

ECONOMIC IMPACT OF ASCOT RACECOURSE

DECEMBER 2014



CONTENTS



Executive summary	4
Introduction	8
Ascot Racecourse's position in British Racing	9
Facilities	12
Racecourse attendances	15
On-course expenditure generated by Ascot Racecourse	18
Racegoers – Off-course expenditure	20
Betting	22
Employment	24
Taxation	25
Media coverage	26
Environment and Community	28
Report preparation, methodology and limitations	30
Glossary of terms	30
Contact details	30

This report has been written in general terms and therefore cannot be relied upon to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this report. Neither Deloitte LLP nor Ascot Racecourse accepts a duty of care or liability for any loss occasioned to any person acting or refraining from actions as a result of any material in this report. Further details about the scope, limitations and use of this report are set out on page 30.

© Deloitte LLP. All rights reserved

Photography: Getty

Front cover: Her Majesty The Queen receives the winner's trophy from HRH The Duke of Edinburgh following Estimate's win in the 2012 Queen's Vase. The filly was to return the following year to win the Gold Cup.







EXECUTIVE SUMMARY

Report purpose and basis

The economic impact of Ascot Racecourse has been assessed in terms of its contribution to the national economy, also focusing on the local and international aspects where information is available. The report concentrates on key economic metrics as well as social and cultural measures of the Racecourse's worth.

Overview

Ascot Racecourse key metrics 2013

	Total direct expenditure generated by the racecourse £138m
	Total attendance 573,000 – of which Royal Ascot 279,000
	Max. number of people employed on raceday 4,650
	Racecourse's tax contribution £14.5m
	Off-course betting turnover on racing at Ascot £350m+
	Total prize money £13.3m – as % of British racing 12%
	Capital expenditure (10 years to 2013) £237m

Note: 2013 unless otherwise indicated.
Source: See body of report.

Ascot's position in British Racing

- In 2014 Ascot staged 11 Group 1 races, the pinnacle of Flat racing, a third of all those held in Britain. Five Ascot races are in the world's top 20 Group 1 races with the QIPCO Champion Stakes being the highest rated race in the world.
- The Racecourse hosted six of the top ten most valuable British Flat races – in terms of prize money – in 2014. British Champions Day provides the highest prize money on a single day's racing in Britain. Ascot fixtures provided £13.3m (12%) of the total £114.2m prize money in Britain in 2013.
- The top quality races and global appeal of Royal Ascot regularly attract top international horses, with over 640 non-British trained horses running at the meeting since 2006.
- Ascot's £220 million redevelopment – the single biggest investment ever in British Racing – took place between September 2004 and June 2006, and cemented Ascot's reputation as having the finest facilities of any British racecourse.
- Aside from the redevelopment, the Racecourse has continued to invest in top class facilities for racegoers, horsemen and horses alike, with capital expenditure over the past six years totalling over £13m.
- In 2013 Ascot attracted 573,000 attendees, 10% of the total 5.7m in British racing. Royal Ascot, which accounted for 279,000 of these (rising to 286,000 in 2014), is the best attended racing festival in Europe and in the top three best attended ticketed annual British sporting events.
- Whilst the five days of Royal Ascot attract on average nearly 57,000 per day, Ascot's other 13 Flat fixtures drew average crowds of over 16,000 in 2013, and the seven Jump fixtures that were run averaged over 11,000.

Macro factors – employment, taxation and off-course betting

Employment

- The Racecourse employs c.100 full and part-time staff, with a further 40+ employed by the catering company based there.
- These permanent staff are supplemented by a larger number of temporary staff on racedays who work in a variety of different roles. Up to c.4,500 casual raceday employees and caterers work at the Racecourse during the busiest days of Royal Ascot.



Taxation

- The Racecourse generates tax through:
 - Employment taxes from the full-time/part-time and casual employees;
 - Value Added Tax which is charged on sales that are not recoverable by the final user – notably on admissions and catering sales; and
 - Gross Profits Tax ("GPT") paid by off-course bookmakers on the profits from off-course betting on racing at Ascot Racecourse. In 2013, it is estimated that well over £300m was bet on Ascot Racecourse races, generating over £3m in GPT.
- In total it is estimated that the Racecourse generated over £14m in taxation in 2013, and over £65m in the last five years.



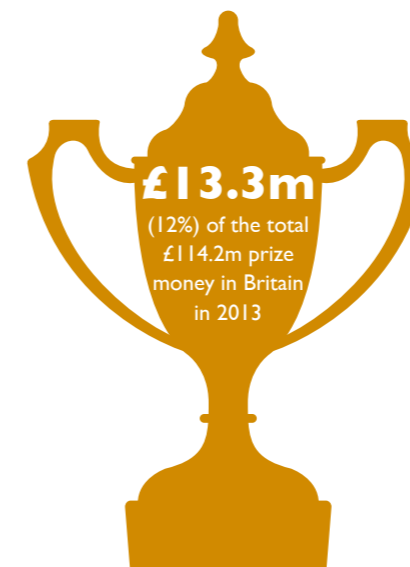
Frankel completes an unbeaten career in the 2012 Champion Stakes

Betting

- There is a significant appeal to betting on racing from Ascot due to its quality and competitive nature. As a result the gross win from Ascot races represents 3-4% of the total from British racing from under 2% of all fixtures.

Economic Impact

- Ascot Racecourse is estimated to have generated £138m in direct on-course and off-course expenditure in 2013.



2013 Expenditure	£m
Racing¹	
Admissions and related income ²	32.2
Raceday catering ²	22.8
On-course betting ³	2.9
Media, sponsorship and other commercial	8.1
Levy distributions	3.0
Total Racing expenditure	69.0
Non-racing expenditure	1.3
Total Direct Racecourse Expenditure	70.3
Racecourse attendee off-course expenditure	68.0
Total Expenditure	138.3

Notes:
1. Only the Racecourse facility fee for British Champions Day is recorded
2. Includes VAT
3. Bookmakers' badges, commission from tote and betting shops

Source: Management information and estimates

The racecourse hosted six of the top ten most valuable British Flat races in 2014. QIPCO British Champions Day provides the highest prize money on a single day's racing in Britain.

Racing expenditure

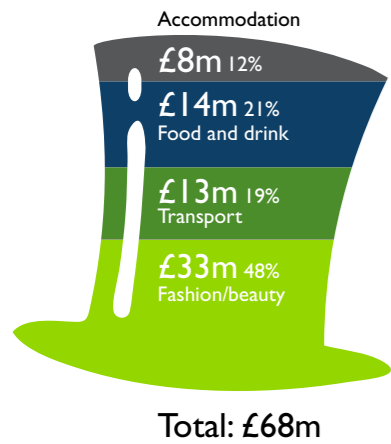
- Admissions and related income – represents the total amounts paid by attendees in all racecourse enclosures, with an average of £59, ranging from free admission to the Grandstand offered at the first Flat fixture in April/May (plus under 18s being free for all fixtures), to £120 for entry to the Royal Enclosure at Royal Ascot.
- Raceday catering – the catering function at Ascot is provided through a profit share partnership with Sodexo. The £22.8m is the total amount paid by racegoers for all on-course food and drink.
- On-course betting is made up of amounts paid to the Racecourse by on-course bookmakers and commission from tote and on-course betting shop operations.
- Media, sponsorship and other commercial – the main items being payments from Turf TV for the Racecourse's media rights to permit bookmakers to show live coverage of racing from the Racecourse, terrestrial television rights from Channel 4 and a range of sponsorship packages by local and national companies.

- The Levy is the primary mechanism by which value is transferred from the betting industry to the British Racing industry. The £3m reflects all amounts paid to the Racecourse originating from the Levy, the majority of which is a contribution to prize money and covers integrity related costs.

Non-racing expenditure

- Ascot uses its facilities extensively outside of racing and generated over £1m in non-racing revenue in 2013, with approximately 200 events booked in 2014. Amongst other events, the Racecourse will host the Red Bull Air Race, which attracted over 50,000 attendees in 2014, for the next two years.

Racecourse off-course expenditure in 2013



Source: Ascot Racecourse, Deloitte

Racecourse attendees' off-course expenditure

- Many attendees of the racecourse also incur significant off-course expenditure through use of public and local transport, visiting the numerous pubs, cafes and restaurants in the area or staying overnight, often locally, as part of a trip to Ascot.
- Royal Ascot will be a key driver of such off-course expenditure, including the significant amounts many racegoers spend on fashion related items – estimated at over £30m.



- The four key types of off-course expenditure – transport, food & drink, accommodation and fashion related spend – generated an estimated total of £68m in 2013.

Community investment

- Ascot Racecourse is a major contributor – economically, socially and culturally – to the local area. The Property Raceday raised £180,000 for children's charities in 2014 and over £1m since its inception. Ascot also contributes to the local community by a number of different means.

Ascot will host the Red Bull Air Race for the next two years, having attracted over 50,000 attendees in 2014.



Environmental considerations

- Ascot takes a number of approaches to address environmental concerns and incorporates sustainable practices into all its operations.
- In 2013, total recycled waste was 547 tonnes, a recycling rate of 61%, with waste volume being reduced by 9% on 2012. Ascot maintains a zero landfill operation with all general waste being collected by a recovery facility which converts it into energy.
- Rainwater falling onto the Grandstand is collected and transferred by pipes and ditches to fill the reservoir in the centre of the course. This in turn is used to water the course, meaning irrigation is largely self-sufficient.



Up to c.4,500 casual raceday employees and caterers work at the Racecourse during the busiest days of Royal Ascot, many from the local area.

INTRODUCTION



Yeats, the record-breaking four time Gold Cup winner

The contribution Ascot Racecourse makes to the British economy has been assessed, together with its local impact and position in British Racing.

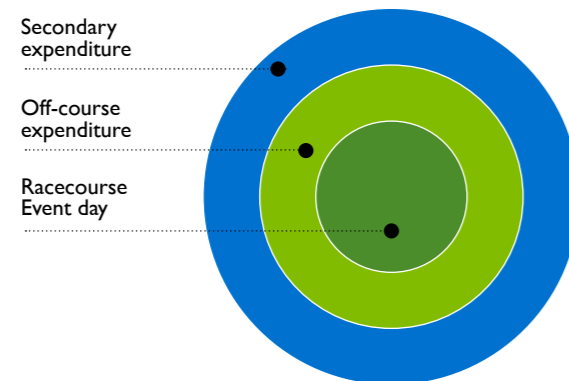
Background

This report combines analysis of the more traditional measures of racing activity levels – such as the Racecourse’s attendances and amounts bet on its fixtures – with key economic metrics including expenditure, employment, tax contributions and capital investment.

The report focusses on 2013 but, where appropriate or available, gives 2014 indicators and comments on key movements over time.

Components of economic impact

The figure below illustrates the separate components to be considered when determining the economic impact of a racecourse. Some expenditure represents the Racecourse’s revenue, while other expenditure, which is generated by the existence of the Racecourse, is spent outside the Racecourse site with other, often local, businesses.



Expenditure is broken down into:

- **Racecourse/Eventday** – includes on-course expenditure by raceday attendees (on tickets, catering, hospitality, souvenirs and betting), income from commercial and media customers, sponsorship and advertisers and income generated from non-raceday attendees and activities (conferences, banquets etc.)
- **Off-course expenditure** – off-course expenditure by visitors to Ascot Racecourse on goods and services purchased, whether on raceday or non-raceday events (e.g. food, drinks, accommodation etc.)
- **Secondary expenditure** – quantifies the ‘ripple effect’ as the direct racecourse and raceday expenditure subsequently flows throughout the economy via further Business to Business (i.e. business spending on suppliers) and consumer expenditure (e.g. recipients spending elsewhere in the economy).

The magnitude of off-course betting on racing staged at Ascot Racecourse is also discussed, but only the amount paid to the Racecourse, through the Levy, is included in its direct expenditure.

The report quantifies direct racecourse expenditure and estimates off-course raceday expenditure at Ascot Racecourse. While it discusses the ‘ripple effect’ of indirect expenditure, this is not quantified.

ASCOT RACECOURSE’S POSITION IN BRITISH RACING



Richard Hughes riding Tornado wins the Queen Anne Stakes during day one of Royal Ascot on June 17, 2014

Ascot Racecourse is Britain’s premier horseracing venue, having staged the highest quality racing for over 300 years. While racing is at its core, the Racecourse has long been synonymous with royalty, fashion and the best of British culture. The Racecourse plays a critical part in the high regard in which British Racing is held internationally.

History

Ascot racecourse was established in 1711 by Queen Anne and its Royal association has been central to it ever since. The Royal Procession, which takes place before each day’s racing at Royal Ascot, was initiated by George IV in the 1820s, and conveys the Royal party along the straight mile course to the Royal Enclosure. Many races still have Royal associations, notably at the Royal Meeting but also with Europe’s premier mid-season middle distance race, the King George VI and Queen Elizabeth Stakes (“King George”), and the Queen Elizabeth II Stakes on QIPCO British Champions Day. Royal Ascot remains the only major racing festival not to have any races sponsored, its oldest race being the Gold Cup which has been held since 1807.

Fixtures

Royal Ascot was the only meeting held at the Racecourse until 1939. However, since then Ascot’s fixture portfolio has evolved considerably into a comprehensive programme for both Flat and Jump racing.

Ascot had 26 days of racing scheduled in 2014. Five of these were for the Royal Meeting, with the others being split into 12 Flat fixtures and eight Jump fixtures. The one other fixture hosted by the Racecourse is QIPCO British Champions Day, the climax of the QIPCO British Champions Series, which was established in 2011 to showcase the top 35 races and provide a narrative to the British Flat season, including a fitting finale.

A more detailed discussion of attendances follows, but in 2013 Ascot’s fixtures attracted 573,000 of a total 5.7m British racing attendees, representing 10% of all racegoers. When Flat racing alone is accounted for this proportion rises to 13%, with Ascot providing 493,000 of the 3.7m attendees. The Royal Meeting is in the top three best attended ticketed annual British sporting events alongside Wimbledon and the British Grand Prix at Silverstone.

ASCOT RACECOURSE'S POSITION IN BRITISH RACING

Races

Ascot hosts a number of leading international Flat races. In 2014, the Racecourse was scheduled to stage 41 Class 1 (Pattern & Listed) races, the highest standard race held in Britain under the current Classification system. Of these races, 22 were at Royal Ascot, by some way the highest quality meeting of the British Flat racing season and arguably in the world, five at QIPCO British Champions Day and 14 at other fixtures.

The highest level contests within the Class 1 Flat races are Group 1 races, and 11 Group 1s were scheduled to take place at Ascot in 2014 – seven at Royal Ascot, three at QIPCO British Champions Day, with the other being the King George – representing a third of the 33 British Group 1s. Five Ascot contests are in the world's top 20 Group 1 Races (based on standard global industry ratings averages of the three-years 2011-13), with the Champion Stakes on QIPCO British Champions Day maintaining its position as the highest rated race in the world. An additional two Group 1 races will be staged at the Racecourse in 2015.

The high number of top quality races at Ascot, together with the global appeal of its established traditions and links to royalty, regularly attracts a significant number of top class overseas trained runners, more so than at any other British racecourse.

Royal Ascot in particular has a rich history of hosting the world's leading horses in its feature events. Since the Racecourse reopened in 2006 following the extensive redevelopment of the Grandstand, over 640 non-British trained horses have run at the meeting including runners from top racing nations outside of Europe, from as far afield as the USA, Japan, Hong Kong, New Zealand and Australia.

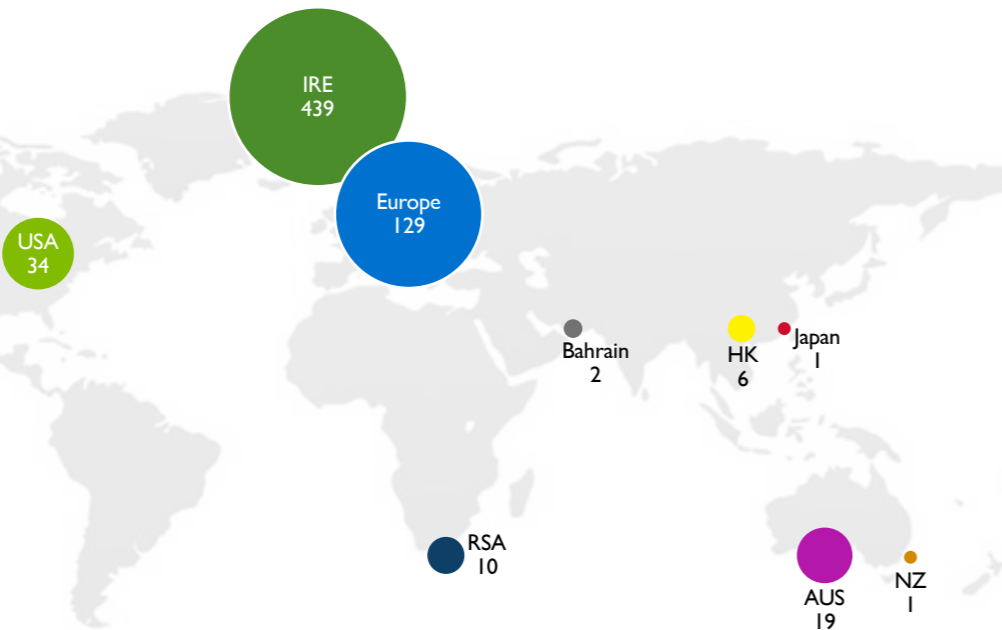
In 2012, Royal Ascot attracted one of the greatest racehorses of recent times, Black Caviar from Australia. The draw of Royal Ascot meant this was the only time the 'supermare' ever appeared outside of her native country. With British trained Frankel, generally accepted as the greatest modern era racehorse, also appearing at Royal Ascot that year, it remains the only fixture to have hosted the best two racehorses to have been seen in a generation.

Group 1 Flat races held at Ascot Racecourse

Race	Distance	Fixture	Position in world's top 20 races (A)
Queen Anne Stakes	1m	Royal Ascot, June	12
St James's Palace Stakes	1m	Royal Ascot, June	
King's Stand Stakes	5f	Royal Ascot, June	
Prince of Wales's Stakes	1m 2f	Royal Ascot, June	11
Gold Cup	2m 4f	Royal Ascot, June	
Coronation Stakes	1m	Royal Ascot, June	
Diamond Jubilee Stakes	6f	Royal Ascot, June	
King George VI and Queen Elizabeth Stakes	1m 4f	King George meeting, July	9
Champion Stakes	1m 2f	British Champions Day, October	1
Queen Elizabeth II Stakes	1m	British Champions Day, October	4
British Champions Fillies & Mares Stakes	1m 4f	British Champions Day, October	

Note: A – Group 1 races ranked based on average performance over most recent three year period.

Numbers of overseas runners at Royal Ascot 2006-2014



Source: Ascot Racecourse, Deloitte analysis

Although best known for Flat racing, Ascot is also one of the leading Jump racecourses in Britain, hosting 17 Class 1 (Pattern & Listed) races in the 2013/14 Jump season including three Grade 1s. As well as being important races in their own right, Ascot also hosts a number of races recognised as important trials for the major Jump racing festivals in the spring.

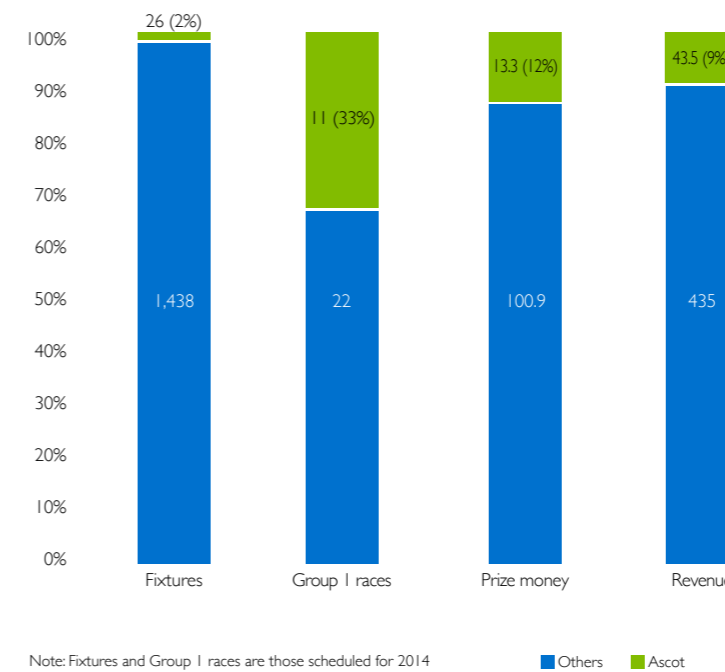
Grade 1 Jump races held at Ascot Racecourse

Race	Month
Long Walk Hurdle	December
Clarence House Chase	January
Ascot Chase	February



Black Caviar wins the 2012 Diamond Jubilee Stakes for Australia

Ascot v other British racecourses – fixtures, Group 1 races, prize money (£m) and revenue (£m)



Note: Fixtures and Group 1 races are those scheduled for 2014. Prize money relates to 2013. Revenue relates to 2012 and basis differs from 2013 Ascot figures contained elsewhere. Source: Deloitte analysis

Financial contribution

Ascot provides significant levels of prize money to British racing – in 2014 the Racecourse hosted six of the top ten most valuable British Flat races and 11 of the top 20. British Champions Day at Ascot provided the highest prize money on a single day in Britain, the 2014 renewal was Britain's richest ever raceday with a £3.75m purse.

When all fixtures are taken into account, including QIPCO British Champions Day, Ascot provided £13.3m of the total £114.2m prize money in Britain in 2013, 12% of the total. When funds directly from the Racecourse alone are considered (i.e. "Executive and Sponsorship" contributions which exclude central contributions from the Levy Board and owners' entry fees), Ascot provided £6.9m in 2013 (14% of the industry total), an average of £267,000 per fixture.

Whilst the revenue generated by Ascot will be considered in greater detail in a later section, to provide a comparison with other racecourses and reinforce its importance to British Racing, Ascot generated £43.5m in 2012, providing c.9% of total British racecourse revenues of £478m.

FACILITIES

Covering an area of 179 acres Ascot has two tracks, Flat and Jump (for Steeple Chases and Hurdles), staging racing throughout the year.

Historically the Racecourse tends to be redeveloped around once every 50 years. In 2002 plans were announced to replace the existing Queen Elizabeth II stand and realign the track. The £220m redevelopment – the single biggest investment ever in British Racing – took place between September 2004 and June 2006.

The new Grandstand is 485m long and built over six floors, with an arc-shaped layout to offer racegoers the best views of the track with the panoramic backdrop of Windsor Great Park and, further afield, London. It curves down from a central high point towards each end, the curve ensuring that the greatest concentration of activity is in the heart of the building, adjacent to the Parade Ring and Winning Post.

The Grandstand includes:

- 221 private boxes, ranging from those seating 10 to one that can seat 80. This is the largest number of private boxes of any sporting facility in Europe;
- Eight permanent restaurants, including On 5, a new addition in 2014, supplemented by a number of temporary fine dining options during the Royal meeting as well as the Royal Enclosure gardens;
- 25 of the Racecourse's 39 kitchens, all of which are in use during Royal Ascot.

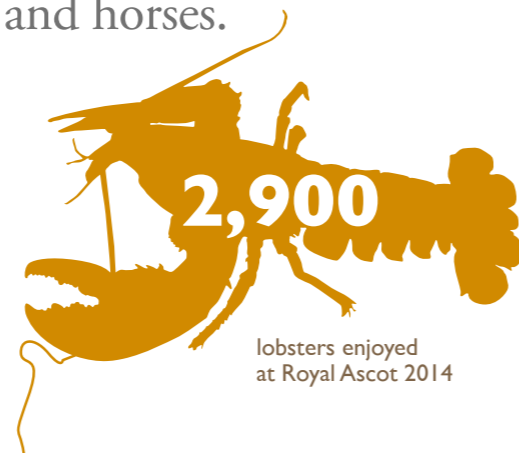
The eight restaurants located in permanent buildings offer a range of fine dining experiences during racedays, and also at non-racing events. At Royal Ascot 2014 these were occupied by 330 chefs including three with Michelin Stars – Tom Kerridge in the new On 5 restaurant on the fifth floor of the Grandstand, Atul Kochar in the Panoramic Restaurant and Raymond Blanc in some private boxes.



In addition, there are more than 100 bars and food outlets around the Racecourse to cater for all tastes. In total Royal Ascot 2014 attendees enjoyed 56,000 bottles of champagne, 2,900 lobsters and 50,000 macaroons, demonstrating the enormous scale of the catering delivered.

Behind the Grandstand, and situated at the heart of the Racecourse, is the Parade Ring which has a viewing capacity of 8,000, the largest in British racing. The Pre-Parade Ring and saddling boxes are located around the historic Totalisator building, where the stable block was originally built in 1878, ensuring that the traditional feel of Ascot remains intact. The Pavilion was refurbished in 2006, with bars, betting facilities, a public library, the Parish Office and a meeting hall.

Ascot Racecourse has the finest facilities of any British racecourse and amongst the best in the world, ensuring a high quality experience for attendees, participants and horses.



The maximum total capacity of the Racecourse during Royal Ascot is 85,000, achieved by complementing the new Grandstand with top class temporary facilities, although a cap of 75,000 is set to ensure a premium experience. This includes the four main enclosures – Royal, Grandstand, Silver Ring and Heath – plus those visiting on hospitality packages for fine dining in the restaurants, annual box holders and those renting boxes for the day, and owners, trainers and members of the Royal Ascot Racing Club and Iron Stand.

This capacity reduces to 40,000 for other Flat fixtures and 30,000 during the Jump season. At these fixtures, racegoers are able to view the sport from the Grandstand and lawns leading down to the rails as well as from boxes and restaurants.

Racing and Horsemen facilities

In order to consistently stage the world's best racing, it is critical that the facilities for horses and horsemen are of the highest quality, and this need was reflected in the redevelopment.

Changes were made to improve the racing surface which included cambering the home and old paddock bends, and replacing the road crossings over the track with underpasses which has resulted in a safer facility for the horses. In addition to the iconic round course (used for Flat and Jump racing), the Flat course also boasts a straight mile, its width allowing large fields of over 30 horses to compete in some of British racing's top contests.

The Racecourse contains 175 stable boxes, allowing for around 100 runners per day at the Royal meeting with a large number of those competing in subsequent days also being housed. These are situated in a secure yard away from the road and close to the hostel, with ample parking for cars and lorries. The staff hostel has 125 beds in 42 rooms with shared bathrooms and a large dining room, lounge area and a bar. Gallops are available on the course each morning for those horses stabled there the previous night.

The Racecourse places an emphasis on ensuring horses' connections are treated to the highest standards. All owners and trainers with a runner are offered complimentary raceday hospitality in the Owners' Dining Room, situated above the saddling boxes in the Pre-Parade Ring and the Old Paddock restaurant during the Jump season. Owners and trainers also have two dedicated viewing areas on the Concourse Level. The first, beneath the Royal Box, allows easy access from the Parade Ring while the second is located to the west of the horsewalk. These initiatives and facilities contributed to Ascot being voted the best Flat racecourse and third best Jump racecourse (Large Racecourse Category) in the 2013 Racehorse Owners Association survey.

Additional measures are put in place for international connections, the Racecourse recognising the cost and logistical challenges involved in bringing horses from overseas by helping with arrangements for owners and trainers, such as airport transfers and some hospitality during the day.



Non-raceday facilities

As a venue outside of racing, Ascot offers flexible rooms, stunning views, private roof terraces and a scenic galleria. Ascot's facilities are available for hire throughout the year and events of all sizes are accommodated – over 200 events will be hosted by the Racecourse in 2014. Events include:

- Conferences
- Exhibitions
- Banqueting
- Product Launches
- Filming
- Weddings
- Luna Cinema – an outdoor cinema held over three evenings in July

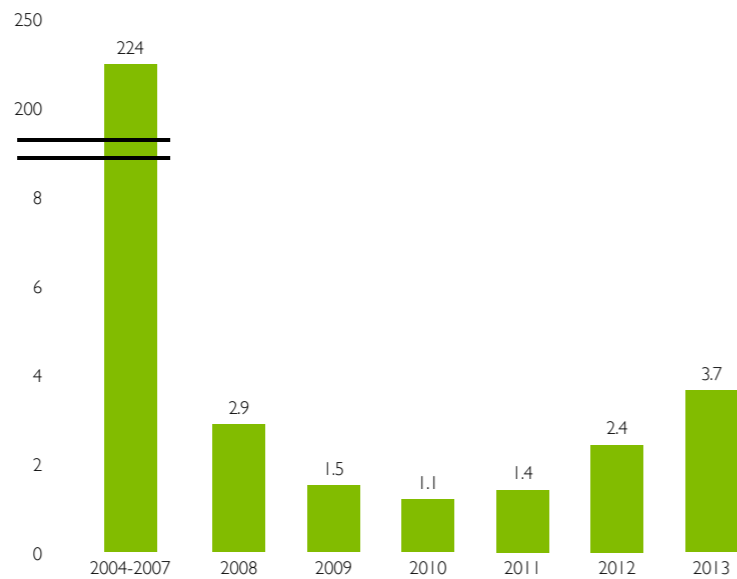
One of the largest non-racing events on site has been the Red Bull Air Race, held at Ascot for the first time in August 2014. This attracted a total crowd of 52,000 over the two days, with a diverse programme of aeroplane racing, a fly-by from the Red Arrows and displays from a Royal Air Force Chinook and Spitfires.



Capital expenditure

The £220m Ascot Grandstand redevelopment is the largest single capital expenditure project at a British racecourse. Since then, the Racecourse has continued to invest in top class facilities for racegoers, horsemen and horses, with capital expenditure in the past six years totalling over £13m. This has included the addition of two new restaurants (Bandstand Restaurant and On 5), a new racecourse reception, a new ticketing system and a Wi-Fi upgrade capable of dealing with the needs of Royal Ascot's attendees.

Ascot Racecourse capital expenditure 2004-2013 (£m)



Source: Ascot Racecourse, Deloitte analysis

RACECOURSE ATTENDANCES

Ascot Racecourse staged 25 days racing in 2013, attended by 573,000 racegoers, an average attendance of close to 23,000.

With a mixture of Flat and Jump fixtures throughout the year a diverse group of racegoers attend racing at Ascot. Royal Ascot is the best attended racing festival in Europe, attracting close to 300,000 people over its five days drawn by the highest quality racing, its standing as a prestigious social event and – importantly – the Royal connection.

Ascot's other Flat and Jump fixtures are also very popular, with average attendance for the remaining 20 fixtures of c.15,000 (by comparison, the average attendance in British racing in 2013 was 3,976).

The diverse mix of people who go racing at Ascot is discussed shortly, but first the make-up of attendances is set out.

Racing attendances from 2009 to 2013

The chart below shows total attendances at Ascot Racecourse from 2009 to 2013, with Royal Ascot's and Other Flat attendance also shown for 2014. Attendances rose from 2009-2011, the modest decrease in 2012 being in line with that experienced by British racing as a whole due to an unseasonably wet early summer and the effect of the 2012 Olympic and Paralympic Games in London. Attendances rose in 2013 however and 2014 total attendance is likely to be around the 600,000 mark once again.



Ascot Racecourse attendances 2009-2014 ('000s)



Source: Ascot Racecourse, Deloitte analysis

Legend: Royal Ascot (Green), Other Flat (Blue), Jump (Light Green)

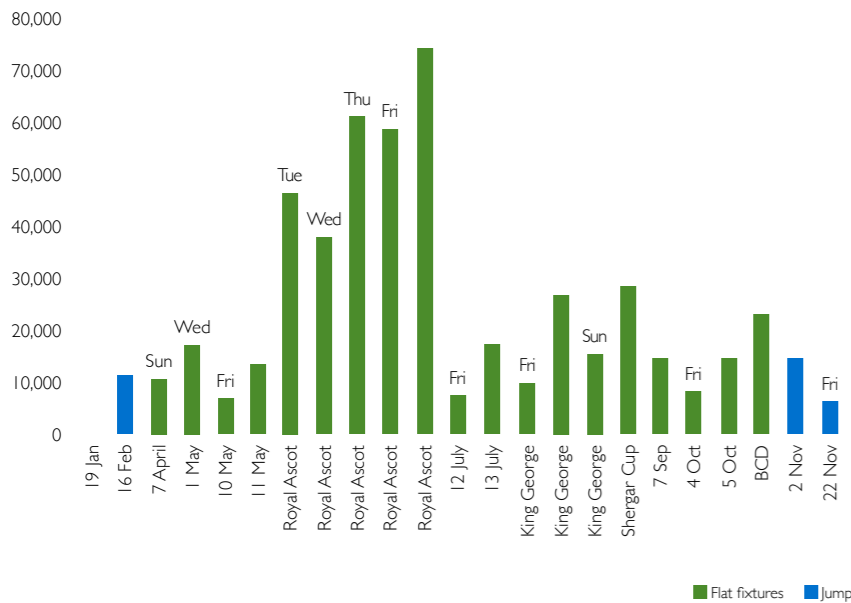
RACECOURSE ATTENDANCES

Day-by-day comparison of racing attendances in 2013

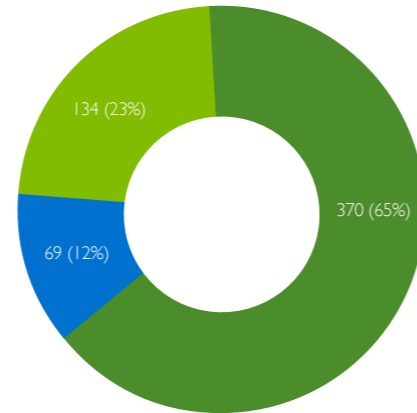
The chart below shows the 2013 attendance by fixture. Attendance varied from just over 7,000 for a Friday evening meeting in May, to nearly 73,000 on the Saturday during Royal Ascot. Whilst the five days of Royal Ascot attract on average nearly 57,000 per day (based on six years from 2009 – 2014 inclusive) Ascot's other 14 Flat fixtures drew average crowds of over 16,000 in 2013, whilst the six Jump fixtures that were run (one was abandoned) averaged over 11,000.

The extremely competitive sporting (and broader leisure) market in the UK means that, while for a large proportion of attendees at Ascot the racing is central to their attendance and enjoyment, there are many less frequent racegoers for whom racing is only a part of the raceday experience – with other factors as, or indeed more, important. Ascot therefore complements the racing at many fixtures by additional entertainment ranging from post-racing concerts to a Beer Festival and family fun days.

Ascot Racecourse 2013 attendance by fixture



Ascot Racecourse 2013 total attendance split by enclosure ('000s)



Legend:
■ Grandstand (including Royal Enclosure)
■ Silver Ring
■ Boxes & Hospitality

Source: Ascot Racecourse, Deloitte analysis



Note: All fixtures on Saturday unless otherwise marked
 19 Jan fixture abandoned
 BCD= QIPCO British Champions Day
 Source: Ascot Racecourse, Deloitte analysis

Fixtures of particular note outside the Royal meeting include:

- The King George in July – Europe's premier mid-season Flat race which regularly attracts around 30,000 racegoers;
- Shergar Cup raceday involving a unique international jockey team competition and a very popular post-racing concert; and
- QIPCO British Champions Day – the culmination of the QIPCO British Champions Series and the finale to the Flat racing season.

Attendance by ticket type

There is a range of enclosures that racegoers can choose at Ascot depending on their requirements, with the Royal Enclosure available exclusively to members during Royal Ascot. The chart above illustrates the breakdown of tickets in 2013 and shows nearly two thirds were Grandstand tickets (including Royal Enclosure), although all ticket types other than Silver Ring and Heath have access to the Grandstand facilities.

Profile of racegoers

The unique appeal of Ascot means that it attracts racegoers from across the UK with a wide variety of backgrounds, together with a significant number of international visitors.

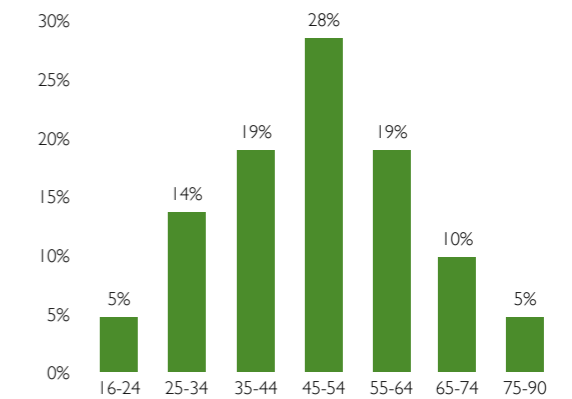
Based on the profile of racegoers who bought advance tickets in the year to 31 July 2014 it is estimated:

- Gender – the male/female split is around 55%/45%, representing a much more balanced mix than many racecourses, which will have a much higher male proportion;
- Age – the chart below shows the breakdown of ticket purchases by age. In common with wider British racing, Ascot attendees represent an older demographic than the UK average population, with two-thirds of tickets purchased by 35-65 year olds, who represent around a half of the UK adult population (i.e. once under 16s are excluded). British Racing has a focus on attracting younger attendees and Ascot has a number of specific initiatives to encourage the next generation of racegoers.

- Location – the attraction of Ascot means that it draws racegoers from across the country and internationally. Over 70% of visitors to the Racecourse travel 50 miles or less, not surprising given that this catchment area includes large swathes of London and the Southern Home Counties (with a population of c.17m). However, more than 10% of attendees, equating to over 50,000 people, travel over 100 miles to attend.

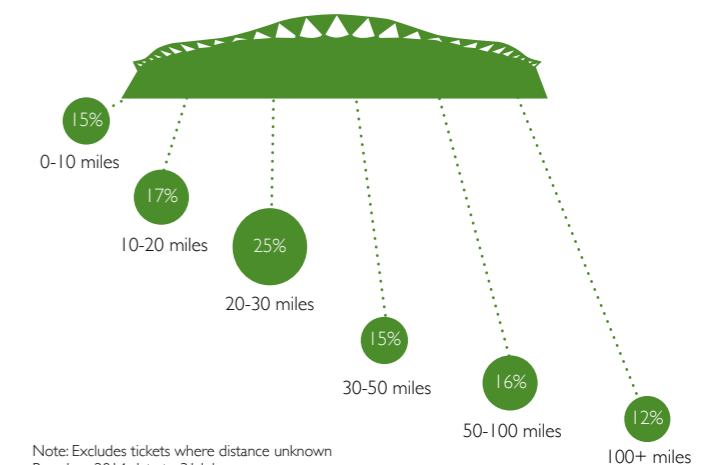


Ticket purchasers by age



Note: No under 16s shown as admission is free (no ticket purchased)
 Based on 2014 data to 31 July
 Source: Ascot Racecourse, Deloitte analysis

Ticket purchasers – distance from Ascot



Note: Excludes tickets where distance unknown
 Based on 2014 data to 31 July
 Source: Ascot Racecourse, Deloitte analysis

ON-COURSE EXPENDITURE GENERATED BY ASCOT RACECOURSE

Overview

The table below estimates total on-course expenditure generated by Ascot Racecourse – note that in some cases this is the revenue of the Racecourse, while for other revenue streams we have 'grossed up' the values to reflect the total amounts paid by customers, rather than the net amount received by the Racecourse:

- **Racing** – expenditure of racegoers at the Racecourse and commercial partners' payments directly arising from the staging of racing;
- **Levy distributions** – as explained below; and
- **Non-racing** – revenue from non-racing activities including the expenditure of attendees at non-raceday events at the Racecourse.

2013 Expenditure	£m
Racing¹	
Admissions and related income ²	32.2
Raceday catering ²	22.8
On-course betting ³	2.9
Media, sponsorship and other commercial	8.1
Levy distributions	3.0
Total Racing expenditure	69.0
Non-racing expenditure	1.3
Total Direct Racecourse expenditure	70.3

Notes:

1. Only the Racecourse facility fee for QIPCO British Champions Day is recorded
2. Includes VAT
3. Bookmakers' badges, commission from tote and betting shops

Source: Management information and estimates

Ascot Racecourse
generated
£70m of direct
expenditure
in 2013.

Racing revenue

Admissions and related income

In 2013 Ascot Racecourse generated £32.2 million in admission revenue from the 549,000 attendees (excluding QIPCO British Champions Day).

This total includes the amounts paid from attendees in the Royal Enclosure, Grandstand, Silver Ring and Heath enclosures, together with Annual Members, members of the Royal Ascot Racing Club and annual box holders. It therefore encompasses a wide variety of admission prices.

In aggregate the average admission price was approximately £59 (including VAT), ranging from the free admission to the Grandstand offered at the first Flat fixture in April/May, to £120 for a guest badge to the Royal Enclosure on the Saturday of the Royal Meeting.

Children under 18 gain free admission to all fixtures (younger racegoers between the ages of 18 and 25 also receive discounted price entry to the Royal Enclosure at Royal Ascot) allowing families to enjoy days out at very competitive prices compared with other sporting events or leisure pastimes. There are five designated "family days" during the year, two at Flat and three at Jump fixtures.

On these family days, the Plaza Lawns offer a selection of attractions such as amusements and pony rides, face painting and a variety of food and drink stalls. A music event is held at the end of the Shergar Cup Day fixture.

Raceday catering

The catering function at Ascot is provided through a profit share partnership with Sodexo. The £22.8m catering expenditure represents the gross amount (including VAT) spent on the Racecourse, ranging from the public bars and food outlets (including concessions) to five course meals in private marquees, boxes and the fine dining restaurants.

The average expenditure per racegoer of c.£42 will therefore cover a wide range, from the much lower spend of young families to high expenditure of corporate customers.

On-course betting

The £2.9m represents the revenue Ascot earns for all on-course betting via bookmaker badges and commission paid by the tote and betting shops. The total amount bet by racegoers will be significantly higher, with tote turnover alone being over £11m in 2013. Betting revenues are discussed further on page 22.



Media, sponsorship and other commercial revenue

The key elements of this are:

- payments from TurfTV for the Racecourse's media rights to permit bookmakers to show live coverage of racing from Ascot in the 8,800 UK betting shops. Media rights agreements are with Channel 4 and Racecourse Media Group (Racing UK, replacing At The Races in 2014) to provide live coverage to terrestrial and satellite television respectively;
- race sponsorship and advertising (note there is no race sponsorship at Royal Ascot although official partner QIPCO has some site branding and marketing rights); and
- official sponsors and suppliers – including global brands such as Longines, BMW, Bollinger, Dubai Duty Free, Sodexo and QIPCO Holdings, the official partner of QIPCO British Champions Day.

Media rights have increased substantially in the last five years, which Ascot has used in part to fund prize money, thus compensating for falling Levy receipts.

Levy distributions

The Levy is currently the primary mechanism by which value is transferred from the Betting industry to the British Racing industry. A 10.75% statutory Levy (with some exceptions) is paid by British betting companies on their gross profits from betting on British racing.

The Horseracing Betting Levy Board ("HBLB") collects the Levy generated from betting companies and distributes it amongst the Racing industry, with the large majority paid to racecourses.

The distributions are complex but broadly Ascot Racecourse benefits from:

- prize money contributions – which represent the majority of Ascot Racecourse Levy receipts;
- payments to part fund important integrity functions such as judges, vets, photo finish etc.; and
- fixture incentives – payments to support the staging of fixtures which attract lower attendances but are important for the betting industry and the pyramid structure of British Racing.

The Levy has been under significant pressure in recent years as Racing faces increased competition from other sports and betting products, but also due to major structural weakness in the Levy Scheme with the large majority of betting operators moving offshore and hence paying no Levy. The Levy yield for 2013/14 was £70.1m, with total HBLB income rising to £78.5m (primarily due to non-statutory contributions and payments made by betting companies, notably Betfair).

Falls in Levy contributions to prize money have meant racecourses have had to increase their executive contribution to prize money. Despite Levy prize money contributions decreasing from 2008 to 2013, executive contributions increased from £4.77m in 2008 to £4.87m in 2013 (£6.9m including QIPCO British Champions Day), meaning that total prize money increased over the period. The Racecourse contribution for 2014 is forecast to be £5.4m (excluding British Champions Day), representing a significant further increase.

Non-racing revenue

Many UK sporting venues have developed, or are considering developing, their non-sporting operations in order to leverage their facilities which otherwise would be used for a small minority of the year. Ascot is no exception and over 200 non-racing events are forecast to generate a combined revenue of £1.8m in 2014.

In addition to regularly hosting a number of major conferences, in 2014 Ascot won a highly competitive bid to stage the UK leg of the Red Bull Air Race at the Racecourse for the three years to 2016. Over 52,000 people attended the unique event across two days in August 2014.

RACEGOERS - OFF-COURSE EXPENDITURE



Coworth Park Hotel - Official hotel for the Dubai Duty Free Shergar Cup

Racegoers spent an estimated £68m off-course on accommodation, transport, food and drink and fashion related items in 2013.

Methodology

The economic impact of Ascot Racecourse extends beyond the direct expenditure incurred on site. Attendance at Ascot fixtures results in significant associated direct expenditure by racegoers and other attendees of Ascot Racecourse events.

For example, attendees often use public transport to travel and therefore supply local transport providers with a direct economic benefit. Some racegoers who travel from further afield stay overnight locally and many racegoers use Ascot's restaurants and bars before, and after, racing.

In addition, the fashion aspects of Royal Ascot are such that it is reasonable for the purposes of assessing direct off-course expenditure to include the estimated fashion and related beauty products/services spend of Royal Ascot attendees. Whilst some other fixtures are also likely to result in such direct spending, this has been prudently excluded.

The off-course expenditure of attendees at non-racing events has not been included due to lack of information and the assumption that such events would have occurred elsewhere if not staged at Ascot.

Whilst detailed market research into the spending patterns of Racecourse attendees across the fixture list has not been performed, c.2,000 attendees of the Royal Meeting completed an online survey which asked a number of questions about their off-course spending.

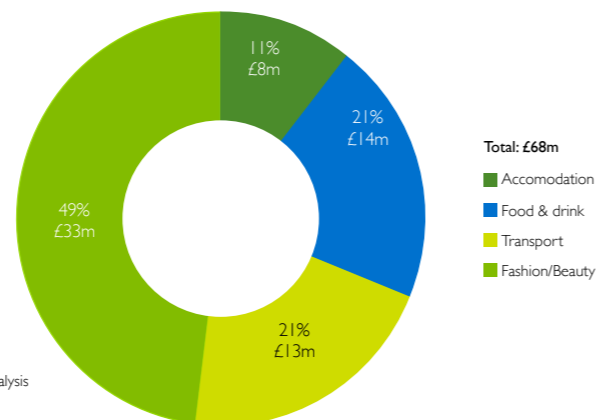
We have used the information obtained via this survey together with indicative estimates gained by considering the off-course expenditure findings of the *Economic Impact of British Racing 2013* and *Price Comparison study on the cost of going racing* prepared by Deloitte for the BHA and RCA respectively. We have also considered specific Ascot Racecourse factors, including a consultation with representatives of the Royal Borough of Windsor & Maidenhead.

Total spending

The estimated direct spending of the 573,000 racegoers who attended Ascot in 2013 is set out below, split into four broad categories of off-course expenditure.

Expenditure directly related to Royal Ascot forms the large majority this total, estimated to be £58m. Fashion and related beauty treatments account for just over half the Royal Ascot spend as, while racing is at the heart of the event, the fashion component is very important and lady attendees in the Royal Enclosure and Grandstand all require a hat. Many attendees buy outfits specifically for Royal Ascot, thousands of morning suits are hired by male attendees and beauty treatments are an important part of the preparation for many.

Racegoers' - Off-course expenditure in 2013



Source: Ascot Racecourse, Deloitte analysis

While there will be a huge variation in spending, the average Royal Ascot attendee is estimated to have spent over £150 on these items. If fashion is excluded then the five days of Royal Ascot account for c.75% of the remaining total off-course spending.

Other spending is comprised of:

- **Accommodation** – the proportion of racegoers who incorporate a stay of a night or more into a visit to Ascot will vary significantly by fixture, with multi-day fixtures typically generating a higher proportion, with a sizeable proportion of Royal Ascot attendees staying at least one night. Overall it is estimated that racing at Ascot was responsible for approaching 100,000 overnight stays by racegoers, of which c.80% was related to Royal Ascot, at an average spend per person per night of £80.
- **Food and drink (off-site)** – in addition to the £22.8m of on-course catering spend discussed on page 18, many racegoers will incorporate visits to bars and restaurants before or after racing, whether in the local area or further afield. The average amounts spent will vary significantly depending on the type of fixture and profile of attendees, for example the average spending at family orientated meetings is typically less than for other meetings given the number of children in attendance. The estimated £14.2m spend represents an average spend of over £25 per attendee, but this will be higher for Royal Ascot.
- **Transport** – as discussed on page 20, many racegoers travel considerable distances to Ascot, although the majority still travel from within a 30 mile radius. A large variety of travel means are used ranging from rail, personal cars (the Royal Ascot car park has a capacity of c.12,000) to over 1,000 limousines and 400 helicopters for Royal Ascot. South West Trains put on extra services for Royal Ascot, transporting around 10,000-12,000 additional passengers on average which rises to 20,000 on the busiest days. Overall the estimated £13m expenditure represents an average spend of £22 per attendee.

Spending in the Ascot area

Limitations in the data available and complexities in determining what constitutes the "local" area of Ascot mean it is not possible to estimate an accurate local spend. However, the following findings illustrate that this would be expected to form a significant part of the £68m off-course expenditure:

1. **Accommodation**
 - a. c.70% of those surveyed who stayed at least one night as part of their visit to Royal Ascot stayed in Ascot or within 30 minutes travelling time (note central London is more than 30 minutes but Heathrow is within 30 minutes).
 - b. Per the Royal Borough of Windsor & Maidenhead tourism website, excluding Heathrow there are typically 3,500 hotels rooms in the Borough. These are normally fully (or close to) occupied during Royal Ascot. Estimates of hotel room occupancy in 2013 for London and the regions were 82% and 73% respectively.
2. **Food & drink**
 - a. Around a third of the total off-course expenditure of the surveyed Royal Ascot attendees is estimated to have been from premises within walking distance of the Racecourse and Ascot High Street/rail station.
 - b. This would equate to c.£5m of food and drink spending if replicated across the total estimate of £22.8m category spend in 2013.

Secondary expenditure

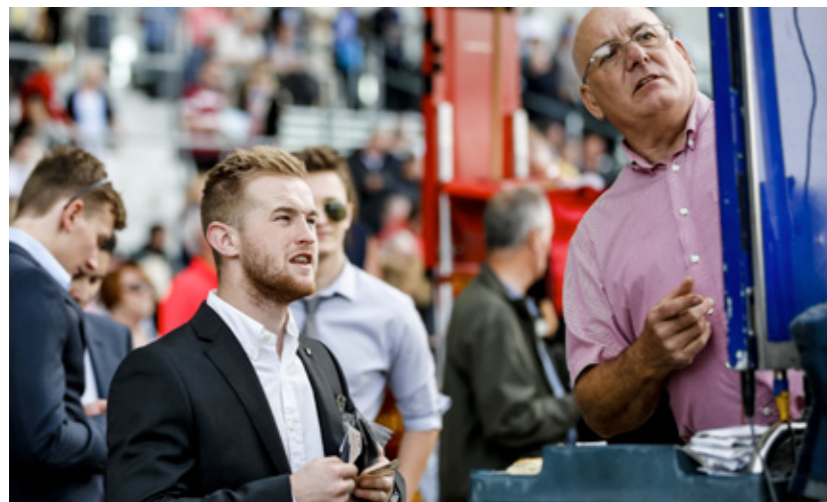
The £138m of direct expenditure estimated to be generated by the Racecourse (£70m on-course and £68m off-course) will generate secondary expenditure as it subsequently flows through the economy via further Business to Business and consumer expenditure.

A significant proportion of that expenditure will be into the local economy. For example, the Racecourse's employees are locally based and many of the Racecourse's suppliers are local companies.

Whilst the secondary expenditure for Ascot Racecourse has not been quantified, if the same secondary expenditure multiplier estimated for the *Economic Impact of British Racing 2013* was applied, then for every £1 generated directly by the Racecourse, an additional £1.53 would be generated in secondary expenditure, equating to over £200m.



BETTING



It is estimated that more than £350m was bet on racing at Ascot in 2013.

British betting industry

British betting is the most diverse in the world, aided by further liberalisation of the market in the early 2000s. As a result there are multiple ways people can bet on British racing – both on and off-course.

Appeal of betting on racing at Ascot

The combination of prestige, prize money and facilities mean that racing at Ascot is highly competitive. Many races are contested by the top horses in Britain and from further afield, making them an attractive betting proposition.

The Racecourse delivers average field sizes significantly greater than the national average. For example in 2013 the average Flat field size of a race at Ascot was 12.8 compared to the British average of 9.0. Typically, the larger the field size the higher the betting turnover and gross win (i.e. the net losses of bettors, hence winnings of the betting operators).

On-course betting

There are three primary ways by which people bet on-course at Ascot Racecourse:

- **Tote (operated by Betfred)** – the primary provider of pool betting on British racecourses which is represented at all Ascot fixtures (as it is at all other racecourses bar a handful which operate alternative systems). On the busiest day of Royal Ascot 2014 over 500 Tote staff took 143,000 bets. The Racecourse is paid a commission of the Tote's on-course gross win from races at Ascot, with the total on-course Tote turnover in 2013 being £11.3m, a higher proportion, with a sizeable proportion of Royal Ascot attendees staying at least one night.
- **On-course bookmakers** – independent, typically small and often local, enterprises who provide fixed odds betting. The bookmakers pay an admission fee (bookmakers' badges) for every fixture they attend, in addition to buying the location at which they are permitted to operate (the pitch) on long term agreements with the Racecourse. On average 95 bookmakers attended Ascot fixtures in 2013, increasing to nearly 250 for Royal Ascot. Lack of information means it is not possible to accurately estimate the gross win of these on-course bookmakers.
- **On-course betting shops (operated by the Tote and Winning Post)** – similar to off-course betting shops but only open for Ascot fixtures. They pay the Racecourse a commission.

Some people also bet online via their smartphones and mobile devices, enabled by the Racecourse's investment in Wi-Fi in 2013.

It is estimated that over 97% of Royal Ascot racegoers bet by at least one of these channels in 2013.

Off-course betting

There are two primary means by which off-course betting occurs;

- **Retail** – betting via the c.8,800 British Licenced Betting Offices ("LBOs"). British racing remains, by a very significant margin, the most popular sports betting product in LBOs.
- **Remote** – betting through a large number of internet betting companies (some with much smaller telephone operations), the majority of which are currently located offshore in low tax locations such as Gibraltar.

As in many industries there has been a marked shift from retail to online betting, notably amongst the younger generations. Nonetheless, betting turnover in LBOs on British racing was still well over £4bn in 2013, with estimated gross win of over £575m.

British racing is an important product for online betting but the popularity of football betting and other sports means racing makes up a much lower proportion of the total than it does in LBOs. While accurate estimates of the total gross win from online operators are very difficult to obtain due to the lack of publically available information on the offshore companies, it is likely to be significantly in excess of £300m (including the commission of Betfair).

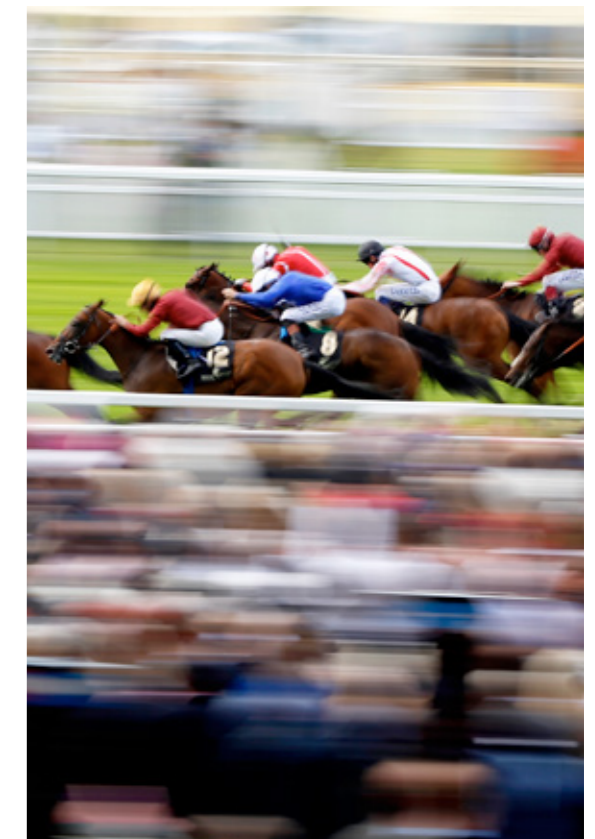
In total, gross win generated from British racing is therefore estimated to be over £950m in 2013.

All onshore betting operators are subject to a payment of a 10.75% (with some exceptions) Levy on their gross win from betting on British racing. In 2013/14 total Levy receipts (including Betfair contributions) were £78m.

Ascot's proportion of the total betting market

While the Racecourse stages only 26 fixtures a year; less than 2% of the typical c.1,450 total British racing fixtures, the appeal of betting on Ascot's races means it is estimated to account for c.3-4% of all betting, with 3.5% equating to over £30m of gross win (from over £350m of betting turnover).

In addition, many of Ascot's top races will generate significant levels of betting from outside the UK.



EMPLOYMENT

Racecourse and raceday employees

Ascot Racecourse employs c.100 full-time and part-time employees. A further 40+ full-time staff are employed by the catering company based at the Racecourse.

On racedays, this number increases significantly as numerous additional staff are employed, including stewards, security personnel, ticket and racecard sellers, catering operations staff and Tote staff, who assist in delivering on-course betting facilities.

As many as 4,500 casual raceday employees and caterers work at the Racecourse during the busiest days at Royal Ascot, falling to approximately 1,200 at quieter fixtures. While not all these staff are employed by Ascot, their employment by other entities is generated by the Racecourse. A significant number of these casual raceday employees are recruited from the local area.

Secondary employment

In addition to the individuals employed directly by Ascot Racecourse, the further economic activity generated through expenditure at the Racecourse also helps to sustain local employment in hotels, bars, restaurants, retail and betting shops.

Additionally a number of local individuals are employed in activities directly related to the horseracing industry, such as vets, farriers and horse transportation.



On the busiest racedays Ascot Racecourse employs over 4,500 people, including caterers, betting operators, security staff and other officials.

Racecourse generated employment	People	Full time equivalent (FTE)
Racecourse	c.100	c.100
Caterers - FT	40+	40+
Raceday employees	c.4,500	250(A)
TOTAL	c.4,650	c.400

Note: A - Based on estimated total raceday employees across fixture list. 200 days is equivalent to a FTE

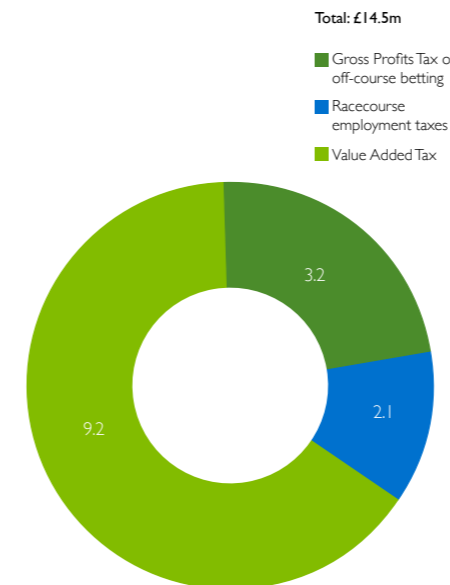


TAXATION



The Racecourse generated over £14m in tax in 2013, and over £65m in the last five years.

Tax generated by Ascot Racecourse in 2013 by type (£m)



Source: Ascot Racecourse, Deloitte analysis

The tax generated by Ascot Racecourse is made up primarily of:

- **Value Added Tax** – paid on the Racecourse's admissions, fine dining and catering revenue, as it is these sources of income on which the ultimate payer, the racegoer, is unable to claim back VAT. The scale of Ascot's attendance and hence admission revenue generated means this is by some margin the largest amount of tax generated.
- **Employment taxes** from Ascot's full time, part time and raceday staff – which will encompass PAYE, employers' and employees' National Insurance. The total tax generated from this source is relatively low, compared to the number of people employed, given that large numbers of raceday staff will be working part-time and paying limited employment taxes. The changes in the tax regime in the last three-four years, with substantial increases in the personal allowance, means it is likely tax from these sources has fallen over the period.

- **Gross Profits Tax** on off-course betting – a 15% tax on betting operators' gross win, i.e. the amount lost by punters and hence the betting operators gross profits from betting on Ascot fixtures. The tax will be derived from the c.8,800 licensed betting shops in the UK and through telephone and internet betting (for those betting operators who are onshore).

Considering all these amounts it is estimated that the Racecourse generated over £14m in tax in 2013. Over the five years to 2013, it is estimated that this will total more than £65m in tax receipts for the Government.

These estimates do not include the taxation generated from the estimated £68m of off-course expenditure of racegoers, but this will be significant.

The total tax take is likely to increase from 2014, assuming the point of consumption tax on betting on British racing by British based bettors with off-shore betting companies is introduced, given this betting activity currently generates no revenue for the UK Government.

MEDIA COVERAGE

Broadcast coverage

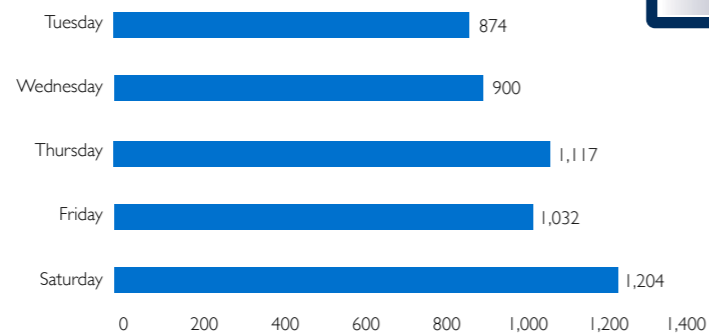
The quality of racing on offer at Ascot has meant that many of its fixtures have traditionally received terrestrial television coverage. Until 2013 the BBC were the main terrestrial broadcaster of all racing at Ascot including the Royal meeting, with Channel 4 showing selected races from other fixtures. However, since then Channel 4 have taken over as the sole broadcaster as part of their exclusive terrestrial rights to all British racing. Races on 16 of the 25 days racing at Ascot in 2013 were broadcast on Channel 4 and the number of races shown on terrestrial television since 2010 has risen over 30%, from 56 to 75 in 2014.

As part of their commitment to the sport every race from all five days of Royal Ascot have been shown on terrestrial television by Channel 4, incorporating over 31 broadcast hours plus The Morning Line previewing the day's racing each morning (over 21 hours being live coverage). As such Royal Ascot is the only major British racing festival with every race from every day receiving terrestrial broadcast coverage.

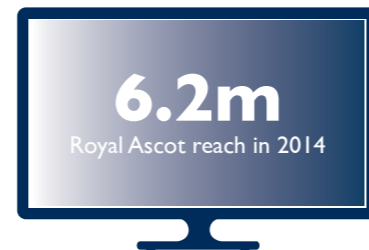
Based on an average of the last five years over 1m people per day watched Royal Ascot on terrestrial television, audiences being at their highest for the Thursday (Ladies Day and Gold Cup) and Saturday. As is typical when sporting events move from the BBC to other terrestrial channels viewing figures have declined from an average of 1.4m in 2012 to 596,000 in 2014, which compares to an average of 638,000 for the Cheltenham Festival and 2.8m for the Saturday of the Grand National meeting at Aintree. This pattern of audiences declining following a move away from the BBC has been mirrored in a number of other high profile racing fixtures and both the racecourses and Channel 4 are working hard on initiatives to reverse these declines. In total Channel 4 estimate that 6.2m people watched Royal Ascot in 2014, with a peak audience of 1.1m viewers on the Thursday.



Royal Ascot average television audience 2010-2014 ('000s)



Source: Ascot Racecourse, Deloitte analysis



As the premier racecourse in Britain, Ascot benefits from substantial media coverage. In addition to showcasing the racing and facilities this provides further prominence to Ascot and the surrounding area.



Specialist broadcast coverage

All Ascot fixtures are broadcast on Racing UK, a specialised racing channel with over 50,000 subscribers. Furthermore, all races are shown live via TurfTV in c.8,800 betting shops in the UK. Many races are also being shown internationally, given the global appeal of racing at Ascot. Ascot sells pictures internationally into more than 30 markets whilst GBI Racing, a partnership between Racing UK's parent company RMG (Racecourse Media Group) and At The Races, now sells pictures of British racing to over 40 countries, with new territories being added every year.

Print media coverage

The racecards of all fixtures are covered in the majority of the national broadsheet and tabloid newspapers. Royal Ascot usually features prominently in the national media due to its status as one of the leading social events of the year.

Events such as The Queen's mare, Estimate, winning the Gold Cup at Royal Ascot in 2013 receive notable coverage, including much beyond the sports pages. In 2014 Royal Ascot achieved 145 pieces of coverage in the British press (being newspapers and their supplements), 30 of these being in the nationals, in addition to extensive coverage in the sports sections. Fashion coverage alone is estimated to have delivered over £2m of media value.

Social media

The Racecourse also has a growing presence in social media channels with an official Twitter feed @AscotInsider and Facebook page. Both of these are used throughout the year, particularly when racing is taking place, providing up to date results, news and information along with racing previews, discussion and fashion commentary.

During Royal Ascot 2014 the Facebook reach exceeded 7m over the five days, the Twitter handle got over 11,000 external mentions, Twitter followers reached over 30,000 and the hashtag #RoyalAscot was used nearly 100,000 times.

The Racecourse also provides a free to download Royal Ascot app which features racecards, results and information on facilities along with live updates from the Parade Ring for racegoers to access at the Royal meeting. In 2014 this was downloaded 25,000 times.



Twitter followers reached over 30,000 during Royal Ascot 2014



ENVIRONMENT AND COMMUNITY

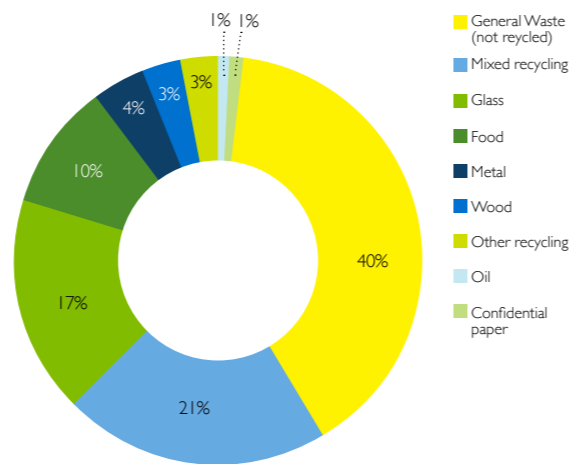
Ascot has a world leading environmental policy among sporting venues as part of a commitment to reducing its carbon footprint and being a 'responsible neighbour'. The Racecourse is already a major contributor to the local community economically, socially and culturally and wishes to deepen its links further still.

Environmental considerations

Ascot seeks to create a green and sustainable working environment, setting annual targets for recycling waste. Waste is becoming increasingly important as a valuable resource of secondary raw materials as the effects of Climate Change and natural resource scarcity start to bite. Resource efficiency exercises have therefore been undertaken, and a Waste Committee established to develop initiatives to encourage a greener environment at the Racecourse. The Committee is committed to continuously improving the way the organisation operates to ensure the potential benefits from environmentally friendly practices are maximised.

In 2013 the Racecourse recycled 547 tonnes of waste, a recycling rate of 61% (an increase on the rate of 51% in 2012). The total waste volume was also reduced by 9%. Ascot maintains a zero landfill operation as all general waste is collected by a recovery facility and converted into energy. A breakdown of the waste recycling categories is shown in the chart below.

Ascot Racecourse - waste recycling 2013



Source: Ascot Racecourse, Deloitte analysis



The performance achieved throughout 2013 is the result of Ascot's collaborative approach with its employees, partners, customers and suppliers who drive the 'Go Green' culture, which is now firmly embedded in the Racecourse's working practices. The target for 2014 is a recycling rate of 70% and a further reduction in waste volume of 5%.

Other initiatives at the Racecourse include a plan to change all lighting to low energy bulbs, energy conservation programmes and water collection measures. For example, rainwater falling onto the Grandstand is collected and transferred by a network of pipes and ditches to fill the reservoir in the centre of the course, which is then used for irrigation. Watering the course is therefore a largely self-sufficient process, with a minimal need for mains supplied water.

Ascot is also seeking certification to ISO14001 – Environmental Management – which acknowledges reduced cost of waste management, savings in consumption of energy and materials, lower distribution costs and improved corporate image among regulators, customers and the public.

Community investment

Ascot Racecourse contributes to the local community by a number of different means:

- The Racecourse hosts five family days throughout the year at which a variety of amusements are available for racegoers and their families to enjoy;
- Complimentary tickets are distributed to local residents during Royal Ascot;
- The local cricket, golf, football and model railway clubs lease land from the Racecourse at favourable rates;
- A children's playground funded by the Racecourse has been built on the Heath which is widely used by local residents; and
- The Racecourse has provided financial support to the local community's redevelopment and regeneration of the High Street.

The Racecourse also helps raise considerable funds for charity over the course of the year:

- The Property Raceday is held in early July with race sponsorship going to children's charities; An auction is held to raise funds and the Pavilion is used for a lunch on the day - in total this raised £180,000 in 2014. A second charity raceday is being planned for 2015;
- Ascot contributes to local charities (c.£25,000 in 2013) and donates admission tickets to charitable organisations such as schools for auction or raffle prizes;
- The Round Table Charity Fireworks night is held at the Racecourse after racing in November and c.£30,000 is raised for distribution to local charities; and
- Collections regularly occur inside the Racecourse on racedays.
- Ascot will be an active participant in the new British Racing initiative – Racing Together - which will help cement racing's place at the heart of communities across Britain.

REPORT PREPARATION, METHODOLOGY AND LIMITATIONS

Introduction and scope of our review

Ascot Racecourse commissioned Deloitte LLP ("Deloitte") to produce this Report, which has been prepared in accordance with the contract dated 22 July 2014. The Report sets out the results of research and analysis of the Economic Impact of Ascot Racecourse, and sets this in the context of the local and national economy.

Use of this report and legal responsibility

Some of the matters discussed in this Report are by their nature technical. The intended recipient of the report, Ascot Racecourse, is familiar with the issues, facts and other matters addressed and the Report was written with that in mind.

This Report is prepared for the sole and confidential use of Ascot Racecourse and for the purposes set out in the terms of engagement. In preparing this report our only responsibility and duty of care is to Ascot Racecourse. We did not, and do not by consenting to publication of this Report, assume or accept or owe any responsibility or duty of care to any other person.

Ascot Racecourse has asked for our consent to making this report publicly available by posting it on the Ascot Racecourse website, and other appropriate distribution methods as agreed with Deloitte. We have agreed to provide such consent on the following conditions:

- This report may not be suitable for the use of any person other than Ascot Racecourse. Accordingly, publication of this report to persons other than Ascot Racecourse is for information purposes only and no person other than Ascot Racecourse should place any reliance on this Report; and
- We do not assume or accept or owe any responsibility or duty of care to any person other than Ascot Racecourse. Accordingly, any person other than Ascot Racecourse who, contrary to the above, chooses to rely on this Report, does so at their own risk and we will not be responsible for any losses of any such person caused by their reliance on this Report.

Our reliance on information

In preparing this Report, we have used information and data which have been obtained from a wide variety of organisations including Ascot Racecourse, Royal Borough of Windsor and Maidenhead, Horserace Betting Levy Board and the British Horseracing Authority. In addition we used data obtained from a survey of Royal Ascot attendees carried out by Ascot racecourse. In all cases (and including information from organisations not listed), we have relied upon such information and data as being true, correct and complete and have not audited, tested or checked any such information or data.

Specific limitations of our review

The following specific limitations of our work should be noted:

- The report quantifies the on-course expenditure of raceday activities at Ascot Racecourse (from attendees, commercial and media customers) and income generated from non-raceday activities. It also estimates the off-course expenditure of visitors to the Racecourse on goods and services purchased on raceday or non-raceday events. The 'ripple effect' of on-course and off-course expenditure through the economy by further business to business and consumer expenditure is not quantified.
- The estimated racecourse generated expenditure is intended to show the extent to which the industry is linked with the rest of the economy and what the contribution of Ascot Racecourse currently is, rather than suggesting what would happen to the UK economy if Ascot Racecourse did not exist.
- The turnover and gross win arising from off-course betting on racing at Ascot is estimated but the only part of this that is included in Racecourse's generated expenditure are the amounts paid to Ascot Racecourse by the Horserace Betting Levy Board. This Report does not therefore specifically include the likely economic contribution made by off-course British Bookmakers from profits made on racing at Ascot other than that generated through the Levy payments and tax paid on betting operators' gross win.

Glossary of terms

Ascot or Ascot Racecourse	Ascot Authority (Holdings) Limited, including all subsidiaries (other than when referring to Ascot the location)
BCD	British Champions Day
BCS	British Champions Series
BHA	British Horseracing Authority
British Racing or Racing	the British Racing industry
FTE	Full Time Equivalent
GPT	Gross Profits Tax being 15% of Gross win
Gross win	Amount staked by bettors less prizes paid out (i.e. the bookmakers' profit)
Horsemen	A collective term representing owners, trainers, jockeys, breeders and stable staff
HBLB or Levy Board	Horserace Betting Levy Board
LBO	Licensed Betting Office
On-course	Activities or expenditure taking place on the racecourse site
Off-course	Activities or expenditure taking place away from the racecourse site
PAYE	Pay As You Earn tax
RCA	Racecourse Association
Turf TV	broadcasts pictures of racing from Ascot to LBOs
VAT	Value Added Tax

Contact details

Ascot Racecourse
Ascot, Berkshire, SL5 7JX
+44 (0)844 346 3000
+44 (0)870 488 1778
ascot.co.uk

