derby Festival were 4,000 higher than in 2017. However, the final result of the latter was impacted by the entries being skewed towards yearling entries rather than three year-old and supplementary entries.

This was the first stage in what turned out to be a challenging summer for British Racing, with the football World Cup and the sustained period of warm weather both impacting attendances through June to August. Although our courses significantly outperformed the rest of the industry, there were adverse impacts on both attendances and field sizes at The Moët & Chandon July Festival, The Coral-Eclipse and summer Saturdays at both Newmarket and Haydock Park.

This was followed by a strong recovery in the autumn period with late season field sizes at our Flat racing courses particularly impressive. The year also finished strongly with an impressive autumn Jumps season, including good returns on admissions and hospitality at the Betfair Chase at Haydock Park and the Betfair Tingle Creek at Sandown Park.



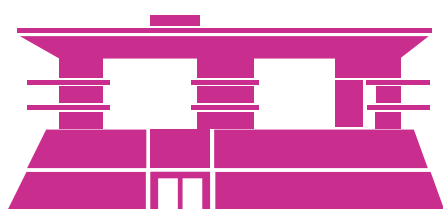
**£27.1m**

Record prize money  
contributed in 2018



**10 yrs**

Consecutive years of  
commercial growth



# £10.4m

Capital expenditure in 2018

We also delivered another relatively strong set of returns from our Jockey Club Live summer music nights. We had strong returns from Nile Rogers and Chic, George Ezra, Paloma Faith and Craig David, while some other acts were less successful and overall returns were slightly behind 2017. However, music nights remain a major source of earnings and our risk exposure is limited by the structure of the joint venture agreement.

We staged 339 fixtures at our 15 racecourses in 2018, with seven additional fixtures partly compensating for 16 weather-related abandonments. We benefited significantly from a new betting shop media rights contract with SIS, which went live in April 2018. This materially increased the value of these rights for the latter nine months of the year.

Field size performance continued to be strong, aside from the summer period previously noted and this was

	2015	2016	2017	2018
	£m	£m	£m	£m
<b>Group financial performance</b>				
Turnover	183.3	191.5	201.1	214.6
Operating profit before prize money	41.8	43.4	44.8	48.1
Operating profit	21.9	22.6	21.9	21
Profit on sale of tangible fixed assets	0.1	-0.1	0.5	0.3
Net depreciation	-5.4	-6	-7	-9.3
Net interest	-6.6	-7.8	-7.8	-7.9
Other finance costs	1.4	-1.4	1	1.2
Gains/(losses) on changes in fair value of investments	0.4	0.6	0.4	0.1
HBLB waived grants	-1.4	-0.8	0	0
Exceptional items	0	3.5	0	0
Net profit after share of associates PAT	10.9	10.8	9.1	4.5

	2015	2016	2017	2018
	£m	£m	£m	£m
<b>Group turnover breakdown</b>				
Jockey Club Racecourses	174.2	182	191.7	203.9
Jockey Club Estates	6.5	6.9	7	7.3
The National Stud	2.5	2.5	2.3	3.3
Club fees	0.1	0.1	0.1	0.1
Total	183.3	191.5	201.1	214.6

## Annual Review and Outlook 2019

	2015	2016	2017	2018
	£m	£m	£m	£m
<b>Group operating profits breakdown</b>				
The Jockey Club	-0.1	0	0	0
Jockey Club Racecourses	20.8	21.3	21.1	19.3
Jockey Club Estates	0.7	1	0.8	0.8
The National Stud	0.5	0.3	0	0.9
Total	21.9	22.6	21.9	21

	2015	2016	2017	2018
	£m	£m	£m	£m
<b>Sources of prize money investment</b>				
JCR contribution	19.9	20.8	22.9	27.1
Industry contribution	15.6	14.8	15.2	16.4
Entry fees	8.4	8	7.6	8.4
Total	43.9	43.6	45.7	51.9

	2015	2016	2017	2018
	£m	£m	£m	£m
<b>Group capital expenditure</b>				
	28.6	12.5	13.8	10.4

	2015	2016	2017	2018
	£m	£m	£m	£m
<b>Group net debt</b>				
Total	105.8	100.7	103.8	101.9

	2015	2016	2017	2018
	£m	£m	£m	£m
<b>Group cashflow</b>				
Net cashflow from trading	22.9	22	17.9	19.2
Cash from exceptional items	0	3.5	0	0
Dividends received	0.2	0.2	0.2	1
Net capital expenditure	-29.2	-12.1	-13	-9.7
Net interest paid	-6.6	-7.8	-7.8	-7.7
Other net loan movements	17.3	1.3	2.6	-7.6
Change in cash	4.6	7.1	-0.1	-5.1



Number of fixtures at our  
15 racecourses in 2018



£157,105

Average prize money  
per fixture



£3.3m

National Stud turnover up  
from £1 million

reflected in the SIS revenues. Our field sizes were in line with 2017 on the Flat and nearly 0.5 runners more at Jumps fixtures, with both significantly ahead of industry averages. Racecourse Media Group performance continued to be strong, in particular in the GBI international business and on Pay TV.

Our Conference & Events business saw strong year-on-year growth as we started to see the benefit of our national approach to large agents and the benefits of some of our courses being used as filming locations, while at Aintree we benefitted from overspill matchday hospitality business from Liverpool Football Club.

Furthermore, commercial partnership revenues were enhanced by our Group-wide Official Partner agreement with Diageo.

Jockey Club Estates recorded continued turnover growth to £7.3 million in 2018 (2017: £7.0 million), with a small reduction in Newmarket horse numbers driven by lower Godolphin pre-training volumes. These were partly offset by volume growth at some smaller yards, which is a pleasing trend. Positive momentum built up over the past few years at Lambourn continued apace, with a 4% growth in horse numbers to an average of 789 horses in 2018.

The National Stud had a very strong year with turnover up by £1 million to £3.3 million, driven in the main by a highly

successful first season at stud for Time Test, who covered 110 mares, of which 38 were to breeding right holders. He also had a very successful first season in New Zealand at Little Avondale Stud, where he will return for the 2019 southern hemisphere season. Boarding volumes both for mares and for spelling horses also continued to be strong, in particular in the latter part of the year.

#### GROUP OPERATING PROFIT

Operating profit referenced in this review is core operating profit, which we believe is the most appropriate measure of underlying operational performance and the same measure we have used in prior years. This is defined as statutory profit on ordinary activities after adding back the following: tax, interest, depreciation, share of joint venture profits, changes in fair values of financial investments and investment properties and profit and loss on the sale of fixed assets.

As budgeted, Group operating profit was managed down to reflect both record £4.2 million in prize money contribution and increased investments in on-course maintenance programmes, enhanced customer experiences and improving our CRM, data management, WiFi and digital media capabilities designed to support British Racing over the long-term. Operating profit in 2018 was

£21.0 million (2017: £21.9 million).

We continue to deliver strong underlying growth in operating profits, evidenced by record Group operating profit before prize money of £48.1 million in 2018, up by 7.4% from £44.8 million in 2017.

#### NET PROFITS

Net profit after share of associates was £4.5 million in 2018 (2017: £9.1 million). This was partly a result of the lower operating profit already outlined and also because 2018 saw a higher depreciation charge of £9.3 million versus £7.0 million in 2017 as a result of the impact of the first year of owning Time Test (£0.5 million) and lower capital grant amortisation (£0.9 million), plus the impact of more historic capital expenditure projects coming through. The gain on the upward movement in investment values was also lower by £0.3 million.

#### CAPITAL INVESTMENT

We continued to invest in capital projects throughout 2018 with details provided in the Group Chief Executive's Review. This saw us make total net capital spend during the year of £9.7 million (2017: £13.0 million).

#### PRIZE MONEY INVESTMENT

Total prize money at Jockey Club Racecourses increased by £6.2 million to a record £51.9 million in 2018 (2017: £45.7 million). The key driver of this was our contribution from our

own resources, which increased from £22.9 million to a new record of £27.1 million (18.3%), supplemented by increases in industry funding following reforms to the Horserace Betting Levy. Contribution from entries increased vs 2017 due to higher runner numbers at Jockey Club Racecourses.

The contribution from our own funds as a proportion of total prize money increased once again, from 50.1% to 52.2%. Our courses distributed record average prize money per fixture of £157,105 compared to the previous record £133,000 in 2017 – a year-on-year increase of 18.1% – and 57.6% more than the industry average (excluding JCR) of £99,680.

#### GROUP DEBT

We refinanced Jockey Club Racecourses' bank debt on more favourable terms during 2018 and the benefits of this will be seen in 2019 interest charges. A 12-year facility is now in place until 2030 for £90 million, but only £85 million of this was drawn at year end, due to our strong underlying cash position. As a result, net debt was reduced by £2 million to £101.8 million. As a company without equity, entirely manageable and serviceable debt levels given the Group's assets, cash holdings and credit arrangements remain the basis of funding our investments. However, we plan to pay down £8.9 million of retail bond debt in June 2019 in readiness for

*"Total prize money at JCR increased by £6.2 million to a record £51.9 million"*

the aforementioned reduction in media revenues via the betting sector.

#### GROUP CASHFLOW

Group net cashflow from our operating activities was £19.2 million at the end of 2018. The business continues to be highly cash generative with very limited exposure to bad debt and ongoing headroom for both capital expenditure and debt repayment.

A dividend was received from Racecourse Media Group in line with its underlying performance for the year and its policy of paying both licence fees and dividends.

Net cash capital expenditure of £9.7 million reflects the continued investment on maintaining and improving racecourse and other facilities, and technology and other infrastructure investments outlined previously.

The movement in other loans partly reflects the non-drawdown of £5 million of the new facility mentioned previously. ♦