Annual Results Reveal £400m Dividend for British Racing

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The Jockey Club today announced its annual results, which reveal that the largest commercial group in British horseracing grew its business to record levels in 2014, with a sixth consecutive year of turnover growth, and used its resources to make record returns to the sport through contributions to prize money.

The results outline how a focus on maximising returns from The Jockey Club's commercial operations have allowed it to pump more than £400 million into prize money and facilities for customers and participants in the last decade. The owner of some of the world's leading racing festivals, including the Crabbie's Grand National Festival, The Cheltenham Festival, The Investec Derby Festival and the QIPCO Guineas Festival, The Jockey Club is governed by Royal Charter to reinvest all profits into British racing.

In 2014, The Jockey Club grew its commercial operations for a sixth consecutive year to achieve? record turnover of £171.2 million, up by 5.1 percent year-on-year (2013: £162.9 million) which is almost double UK economic growth in 20141. Key to this turnover were ticket sales, particularly at the Group's major racing festivals, hospitality and catering sales, media income, music nights and non-racing events at its venues.

This performance allowed The Jockey Club to contribute a record £19.1 million to prize money in 2014 – up from £18.2 million in 2013 – taking its prize money contribution in the last decade to £146.4 million. In 2014, the Group also invested £36.1 million on new and upgraded facilities and maintaining standards and racing surfaces across its 15 racecourses nationwide; training grounds at Newmarket, Lambourn and Epsom Downs; the historic Jockey Club Rooms; and The National Stud. This combined reinvestment in British racing through prize money and facilities of £55.2 million in 2014 was an increase of £21.7 million on the previous year.

After its record prize money contribution, in 2014 the Group generated its second-largest operating profit ever of £21.7 million. This was £0.3 million less than its 2013 record as a result of decision to increase its reinvestments in British racing.

Simon Bazalgette, Group Chief Executive of The Jockey Club,said:

"I'm delighted we've been able to grow the business for a sixth successive year because it allows us to increase our dividend for British racing. By maximising returns from our commercial operations we've been able to invest more than £400 million into the sport in the last 10 years. We've done that through prize money and facilities for customers and participants, and also supporting the sport's promotion.

"This is something our people feel very proud of and it is thanks to their hard work striving to give customers of all types the best possible experience and promoting British racing as a sport, nationwide. It's also been essential because of racing's flawed funding model where Britain remains the poor relation to other racing nations thanks to an outdated Levy system that needs replacing as quickly as possible.

"Racing brings enjoyment to millions of people each year and is responsible for tens of thousands of jobs. We take very seriously our role as stewards of some of its most iconic events, as well as our operations throughout all levels of the sport."

On the back of a successful recent Cheltenham Festival and Crabbie's Grand National Festival [reported in The Jockey Club's 2015 annual results this time next year], Simon Bazalgette added:

"We've had a strong start to 2015, particularly through an excellent Cheltenham Festival and Crabbie's Grand National Festival, which both achieved significant attendance increases. After the economic crash occurred we managed to keep general admissions on an upward curve as racing offered excellent value, enjoyment and escapism. However, hospitality sales dropped right off from record levels of 2008. In 2014 we saw hospitality rebound as the economy recovered and as we offered a greater mix of product and pricing. At the 2015 Cheltenham Festival hospitality sales grew a further 15 percent year-on-year and we saw 8 percent growth at the Crabbie's Grand National Festival, meaning we're not only returning to 2008 levels for hospitality sales, but now beating them at several of our events.

"Jockey Club Racecourses is staging fewer fixtures this year as a result of the changing landscape on the all-weather, which is a shame because that removes around £1 million from the profits we use to reinvest in British racing, but despite this we are on track to contribute a new record amount to prize money of

£19.9 million before abandonments in 2015."

Jockey Club Racecourses
Jockey Club Racecourses is the leading racecourse group in the UK by turnover (£162.9 million), attendances (1.8 million), prize money contributions (£19.1 million), total prize money (£43.7 million) and quantity of quality racing (Group and Graded).

Racing events
In 2014, Jockey Club Racecourses welcomed attendances of 1.8 million in 2014 to its 362 racing fixtures, up from 1.7 million at 361 fixtures in 2013. This equated to around a third of all attendances in British racing from staging just under a quarter of the sport's fixtures. The group lost 11 fixtures to the weather during 2014, reducing profits and prize money.

Total prize money across its 15 racecourses nationwide amounted to a record £43.7 million in 2014 (2013: £41.6 million) – an average of more than £120,000 per fixture, up from around £115,000 in 2013. This compared to average prize money per fixture in 2014 of £74,336 outside Jockey Club Racecourses.

At a time when British racing is focused on tackling the challenge of small fields, The Jockey Club's Flat racing fixtures attracted an average of 9.3 runners per race in 2014 compared to the industry average outside its courses of 8.8. This was an average of 8.9 runners per race for its Jump racing fixtures compared to the average outside the group of 8.0 runners per race.

Jockey Club Racecourses invested £27.8 million in racecourse facilities and racing surfaces through capital
expenditure during 2014 and more than £7.5 million of operating expenditure on improvements to its customer experience through non-permanent facilities and racing surfaces, as well as maintenance of existing facilities.

In addition to funding the ongoing development at Cheltenham Racecourse – which will be completed ahead of The Festival 2016 – improvements included Owners & Trainers facilities at Kempton Park, Sandown Park, Nottingham and Carlisle; permanent saddling boxes at Epsom Downs; a new development at Market Rasen to replace its grandstand; the new covered 'Boulevard' at the Rowley Mile; 1750 hospitality suites at Aintree and Sandown Park; Tommy Whittle boxes at Haydock Park; steppings for customers at the July Course; and a range of bar and catering facility enhancements.

Every effort was made to stage Cheltenham's 2014 New Year's Day fixture despite awful weather to provide horsemen with the opportunity to race and receive prize money. A dramatically reduced walk-up crowd as a result produced a significant loss of operating profit. The decision to make Betfred Becher Chase Day a free community raceday at Aintree in December 2014 also reduced operating profits from the fixture compared to 2013's paying crowd. This was a conscious investment in giving more than 30,000 people the experience of racing over the Grand National fences.

Non-racing events
Outside of its racedays, Jockey Club Racecourses' venues are utilised for a range of events such as conferences, launches, exhibitions, meetings and weddings, which make an important financial contribution to the Group and help to maximise returns from The Jockey Club's facilities investments. In 2014, non-racing revenues through its Jockey Club Venues brand totalled £20.7 million – up from £19.7 million in 2013 – which represented 13 percent of Jockey Club Racecourses' turnover.

Jockey Club Catering
Jockey Club Catering is a partnership between Jockey Club Racecourses and the UK arm of the world's leading caterer, Compass Group. It was formed in 2009 to provide high quality catering, hospitality and customer service at all of The Jockey Club's racecourses nationwide. Jockey Club Catering increased its turnover by 7 percent in 2014.

Jockey Club Live
At the start of 2014, The Jockey Club announced the launch of Jockey Club Live, a new joint venture partnership with a team of leading music industry professionals for the provision of live music and entertainment at its venues and, where appropriate, sites outside the Group. Its first year in operation saw Jockey Club Live stage 32 'live music at the races' at Jockey Club Racecourses plus Newbury and York racecourses, featuring artists such as Tom Jones, Jessie J, Kaiser Chiefs, Beach Boys, Dizzee Rascal, James Blunt, Boyzone and Wet Wet Wet. These attracted more than 300,000 people and resulted in 10,000 more general admissions sales than in 2013 at Jockey Club Racecourses. Based on attendances, Jockey Club Live is the sixth largest music promoter in Britain according to Pollstar data. In addition to enhancing its roster of music acts in 2014, Jockey Club Live secured high quality talent more cost-effectively and improved customer experiences through enhanced sound, staging and production.

Jockey Club Estates
The Jockey Club's property and land management arm, Jockey Club Estates is responsible for more than 5,000 acres of land, including more than 3,000 acres of world-class racehorse training grounds at Newmarket, Lambourn and Epsom Downs, and a substantial property portfolio that includes The Jockey Club Rooms in Newmarket. In 2014, Jockey Club Estates' turnover grew by 3.5 percent year-on-year to exceed £6 million for the first time in its history. All areas of the business contributed to this growth and enabled further investment in Jockey Club Estates' facilities. This investment was especially evident in the all-weather tracks, horsewalks and other infrastructure projects designed to ease horse movements and improve horse and rider safety.

The National Stud
The National Stud is The Jockey Club's 500-acre Thoroughbred breeding and educational arm based in Newmarket. It provides a range of important services to support the Thoroughbred breeding and racing industries. While conditions remain challenging for boarding studs and breeders alike, The National Stud generated an operating profit for the sixth consecutive year since its acquisition by The Jockey Club in 2008. Both Boarding and Spelling income throughout 2014 reflected clients' confidence in the excellent standard of care provided by The National Stud with boarding income up by 8 percent year-on-year and spelling income up by 7 percent year-on-year. Around 18,000 people visited The National Stud for public tours during 2014. European champion miler Toronado and Group-race winning Gregorian have bolstered the stallion roster for 2015, joining the stud's own stallions Bahamian Bounty, Pastoral Pursuits and Dick Turpin.

Too see the Annual Review & Outlook click here: http://bit.ly/1Dd5CH6

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