DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Financial Statements
MSV Group Limited

For the Year Ended 31 December 2020

FRIDAY
AAG3VI4Q
A24 29/10/2021 #74
COMPANIES HOUSE

Company registration number 04975889

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Company information

Company registration number	04975889
Registered office	MotorSport Vision Centre Brands Hatch Fawkham Longfield Kent DA3 8NG
Directors	Dr J C Palmer Sir P J Ogden
Secretary	P G Hopkins
Banker	Allied Irish Bank 202 Finchley Road London NW3 6BX
Auditor	Grant Thornton UK LLP Chartered Accountants 2nd Floor St John's House Haslett Avenue West Crawley West Sussex RH10 1HS

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Index

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Strategic Report

Business review

The directors are satisfied with the performance of the group in 2020. Whilst turnover and profits have, as expected, been significantly impacted by government restrictions imposed in response to the pandemic, the group's cash funds have remained remarkably strong.

The financial performance for the year can be summarised by the following key performance indicators which the directors have found useful in monitoring the group's progress:

	2020	Restated 2019
	£'000	£'000
Turnover	**27,470**	54,115
Earnings before interest, tax, impairment, depreciation and amortization	**4,457**	9,707
Cash at bank and in hand	**10,728**	7,772
Head count	**621**	694

The group continues to carry out its core activities in 2021. Whilst the pandemic did not affect the group in 2019, performance has been significantly impacted in 2020 and to a lesser extent will continue to be impacted in 2021.

The group entered the pandemic in a robust financial position following a strong performance in 2019 and to date has remained resilient. This has been achieved through early and decisive action from the directors in aligning costs with expected financial performance, by modifying and adapting business processes and by benefitting from various reliefs available under the government's Covid-19 business support package, including the Job Retention Scheme.

The directors have monitored and managed the business through an increased frequency of cash and profit forecasting, with multiple scenarios modelled to cover a range of outcomes. The group has achieved continuity of key operations throughout the pandemic and this was aided by its investment in Information Technology. As a result of these measures and following the government's successful vaccination program and relaxation of restrictions, the group is now in a good position to resume normal business and the directors remain optimistic for the future.

The group continues to believe that the impact of the UK's departure from the EU on 31 December 2020 poses a minimal risk to its operations.

Financial risk management objectives and policies

The group uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations. The main risks arising from the group's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The group finances its operations through a mixture of retained profits and bank borrowings. The group's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed rate facilities.

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Strategic Report (continued)

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. The group policy throughout the year has been to ensure continuity of funding by using fixed rate debt from the company's bankers. Due to the nature of the group's business, customers pay in advance of events so the company remains cash positive. Debt is structured so repayments can be made out of cash generated through operations.

Economic risk

The group is aware how changes in economic conditions can have a significant impact on the business. In order to manage and mitigate this risk, the group's strategy is to diversify its motorsport activities and to be ready to respond quickly and appropriately to changes in the economic climate.

Litigation risk

Operating in the motorsport industry presents a number of challenges. Failure to meet those challenges can be costly both financially and in terms of impact on people and the environment. Environmental and health and safety issues can result in substantial and protracted litigation. To successfully manage and mitigate those risks, the group seeks to ensure that it remains up to date and fully aware of its responsibilities and obligations, and where necessary employs appropriately qualified professionals to provide expert help and guidance.

Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, and this is the Group's first time adoption of disclosures on energy and carbon. The UK energy use (kWh) relates only to those group companies that fall within the scope of this policy. As such, this report represents Motorsport Vision Limited's energy use and associated greenhouse gas emissions from electricity and fuel in the UK from the operation of their 5 motor racing circuits and related ancillary activities.

UK Greenhouse gas emissions and energy use data for the period 1 January 2020 to 31 December 2020:

UK energy use (kWh)	6,054,923
Associated greenhouse gas emissions (Tonnes CO2 equivalent)	1,401.6
Intensity ratio: emissions relative to turnover (Tonnes CO2 equivalent/£m)	63.02

SECR Methodology Statement 2020:

We have used the following data sources for the report:
- Energy and Fuel Data – Energy supplier billing data and fuel stock takes
- Transport Data – Company mileage records

CO2 emissions have been calculated using the 2020 UK Government Conversion Factors for Company Reporting.

BY ORDER OF THE BOARD

P G Hopkins
P G Hopkins
Secretary
29th September 2021

Directors' Report

The directors present their report and the financial statements of the company for the year ended 31 December 2020.

Principal activities

The principal activity of the group during the year was the operation of motor racing circuits and related ancillary activities. The company is the holding company for the group and also owns a freehold property which it leases to another group entity.

Directors

The directors who served the company were as follows.

Dr J C Palmer
Sir P J Ogden

Results and dividends

There was a profit for the year after taxation amounting to £1,906,000 (restated 2019: £6,137,000). The directors recommended and paid dividends of £nil in the year (2019: £13,300,000).

Going concern

The group has been significantly impacted by the Covid-19 pandemic in 2020 and this impact continues to a lesser extent in 2021.

The directors have used all available information alongside multi-scenario forecasting and the group's post balance sheet results to project the group's results and cash reserves for the foreseeable future. The group's forecast for the year ending 31 December 2022 shows that the group has sufficient cash reserves to enable it to meet its obligations and liabilities as they fall due through that forecast period. In reaching that conclusion, the directors have considered various alternative severe and plausible scenarios which have demonstrated that, if those scenarios were to occur, the group has sufficient opening cash balances and mitigating actions available to it to retain cash balances throughout the forecast period. The group has also sought assurances from the directors not to demand repayment of their loans until such time as the company is able to repay those balances.

The group operates centralised treasury and banking arrangements and the various companies within it benefit from the support of each other. The directors have assessed those arrangements and the availability of funds within the group. On the basis of these assessments the directors consider that the group will be able to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Post balance sheet events

The group has purchased the freehold of the Donington Hall Estate comprising Donington Hall itself, former office building Hastings House and the Lansdowne workshops building. The estate is set in 28 acres of grounds next to the Motorsport Vision operated Donington Park race circuit in the East Midlands.

Directors' Report (continued)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Under company law the directors have elected to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make them self-aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Matters covered in the strategic report

Information relating to business activities, likely future developments in the business, its financial position and its exposure to risks have been disclosed within the Group Strategic Report in accordance with S414c(ii) of the Companies Act 2006.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Directors' Report (continued)

Employee involvement

During the period, the policy of providing employees with information about the group has been continued

through internal media methods in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The directors consider, both individually and together, that they have acted in the way they consider in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) (a-f) of the Act) in the decisions taken during the year ended 31 December 2020 and in creating future business plans ('our plans'):

a) Our plans are designed to have a long-term beneficial impact on the Group and to contribute to its success by providing our customers excellent service experience and innovative products of the highest quality. We achieve these objectives by continuing to invest in our venues and our employees.
b) Our employees are fundamental to the delivery of our plans. We aim to be a responsible and attractive employer in our approach to the pay and benefits our employees receive and the opportunities they have to grow their careers.
c) Our plans are informed by engagement with our suppliers and customers, enabling us to gain an in depth understanding of their needs and priorities. We aim to act responsibly and fairly in how we engage with all stakeholders.
d) Our plans consider the impact of the Group's operations on the community and the environment. We encourage our employees to support the communities they work in.
e) As directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plans.
f) As directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plans.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485(4) of the Companies Act 2006.

BY ORDER OF THE BOARD

P G Hopkins

P G Hopkins
Secretary
29th September 2021

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Grant Thornton

Independent auditor's report to the members of MSV Group Limited

Opinion

We have audited the financial statements of MSV Group Limited (the 'parent company') and its subsidiaries for the year ended 31 December 2020, which comprise the Consolidated statement of comprehensive income, the Consolidated and parent company balance sheets, the Consolidated statement of cashflows, the Consolidated and parent company statements of changes in equity and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Grant Thornton

Independent auditor's report to the members of MSV Group Limited

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the strategic report and director's report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton

Independent auditor's report to the members of MSV Group Limited

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and it's Group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102, the Companies Act 2006 and the relevant tax compliance regulations in the UK);
- We understood how the Company and it's Group is complying with those legal and regulatory frameworks by making inquiries of management, those charged with governance and other personnel within the organisation.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud except for the matter disclosed in note 23 to the financial statements or relating to fraud of a material nature
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand areas where management considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to meet external

GrantThornton

Independent auditor's report to the members of MSV Group Limited

pressures in reporting the financial results to the Group or for personal interest of the Directors. Audit procedures performed by the engagement team on the areas where fraud might occur included:
- evaluation of the design effectiveness of management's controls designed to prevent and detect irregularities;
- journal entries testing, with a focus on manual entries, unauthorised user entries and entries determined to be large or relating to unusual transactions;
- the substantive testing of certain revenue transactions to verify their occurrence; and
- identifying and testing related party transactions.

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
    - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
    - knowledge of the industry in which the company operates; and
    - understanding of the legal and regulatory requirements specific to the company and its Group.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Jonathan Maile BSc (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley
29th September 2021

Principal accounting policies

Company information

MSV Group Limited is a limited liability company incorporated in England and Wales. The registered office address is MotorSport Vision Centre, Brands Hatch, Fawkham, Longfield, Kent, DA3 8NG.

The principal activity of the group during the year was the operation of motor racing circuits and related ancillary activities. The company is the holding company for the group and also owns a freehold property which it leases to another group entity.

Basis of accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments and investment properties as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

Going Concern

The group has been significantly impacted by the Covid-19 pandemic in 2020 and this impact continues to a lesser extent in 2021.

The directors have used all available information alongside multi-scenario forecasting and the group's post balance sheet results to project the group's results and cash reserves for the foreseeable future. The group's forecast for the year ending 31 December 2022 shows that the group has sufficient cash reserves to enable it to meet its obligations and liabilities as they fall due through that forecast period. In reaching that conclusion, the directors have considered various alternative severe and plausible scenarios which have demonstrated that, if those scenarios were to occur, the group has sufficient opening cash balances and mitigating actions available to it to retain cash balances throughout the forecast period. The group has also sought assurances from the directors not to demand repayment of their loans until such time as the company is able to repay those balances.

The group operates centralised treasury and banking arrangements and the various companies within it benefit from the support of each other. The directors have assessed those arrangements and the availability of funds within the group. On the basis of these assessments the directors consider that the group will be able to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 December 2020.

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Principal accounting policies (continued)

Consolidation (continued)
Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated balance sheet immediately below goodwill.

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The group has two dormant companies, MSV Air Ltd and Visk UK Ltd, which have never traded and on that basis have been excluded from these consolidated financial statements.

The results of subsidiaries acquired or disposed of during the year are included in consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interest (NCI) is the equity in a subsidiary not attributable, directly or indirectly, to the parent. Profit or loss and each component of other comprehensive income of the subsidiary is attributed to the owners of the parent and to any NCI. NCI is presented in the consolidated balance sheet within equity, separately from the equity of the owners of the parent. NCI in the profit or loss of the group is disclosed separately in the statement of comprehensive income.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

The individual accounts of MSV Group Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
  - categories of financial instruments,
  - items of income, expenses, gains or losses relating to financial instruments, and
  - exposure to and management of financial risks.

Turnover
Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts.

Event turnover is recognised once the customer has attended the relevant event. The sale of motor parts is recognized when the goods have been delivered. Catering sales are recognized at the point the sale is made. Sponsorship income is recognised over the period that the sponsorship is earned.

Non-consideration exchange transactions are recognised in both turnover and cost, when an accurate value can be established for them.

Other operating income
Government grants are recognised using the accrual model and are measured at fair value where there is reasonable assurance that the grant will be received. Amounts received are recognised over the period in which the related costs are recognised. During the year grants received related to the government's response to the Covid-19 pandemic, which included the Job Retention Scheme (note 3). Rent receivable under operating leases is recognised as income on a straight line basis over the period of the lease (note 3).

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Principal accounting policies (continued)

Pension
The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

Foreign currency translation
In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Intangible fixed assets
Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Goodwill	-	20 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in profit or loss in the periods expected to be benefitted.

Tangible fixed assets
Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

Freehold buildings	-	50 years straight line
Tracks (in freehold land & buildings)	-	15 years straight line
Plant & machinery	-	10 years straight line
Fixtures & fittings (in plant & machinery)	-	3-10 years straight line
Helicopter	-	25 years straight line
Aeroplane	-	20 years straight line
Motor vehicles	-	5 years straight line

No depreciation is provided on freehold land.

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Principal accounting policies (continued)

Investment properties
Investment properties are initially recognised at cost, and then revalued to fair value at each reporting date. Gains and losses are credited or charged to the consolidated statement of comprehensive income. No depreciation is provided on investment properties.

Stocks
Stocks are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell. Stocks consist of motor vehicle parts and catering items.

Cash and cash equivalents
Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors
Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Operating lease agreements
Rentals payable under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Taxation
Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:
- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Principal accounting policies (continued)

Taxation (continued)
A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.
With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:
- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial instruments
Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding non-basic instruments at the reporting date are included under the appropriate format heading depending on the nature of the derivative.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the Statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Significant judgements and estimates
Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

- Useful economic life of tangible assets (note 9 and page 14)
- Amortisation of intangible fixed assets (note 8)
- Valuation of investment property (note 10)

Consolidated statement of comprehensive income

	Note	2020 £'000	Restated 2019 £'000
Turnover	1, 29	**27,470**	54,115
Cost of sales	29	**(11,880)**	(25,219)
Gross profit		**15,590**	28,896
Administrative expenses		**(18,117)**	(23,823)
Other operating income	3	**5,328**	2,903
Operating profit		**2,801**	7,976
Interest receivable and similar income	4	**3**	24
Interest payable and similar charges	5	**(92)**	(153)
Profit on ordinary activities before taxation	1	**2,712**	7,847
Tax on profit on ordinary activities	6	**(806)**	(1,710)
Profit for the financial year		**1,906**	6,137
Exchange (loss)/gain on translation of investment in foreign subsidiary		**(149)**	105
Profit and total comprehensive income for the financial year		**1,757**	6,242
Profit and total comprehensive income for the financial year attributable to:			
Owners of the parent		**1,764**	6,251
Non-controlling interest		**(7)**	(9)
		1,757	6,242

Consolidated and company balance sheets

Company registration number 04975889

	Note	Group 2020 £'000	Group Restated 2019 £'000	Company 2020 £'000	Company Restated 2019 £'000
Fixed assets					
Intangible assets	8	**550**	584	**-**	-
Tangible assets	9	**30,437**	30,740	**-**	-
Investment property	10/29	**930**	930	**7,500**	7,500
Investments	11	**275**	275	**9,276**	9,276
		32,192	32,529	**16,776**	16,776
Current assets					
Stocks	12	**973**	1,195	**-**	-
Debtors	13	**3,402**	3,786	**3,960**	4,133
Cash at bank and in hand		**10,728**	7,772	**97**	78
		15,103	12,753	**4,057**	4,211
Creditors: amounts falling due within one year	14	**(20,317)**	(11,800)	**(9,509)**	(9,593)
Net current (liabilities		**(5,214)**	953	**(5,452)**	(5,382)
Total assets less current liabilities		**26,978**	33,482	**11,324**	11,394
Creditors: amounts falling due after more than one year	15	**(4,243)**	(12,689)	**-**	(275)
Provision for liabilities					
Deferred taxation	18	**(712)**	(527)	**(108)**	(38)
		22,023	20,266	**11,216**	11,081
Capital and reserves					
Called up share capital	19	**13**	13	**13**	13
Share premium account	20	**9,084**	9,084	**9,084**	9,084
Capital redemption reserve	20	**3**	3	**3**	3
Profit and loss account	20	**13,171**	11,407	**2,116**	1,981
Non-controlling interest		**(248)**	(241)	**-**	-
Shareholders' funds		**22,023**	20,266	**11,216**	11,081

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Comprehensive Income in these financial statements. The parent company's profit for the period was £135,000 (2019: £8,065,000).

These financial statements were approved by the directors on 29 September 2021 and are signed on their behalf by:

Dr J C Palmer J C Palmer
Director

The accompanying accounting policies on pages 12 to 16 and the notes on pages 22 to 33 form part of these financial statements.

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Consolidated statement of cash flows

	Note	2020 £'000	Restated 2019 £'000
Cash flows from operating activities			
Profit for the financial year		**1,906**	6,137
Adjustments for:			
Interest payable and similar charges		**92**	153
Interest receivable and similar income		**(3)**	(24)
Taxation		**806**	1,710
Depreciation and impairments		**1,622**	1,562
Amortisation of goodwill		**34**	34
Property revaluation loss		**-**	135
Profit on disposal of fixed assets		**(15)**	(111)
Decrease/(Increase) in stock		**222**	(130)
Decrease/(Increase) in debtors		**384**	(574)
Increase in creditors		**3,140**	1,099
Income taxes paid		**(1,025)**	(1,098)
Net cash generated from operating activities		**7,163**	8,893
Cash flows from investing activities			
Interest received and similar income	4	**3**	24
Purchase of tangible fixed assets	9	**(1,333)**	(1,481)
Sale of tangible fixed assets		**29**	217
		(1,301)	(1,240)
Cash flows from financing activities			
Interest paid and similar charges	5	**(92)**	(153)
Repayments of borrowings		**(2,814)**	(6,086)
		(2,906)	(6,239)
Increase in cash and cash equivalents		**2,956**	1,414
Cash and cash equivalents at the beginning of the year		**7,772**	6,358
Cash and cash equivalents at the end of the year		**10,728**	7,772

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Consolidated statement of changes in equity

	Called-up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Non-controlling interests	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
At 1 January 2019	13	9,084	3	18,456	(232)	27,324
Comprehensive income for the year						
Profit for the financial year as previously stated	-	-	-	6,288	-	6,288
Effect of prior year adjustment (note 29)	-	-	-	(151)	-	(151)
Profit for the financial year as restated	-	-	-	6,137	-	6,137
Foreign exchange translation	-	-	-	105	-	105
Total comprehensive income for the year	**-**	**-**	**-**	**6,242**	**-**	**6,242**
Transactions with owners						
Dividends	-	-	-	(13,300)	-	(13,300)
Non-controlling interest – share of profit and total comprehensive income for the year	-	-	-	9	(9)	-
At 31 December 2019 restated	**13**	**9,084**	**3**	**11,407**	**(241)**	**20,266**
Comprehensive income for the year						
Profit for the financial year	-	-	-	1,906	-	1,906
Foreign exchange translation	-	-	-	(149)	-	(149)
Total comprehensive income for the year	**-**	**-**	**-**	**1,757**	**-**	**1,757**
Transactions with owners						
Dividends	-	-	-	-	-	-
Non-controlling interest – share of profit and total comprehensive income for the year	-	-	-	7	(7)	-
At 31 December 2020	**13**	**9,084**	**3**	**13,171**	**(248)**	**22,023**

The accompanying accounting policies on pages 12 to 16 and the notes on pages 22 to 33 form part of these financial statements.

Company statement of changes in equity

	Called-up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£ '000	£ '000	£ '000	£ '000	£ '000
At 1 January 2019	13	9,084	3	7,216	16,316
Comprehensive income for the year					
Profit for the financial year as previously stated	-	-	-	9,279	9,279
Effect of prior period adjustment (note 29)	-	-	-	(1,214)	(1,214)
Profit for the financial year as restated	-	-	-	8,065	8,065
Dividends	-	-	-	(13,300)	(13,300)
At 31 December 2019 restated	13	9,084	3	1,981	11,081
Comprehensive income for the year					
Dividends	-	-	-	-	-
Profit and total comprehensive income for the year	-	-	-	135	135
At 31 December 2020	**13**	**9,084**	**3**	**2,116**	**11,216**

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation is attributable to the principal activity of the group as set out in the report of the directors and arose wholly in the United Kingdom. Turnover analysed by category was as follows:

	2020 £'000	Restated 2019 £'000
Rendering of services	**24,036**	46,949
Sale of goods supplied	**3,434**	7,166

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2020 £'000	Restated 2019 £'000
Operating lease rentals		
- land and buildings	**1,333**	1,333
Amortisation of goodwill	**34**	34
Depreciation of owned tangible fixed assets	**1,622**	1,562
Profit on disposal of tangible fixed assets	**(15)**	(111)
Property revaluation loss	**-**	135
Changes in fair value of derivatives	**9**	7
Auditors' remuneration		
- audit services	**48**	50
- non-audit services - tax compliance	**14**	14

2 Directors and employees

The average number of staff employed by the group during the financial year amounted to:

	2020 Number	2019 Number
Operational	**85**	88
Sales and administration	**110**	118
Casual	**426**	488
	621	694

The aggregate payroll costs of the above were:

	2020 £'000	2019 £'000
Wages and salaries	**9,722**	11,498
Social security costs	**790**	955
Other pension costs	**209**	217
	10,721	12,670

Remuneration in respect of the directors was as follows:

	2020 £'000	2019 £'000
Emoluments – highest paid director	**70**	124

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Notes to the financial statements (continued)

3 Other operating income

	2020 £'000	2019 £'000
Government grants (Job Retention Scheme and National Restrictions)	2,616	-
Rental income	2,712	2,903
	5,328	2,903

4 Interest receivable and similar income

	2020 £'000	2019 £'000
Bank interest receivable	3	24

5 Interest payable and similar charges

	2020 £'000	2019 £'000
Bank loans, overdrafts and other loans	91	153
Other interest and similar charges	1	-
	92	153

6 Tax on profit on ordinary activities

Analysis of charge in the year

	2020 £'000	2019 £'000
Current tax:		
In respect of the year:		
UK corporation tax	627	1,669
Adjustments in respect of prior periods	(6)	(44)
Total current tax	621	1,625
Deferred tax:		
Origination and reversal of timing differences	105	81
Adjustments in respect of prior periods	16	4
Effect of tax rate change on opening balance	64	-
Total deferred tax charge	185	85
Tax on profit on ordinary activities	806	1,710

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Notes to the financial statements (continued)

6 Tax on profit on ordinary activities (continued)

Factors affecting current tax charge
The tax assessed for the year differs from the standard rate of corporation tax in the UK at 19%. The differences are explained below:

	2020	Restated 2019
	£'000	£'000
Profit on ordinary activities before tax	**2,712**	7,847
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	**515**	1,491
Effect of:		
Fixed asset differences	**102**	-
Expenses not deductible for tax purposes	**20**	112
Capital gains	**5**	2
Other tax adjustments, reliefs and transfers	**-**	(4)
Adjustments in respect of prior periods	**(6)**	(44)
Adjustment in respect of prior periods - deferred tax	**16**	4
Remeasurement of deferred tax for changes in tax rates	**64**	(10)
Difference in tax rates	**(42)**	(75)
Deferred tax not recognized	**132**	234
Tax charge for the period	**806**	1,710

7 Profit for the financial year

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit for the year was £135,000 (2019: £8,065,000).

8 Intangible fixed assets

Group	**Goodwill £'000**
Cost at 1 January 2020 and 31 December 2020	687
Amortisation	
At 1 January 2020	103
Charge for the year	34
At 31 December 2020	137
Net book value	
At 31 December 2020	**550**
At 31 December 2019	584

Amortisation of intangible fixed assets is included in administrative expenses.

Notes to the financial statements (continued)

9 Tangible fixed assets

Group	Freehold Land and Buildings £'000	Plant & Machinery £'000	Aeroplane and Helicopter £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2020	33,111	6,979	5,763	10,564	56,417
Reclassifications	(105)	68	-	37	-
Additions	350	312	-	671	1,333
Disposals	-	(1)	-	(39)	(40)
At 31 December 2020	33,356	7,358	5,763	11,233	57,710
Depreciation					
At 1 January 2020	9,286	5,720	1,299	9,372	25,677
Reclassifications	(17)	10	-	7	-
Charge for the year	480	282	265	595	1,622
Disposals	-	(1)	-	(25)	(26)
At 31 December 2020	9,749	6,011	1,564	9,949	27,273
Net book value					
At 31 December 2020	**23,607**	**1,347**	**4,199**	**1,284**	**30,437**
At 31 December 2019	23,825	1,259	4,464	1,192	30,740

Included within freehold property is land of £12,186,000 (2019: £12,186,000) which is not depreciated.

At 31 December 2020 there are £nil (2019: £nil) of capital costs that have been committed to but not provided for in these financial statements.

10 Investment property

	Restated £'000
Group	
Valuation	
Restated at 1 January 2020 and 31 December 2020	**930**
Company	
Valuation	
Restated at 1 January 2020 and 31 December 2020	**7,500**

Certain freehold property has been classified as investment property, is held at directors' valuation and is not depreciated.

Notes to the financial statements (continued)

11 Investments

Company	**£'000**
Shares in subsidiary undertakings:	
At 1 January 2020	9,001
At 31 December 2020	**9,001**

Group and Company	
Shares in associate companies:	
At 1 January 2020	275
At 31 December 2020	**275**

The shares in associate companies represents the cost of 5% of the share capital of Blinkbushe Limited. This was funded through a £275,000 director loan included within notes 14 to 16 of these financial statements.

The investment in subsidiaries represents the cost of the share capital of the company's wholly owned (except where indicated) subsidiary undertakings as follows:

Subsidiary	**Principal activity**	**Class of shares**
Motorsport Vision Ltd	Operation of motor racing circuits and related ancillary activities	£1 ordinary
JPM Ltd	Provision of corporate track events and related ancillary activities	£1 ordinary
Motorsport Vision Racing Ltd	Organisation of racing events	£1 ordinary
Motorsport Vision Racing Club Ltd	Organisation of racing events	Limited by guarantee
MSV Investar Ltd (98% owned)	Investment in and sponsorship of new up and coming racing drivers	£1 ordinary
Formula Two Ltd	Operation of racing series - dormant	£1 ordinary
National Motor Racing Archive	Preservation of motor racing history – dormant	Limited by guarantee
MSV France (SAS)	Operation of motor racing circuits	Ordinary

Motorsport Vision Ltd, Motorsport Vision Racing Ltd, Motorsport Vision Racing Club Ltd and National Motor Racing Archive are incorporated in England and Wales and the registered office address for all these entities is MotorSport Vision Centre, Brands Hatch, Fawkham, Longfield, Kent, DA3 8NG.

JPM Ltd, MSV Investar Ltd and Formula Two Ltd are incorporated in England and Wales and the registered office for all these entities is The Old Post Office, Worthing, Road, Southwater, Horsham, West Sussex, RH13 9EZ.

MSV France (SAS) is incorporated in France and the registered office is 7 D Rue du Colonel Chepy, 02270 Couvron-et-Aumencourt.

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Notes to the financial statements (continued)

11 Investments (continued)

Parental guarantees to subsidiary undertakings
For the year ended 31 December 2020 MSV Group Limited has provided a guarantee in respect of all liabilities due by the following subsidiary companies: Motorsport Vision Racing Limited (Company No 05744532), Motorsport Vision Racing Club Limited (Company No 06574249) and MSV Investar Limited (Company No 04879606), thus entitling them to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

12 Stocks

Group	2020 £'000	2019 £'000
Consumables	973	1,195

Stock recognised in cost of sales during the year as an expense was £1,782,000 (2019: £3,584,000).

13 Debtors

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade debtors	1,457	2,027	95	45
Amounts due from group undertakings	-	-	3,865	4,088
Prepayments and accrued income	1,941	1,699	-	-
VAT recoverable	4	60	-	-
	3,402	3,786	3,960	4,133

The company has agreed not to demand repayment of amounts owed by group undertakings until such time as the undertakings are able to repay the balances. These balances are unsecured but accrued interest is charged at a variable rate of 2.4% over average LIBOR for the period.

14 Creditors: amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Bank loan	2,000	2,000	-	-
Trade creditors	1,788	1,986	-	-
Amounts owed to group undertakings	-	-	9,053	9,205
Corporation tax	621	1,025	41	164
Social security and other taxes	1,335	634	-	-
Other creditors	1,845	968	140	224
Accruals and deferred income	6,376	4,467	-	-
Directors' loans (note 27)	6,352	720	275	-
	20,317	11,800	9,509	9,593

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Notes to the financial statements (continued)

14 Creditors: amounts falling due within one year (continued)

The group undertakings have agreed not to demand repayment until such time as the company is able to repay the balances. These balances are unsecured but accrued interest is charged at a variable rate of 2.4% over average LIBOR for the period.

During the year a group company received £48,380 of cash funds in order to safeguard for various third party beneficiaries. Neither the company nor the group have rights to the funds and will not earn income or incur any expense in respect of the funds. Accordingly, the funds and corresponding creditor have been offset against each other and are therefore not shown separately in the accounts.

15 Creditors: amounts falling due after more than one year

	Group 2020 £'000	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Bank loans	**-**	2,000	**-**	-
Directors' loans (note 27)	**4,243**	10,689	**-**	275
	4,243	12,689	**-**	275

16 Borrowings

Borrowings are repayable as follows:	**Group 2020 £'000**	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Within one year:				
Bank loans	**2,000**	2,000	**-**	-
Directors' loan	**6,352**	720	**275**	-
After one and within two years:				
Bank loans	**-**	2,000	**-**	-
Directors' loan	**720**	6,370	**-**	275
After two years and within five years				
Directors' loan	**3,523**	4,319	**-**	-
	12,595	15,409	**275**	275

Interest on the bank loan is charged at a fixed rate of 3.33% under an interest rate swap and is repayable in installments. All bank borrowings are secured by fixed legal charges over the group's freehold property and chattel mortgages over certain fixed assets. All group undertakings have entered into cross guarantees in respect of these borrowings.

Notes to the financial statements (continued)

17 Provisions for liabilities

Deferred taxation (note 18):	**Group 2020 £'000**	**Company 2020 £'000**
At 1 January 2020	**527**	38
Origination and reversal of timing differences	**105**	41
Adjustments in respect of prior periods	**16**	22
Changes in tax rates	**64**	7
At 31 December 2020	**712**	**108**

18 Deferred taxation

Deferred taxation provided for in the financial statements is set out below:

	Group 2020 £'000	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Accelerated capital allowances	**702**	535	**-**	-
Short term timing differences	**10**	(8)	**108**	38
	712	527	**108**	38
At 1 January 2020	**527**	442	**38**	3
Charge to profit & loss account for the year	**185**	85	**70**	35
At 31 December 2020	**712**	527	**108**	38

The group has not recognised a deferred tax asset of £832,000 (2019: £701,000) relating to accumulated losses within MSV France (SAS) as the asset is not considered recoverable.

19 Share capital

	2020 £'000	2019 £'000
Authorised share capital:		
100,000 ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid:		
12,600 ordinary shares of £1 each	**13**	13

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Notes to the financial statements (continued)

20 Reserves

Called-up share capital – represents the nominal value of shares that have been issued.
Share premium account – includes any premiums received on issue of share capital, less amounts cancelled and returned to ordinary shareholders. Any transaction costs associated with the issuing of shares are deducted from share premium.
Capital redemption reserve – a non-distributable reserve which represented amounts transferred following the redemption or purchase of the company's own shares.
Profit and loss account – includes all current and prior period retained profits and losses.

21 Operating lease commitments

At 31 December 2020 the group had annual commitments under non-cancellable operating leases as set out below:

	Land & buildings	
	2020	2019
	£'000	£'000
Within one year	**1,333**	1,333
Between one and five years	**6,822**	6,455

22 Pension commitments

The Group operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The unpaid contributions outstanding at the year end, included in accruals and deferred income (note 14) are £32,000 (2019: £46,000).

23 Contingent liabilities

All group undertakings have entered into a cross company guarantee in respect of the group's bank borrowings. At 31 December 2020 the amount so guaranteed amounted to £2,000,000 (2019: £4,000,000).

MSV is committed to maintaining high standards of health and safety at its venues. Motorsport activities and venues involve inherent risks and despite organisers taking all reasonable precautions incidents and injuries occur. These may give rise to personal injury claims and regulatory investigations under health and safety legislation. The company defends such claims where appropriate, and where costs for the company are likely to be incurred in defending and concluding such matters and can be measured reliably, they are provided for in the financial statements. MSV is being prosecuted by a local authority in respect of two incidents at Oulton Park in 2013. MSV is defending the prosecution on legal advice and does not consider a conviction to be probable. Similarly, given that the prosecution is still in its early stages it is not currently practicable to estimate the financial effect should the prosecution be successful as a number of factors, for determination at trial if required, would be used to determine any fine. The company has appropriate insurance in place to reimburse it for any associated legal costs.

Notes to the financial statements (continued)

24 Financial assets and liabilities

Group	2020 £'000	2019 £'000
Financial assets measured at amortised cost	**1,457**	2,027
Financial liabilities measured at amortised cost	**16,228**	18,363
Company		
Financial assets measured at amortised cost	**3,960**	4,133
Financial liabilities measured at amortised cost	**9,468**	9,704

25 Financial risk management

The group uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations. The main risks arising from the group's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk
The group finances its operations through a mixture of retained profits and bank borrowings. The group's exposure to interest rate fluctuations on its borrowings is managed through fixed rate facilities.

Liquidity risk
The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. The group policy throughout the year has been to ensure continuity of funding by using fixed rate debt from the company's bankers. Due to the nature of the group's business, customers pay in advance of events so the company remains cash positive. Debt is structured so repayments can be made out of cash generated through operations.

Economic risk
The group is aware how changes in the economic conditions can have a significant impact on the business. In order to manage and mitigate this risk, the group's strategy is to diversify its motorsport activities and to be ready to respond quickly and appropriately to changes in the economic climate.

Litigation risk
Operating in the motorsport industry presents a number of challenges. Failure to meet those challenges can be costly both financially and in terms of impact on people and the environment. Environmental, health and safety issues can result in substantial and protracted litigation. To successfully manage and mitigate those risks the group seeks to ensure that it remains up to date and fully aware of its responsibilities and obligations, and where necessary employs appropriately qualified professionals to provide expert help and guidance.

26 Control

Dr J C Palmer controls the company by virtue of his 75% shareholding in its ordinary share capital.

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Notes to the financial statements (continued)

27 Related party transactions

MSV Group Limited has taken advantage of the exemption in Financial Reporting Standard 102 not to disclose transactions between it and its subsidiary undertakings.

At 31 December 2020, an amount of £8,237,000 (2019: £8,967,000) was due to Dr J C Palmer, a director and shareholder of the company. The maximum amount due during the year was £8,967,000. No interest was charged on the balance due.

At 31 December 2020, an amount of £2,358,000 (2019: £2,442,000) was due to Sir Peter Ogden, a director and shareholder of the company. The maximum amount due during the year was £2,442,000. No interest was charged on the balance due.

28 Analysis of changes in net funds

Group	Cash at bank and in hand £'000	Debt due within one year £'000	Debt due after one year £'000	Total debt due £'000	Total net funds £'000
At 1 January 2020	**7,772**	(2,720)	(12,689)	**(15,409)**	**(7,637)**
Cash flow	**2,956**	2,720	94	**2,814**	**5,770**
Other non-cash changes	-	(8,352)	8,352	-	-
At 31 December 2020	**10,728**	(8,352)	(4,243)	**(12,595)**	**(1,867)**

Company	Cash at bank and in hand £'000	Debt due within one year £'000	Debt due after one year £'000	Total debt due £'000	Total net funds £'000
At 1 January 2020	**78**	-	(275)	**(275)**	**(197)**
Cash flow	**19**	-	-	-	**19**
Other non-cash changes	-	(275)	275	-	-
At 31 December 2020	**97**	(275)	-	**(275)**	**(178)**

Group and company other non-cash changes relate to the reclassification of debt payable in 2021 from falling due after one year at 31 Dec 2019 to falling due within one year at 31 Dec 2020.

DocuSign Envelope ID: BDE21851-90EF-4682-B39E-4D864BEAEACF

Notes to the financial statements (continued)

29 Prior year adjustment

Non-consideration exchange transaction

The 2019 Turnover and Cost of Sales have been restated for a value of £809,663 as a non-consideration exchange transaction was able to be accurately valued in 2020, requiring the comparative figures to be calculated and included in the 2019 results, as required under Section 23.7(a)-(c) of FRS102. There was no impact on gross profit.

Investment property revaluation

The 2019 figures had to be adjusted for an impairment of the investment properties held by the Group and Company which existed at 31 December 2019 but was not adjusted for in the 2019 accounts. The impairment charged to 2019 Administrative expenses in the Group was £151,000 and in the Company was £1,214,000. The prior year adjustment had the effect of reducing opening reserve at 1 January 2019 by equivalent amounts in the Group and Company respectively.