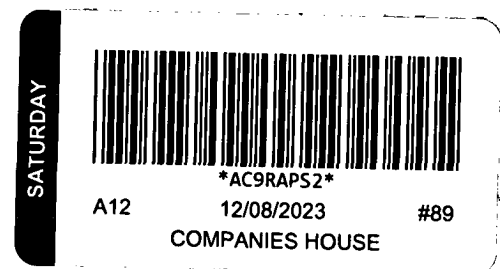


Financial Statements MSV Group Limited

For the Year Ended 31 December 2022



MSV Group Limited
Financial statements for the year ended 31 December 2022

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Company information

Company registration number	04975889
Registered office	MotorSport Vision Centre Brands Hatch Circuit 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 2 nd Floor St John's House Haslett Avenue West Crawley RH10 1HS

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MSV GROUP LIMITED

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Financial statements for the year ended 31 December 2022

Strategic Report

Business review

The directors are satisfied with the performance of the group in 2022. 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:

	2022 £'000	2021 £'000
Turnover	63,795	49,756
Earnings before interest, tax, impairment, depreciation and amortization	15,842	19,481
Cash at bank and in hand	17,030	17,202
Head count	620	497

During the year the group expanded its activities in Europe with the formation of Motorsport Vision Spain SL for the purposes of acquiring the "Circuito de Navarra" motor racing circuit in Northern Spain and to that end signed a lease to operate the circuit whilst negotiations for the freehold purchase were progressed.

Future developments and post balance sheet events

In 2023 the group continues to operate in line with its principal activities as set out in the directors' report.

In May 2023, the sale and purchase agreement for the Navarra circuit freehold was executed by all parties at a cost of €7,000,000. This is a non-adjusting post balance sheet event. Motorsport Vision Spain continues to operate the circuit under the 2022 lease agreement whilst certain conditions for the freehold purchase are satisfied by the seller. When those conditions are satisfied, payment will become due in three instalments 12 months apart over a 24 month period.

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 bank borrowings is managed by the use of fixed rate facilities. The group's bank loan was repaid during the year.

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 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. The group's bank loan was repaid during the year.

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.

Strategic Report (continued)

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 third year of adopting 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 to 31 December:

	2022	2021
UK energy use (kWh)	8,082,837	7,230,115
Associated greenhouse gas emissions (Tonnes CO ₂ equivalent)	1,777.9	1,672.2
Intensity ratio: emissions relative to turnover (Tonnes CO ₂ equivalent/£m)	35.7	42.3

SECR Methodology Statement:

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

Base Year

The base year is January 2020 – December 2020 and the gross reported emissions during that period were 1,506.3 tonnes of CO₂e. The emissions for the current period show an increase of 18% compared to the base year. This is mainly due to the base year, 2020, being prohibitively restricted due to the COVID-19 pandemic and therefore limiting the use of energy across all sites.

Energy Efficiency Actions

Motorsport Vision Limited has begun a programme of replacing inefficient lighting with LED alternatives, windows with double glazed units and installing timer switches on heating, air conditioning and lights. There has also been a general change in the ethos of the company. Closer monitoring of the weekly meter readings has led to a better understanding of the amount of energy used, and a need to save energy conveyed to all staff. Staff are then encouraged to turn off lights and appliances in their area, when not in use.

CO₂ emissions have been calculated using the 2022 UK Government Conversion Factors for Company Reporting.

BY ORDER OF THE BOARD

P G Hopkins

P G Hopkins
 Secretary
 25 July 2023

Directors' Report

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

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

Directors' indemnities

As permitted by the Companies Act 2006, the company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Results and dividends

There was a profit for the year after taxation amounting to £11,534,000 (restated 2021: £14,684,000). The directors recommended and paid dividends of £4,000,000 in the year (2021: £nil).

Going concern

The group has good cash reserves and no external bank debt. The group's forecast for the years up to 31 December 2024 shows that it will meet its obligations and liabilities as they fall due through that forecast period. The directors have assessed reasonable downside sensitivity scenarios against the group forecasts and have not identified any plausible scenario which would indicate the existence of a material uncertainty.

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 and have confirmed that the group will continue to provide financial support to group companies, during the forecast period, if necessary. 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.

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.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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").

Directors' Report (continued)

Directors' responsibilities statement (continued)

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 and profit or loss of the company and group 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.

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.

Directors' Report (continued)

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 2022 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
25 July 2023



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 (the 'group') for the year ended 31 December 2022, which comprise the consolidated statement of comprehensive income, the consolidated and parent balance sheets, the consolidated statement of cashflows, the consolidated and parent company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. 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 2022 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 group and the parent 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 group's and the parent 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 group or the parent 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 the current cost of living crisis, 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.



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.

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 group's and the parent 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual 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.

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 themselves. 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 group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or



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

- the parent company 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.

Responsibilities of directors

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 group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 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 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 regulations or relating to fraud.
- 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 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;



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

- 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.
 - These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

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.

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

Adam Terry BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley
Date: 25 July 2023

MSV Group Limited
Financial statements for the year ended 31 December 2022

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 Circuit, 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 good cash reserves and no external bank debt. The group's forecast for the years up to 31 December 2024 shows that it will meet its obligations and liabilities as they fall due through that forecast period. The directors have assessed reasonable downside sensitivity scenarios against the group forecasts and have not identified any plausible scenario which would indicate the existence of a material uncertainty.

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 and have confirmed that the group will continue to provide financial support to group companies, during the forecast period, if necessary. 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 2022.

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. 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.

Principal accounting policies (continued)

Consolidation (continued)

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

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.

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. Rent receivable under operating leases is recognised as income on a straight line basis over the period of the lease.

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.

Principal accounting policies (continued)

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
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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.

The group assesses the impairment of its intangible assets if events or changes in circumstances indicate that it is more likely than not that the asset is impaired.

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
Helicopters	-	25 years straight line
Aeroplane	-	20 years straight line
Motor vehicles	-	5 years straight line

No depreciation is provided on freehold land.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

The group assesses the impairment of its tangible assets if events or changes in circumstances indicate that it is more likely than not that the asset is impaired.

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.

Principal accounting policies (continued)

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 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.

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 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).

Principal accounting policies (continued)

Taxation (continued)

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)
- Impairment of tangible assets (note 9 and page 14)
- Amortisation of intangible fixed assets (note 8 and page 14)
- Impairment of intangible assets (note 8 and page 14)
- Impairment of investments in subsidiaries (note 10)
- Impairment of intercompany debtors (note 12)

MSV Group Limited
Financial statements for the year ended 31 December 2022

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Consolidated statement of comprehensive income

	Note	2022 £'000	Restated 2021 £'000
Turnover	1	63,795	49,756
Cost of sales		(26,674)	(16,716)
Gross profit		37,121	33,040
Administrative expenses		(26,341)	(18,344)
Other operating income	3	3,504	3,204
Operating profit		14,284	17,900
Interest receivable and similar income	4	262	-
Interest payable and similar charges	5	(1)	(14)
Profit on ordinary activities before taxation	1	14,545	17,886
Tax on profit on ordinary activities	6	(3,011)	(3,202)
Profit for the financial year		11,534	14,684
Exchange (loss)/gain on translation of investment in foreign subsidiaries		(112)	246
Profit and total comprehensive income for the financial year		11,422	14,930
Profit and total comprehensive income for the financial year attributable to:			
Owners of the parent		11,168	14,935
Non-controlling interest		254	(5)
		11,422	14,930

The accompanying accounting policies on pages 12 to 16 and the notes on pages 23 to 35 form part of these financial statements.

Consolidated and company balance sheets

Company registration number 04975889

		Group	Group	Company	Company
		2022	Restated	2022	Restated
	Note	£'000	2021	£'000	2021
			£'000		£'000
Fixed assets					
Intangible assets	8	482	516	-	-
Tangible assets	9	37,014	34,317	10,914	10,093
Investments	10	275	275	9,363	9,276
		<u>37,771</u>	<u>35,108</u>	<u>20,277</u>	<u>19,369</u>
Current assets					
Stocks	11	1,661	1,502	-	-
Debtors	12	2,991	3,217	178	27
Cash at bank and in hand		17,030	17,202	414	501
		<u>21,682</u>	<u>21,921</u>	<u>592</u>	<u>528</u>
Creditors: amounts falling due within one year	13	<u>(12,087)</u>	<u>(16,668)</u>	<u>(11,566)</u>	<u>(10,248)</u>
Net current assets/(liabilities)		<u>9,595</u>	<u>5,253</u>	<u>(10,974)</u>	<u>(9,720)</u>
Total assets less current liabilities		<u>47,366</u>	<u>40,361</u>	<u>9,303</u>	<u>9,649</u>
Creditors: amounts falling due after more than one year	14	<u>(2,634)</u>	<u>(3,380)</u>	-	-
Provision for liabilities					
Deferred taxation	17	<u>(552)</u>	<u>(223)</u>	-	<u>(143)</u>
		<u>44,180</u>	<u>36,758</u>	<u>9,303</u>	<u>9,506</u>
Capital and reserves					
Called up share capital	18	13	13	13	13
Share premium account	19	9,084	9,084	9,084	9,084
Capital redemption reserve	19	3	3	3	3
Profit and loss account	19	35,079	27,911	203	406
Non-controlling interest		1	(253)	-	-
Shareholders' funds		<u>44,180</u>	<u>36,758</u>	<u>9,303</u>	<u>9,506</u>

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 £3,797,000 (restated 2021 loss: £121,000).

These financial statements were approved by the directors on 25 July 2023 and are signed on their behalf by:

Jonathan Palmer

Dr J C Palmer
 Director

The accompanying accounting policies on pages 12 to 16 and the notes on pages 23 to 35 form part of these financial statements.

MSV Group Limited
Financial statements for the year ended 31 December 2022

Consolidated statement of cash flows

		2022	Restated 2021
	Note	£'000	£'000
Cash flows from operating activities			
Profit for the financial year		11,534	14,684
Adjustments for:			
Interest payable and similar charges		1	14
Interest receivable and similar income		(262)	-
Taxation		3,011	3,202
Depreciation and impairments		1,524	1,547
Amortisation of goodwill		34	34
Loss/(profit) on disposal of fixed assets		9	(14)
Increase in stock		(159)	(529)
Decrease in debtors		226	185
(Decrease)/increase in creditors		(1,718)	1,100
Income taxes paid		(4,700)	(1,527)
Net cash generated from operating activities		9,500	18,696
Cash flows from investing activities			
Interest received and similar income	4	262	-
Purchase of tangible fixed assets	9	(4,247)	(4,692)
Sale of tangible fixed assets		17	14
		(3,968)	(4,678)
Cash flows from financing activities			
Interest paid and similar charges	5	(1)	(14)
Repayments of borrowings		(5,703)	(7,530)
		(5,704)	(7,544)
(Decrease)/increase in cash and cash equivalents		(172)	6,474
Cash and cash equivalents at the beginning of the year		17,202	10,728
Cash and cash equivalents at the end of the year		17,030	17,202

The accompanying accounting policies on pages 12 to 16 and the notes on pages 23 to 35 form part of these financial statements.

Consolidated statement of changes in equity

	Called-up share capital £ '000	Share premium account £ '000	Capital redemption reserve £ '000	Profit and loss account £ '000	Non- controlling interests £ '000	Total £ '000
At 1 January 2021 as previously stated	13	9,084	3	13,171	(248)	22,023
Effect of prior year adjustment (note 28)	-	-	-	(195)	-	(195)
At 1 January 2021 restated	13	9,084	3	12,976	(248)	21,828
Comprehensive income for the year						
Profit for the financial year as previously stated	-	-	-	14,689	-	14,689
Effect of prior year adjustment (note 28)	-	-	-	(5)	-	(5)
Profit for the financial year as restated	-	-	-	14,684	-	14,684
Foreign exchange translation	-	-	-	246	-	246
Total comprehensive income for the year	-	-	-	14,930	-	14,930
Transactions with owners						
Non-controlling interest – share of profit and total comprehensive income for the year	-	-	-	5	(5)	-
At 31 December 2021 restated	13	9,084	3	27,911	(253)	36,758

The accompanying accounting policies on pages 12 to 16 and the notes on pages 23 to 35 form part of these financial statements.

MSV Group Limited
Financial statements for the year ended 31 December 2022

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Consolidated statement of changes in equity

	Called-up share capital £ '000	Share premium account £ '000	Capital redemption reserve £ '000	Profit and loss account £ '000	Non- controlling interests £ '000	Total £ '000
At 31 December 2021 restated	13	9,084	3	27,911	(253)	36,758
Comprehensive income for the year						
Profit for the financial year	-	-	-	11,534	-	11,534
Foreign exchange translation	-	-	-	(112)	-	(112)
Total comprehensive income for the year	-	-	-	11,422	-	11,422
Transactions with owners						
Dividends	-	-	-	(4,000)	-	(4,000)
Non-controlling interest – share of profit and total comprehensive income for the year	-	-	-	(254)	254	-
At 31 December 2022	13	9,084	3	35,079	1	44,180

The accompanying accounting policies on pages 12 to 16 and the notes on pages 23 to 35 form part of these financial statements.

MSV Group Limited
Financial statements for the year ended 31 December 2022

Company statement of changes in equity

	Called-up share capital £ '000	Share premium account £ '000	Capital redemption reserve £ '000	Profit and loss account £ '000	Total £ '000
At 1 January 2021 as previously stated	13	9,084	3	2,116	11,216
Effect of prior year adjustment (note 28)	-	-	-	(1,589)	(1,589)
At 1 January 2021 restated	13	9,084	3	527	9,627
Comprehensive income for the year					
Profit for the financial year as previously stated	-	-	-	(83)	(83)
Effect of prior year adjustment (note 28)	-	-	-	(38)	(38)
Profit for the financial year as restated	-	-	-	(121)	(121)
At 31 December 2021 restated	13	9,084	3	406	9,506
Comprehensive income for the year					
Profit for the financial year	-	-	-	3,797	3,797
Dividends	-	-	-	(4,000)	(4,000)
At 31 December 2022	13	9,084	3	203	9,303

The accompanying accounting policies on pages 12 to 16 and the notes on pages 23 to 35 form part of these financial statements.

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 substantially in the United Kingdom. Turnover analysed by category was as follows:

	2022 £'000	2021 £'000
Rendering of services	54,475	43,780
Sale of goods supplied	9,320	5,976

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

	2022 £'000	Restated 2021 £'000
Operating lease rentals		
- land and buildings	1,784	1,333
Amortisation of goodwill	34	34
Depreciation of owned tangible fixed assets	1,524	1,547
Loss/(profit) on disposal of tangible fixed assets	9	(14)
Auditors' remuneration		
- audit services	65	60
- non-audit services - tax compliance	18	17

2 Directors and employees

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

	2022 Number	2021 Number
Operational	91	74
Sales and administration	102	92
Casual	427	331
	<u>620</u>	<u>497</u>

The aggregate payroll costs of the above were:

	2022 £'000	2021 £'000
Wages and salaries	11,837	9,365
Social security costs	1,098	829
Other pension costs	244	190
	<u>13,179</u>	<u>10,384</u>

The directors are not members of the Group's pension scheme.
Remuneration in respect of the directors was as follows:

	2022 £'000	2021 £'000
Emoluments – highest paid director	<u>55</u>	<u>53</u>

MSV Group Limited
Financial statements for the year ended 31 December 2022

Notes to the financial statements (continued)

3 Other operating income

	2022 £'000	2021 £'000
Government grants (Job Retention Scheme and National Restrictions)	-	834
Rental income	3,504	2,370
	<u>3,504</u>	<u>3,204</u>

4 Interest receivable and similar income

	2022 £'000	2021 £'000
Bank interest receivable	199	-
Other interest and similar charges	63	-
	<u>262</u>	<u>-</u>

5 Interest payable and similar charges

	2022 £'000	2021 £'000
Bank loans, overdrafts and other loans	-	14
Other interest and similar charges	1	-
	<u>1</u>	<u>14</u>

6 Tax on profit on ordinary activities

Analysis of charge in the year	2022 £'000	2021 £'000
Current tax:		
In respect of the year:		
UK corporation tax	2,667	3,693
Adjustments in respect of prior periods	15	(2)
Total current tax	<u>2,682</u>	<u>3,691</u>
Deferred tax:		
Origination and reversal of timing differences	243	(696)
Adjustments in respect of prior periods	(1)	(13)
Effect of tax rate change on opening balance	87	220
Total deferred tax charge	<u>329</u>	<u>(489)</u>
Tax on profit on ordinary activities	<u>3,011</u>	<u>3,202</u>

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% (2021: 19%).

The differences are explained below:

	2022	Restated 2021
	£'000	£'000
Profit on ordinary activities before tax	<u>14,545</u>	<u>17,886</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	2,764	3,399
Effect of:		
Fixed asset differences	-	156
Expenses not deductible for tax purposes	136	43
Adjustments in respect of prior periods	15	(2)
Adjustment in respect of prior periods - deferred tax	(1)	(13)
Remeasurement of deferred tax for changes in tax rates	48	(506)
Deferred tax not recognized	49	125
Tax charge for the period	<u>3,011</u>	<u>3,202</u>

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 £3,797,000 (restated 2021 loss: £121,000).

8 Intangible fixed assets

Group	Goodwill £'000
Cost at 1 January 2022 and 31 December 2022	<u>687</u>
Amortisation	
At 1 January 2022	171
Charge for the year	34
At 31 December 2022	<u>205</u>
Net book value	
At 31 December 2022	<u>482</u>
At 31 December 2021	<u>516</u>

Amortisation of intangible fixed assets is included in administrative expenses.

MSV Group Limited
Financial statements for the year ended 31 December 2022

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 2022 restated	38,555	7,414	5,763	11,431	63,163
Additions	966	312	1,757	1,212	4,247
Disposals	-	(8)	-	(98)	(106)
At 31 December 2022	<u>39,521</u>	<u>7,718</u>	<u>7,520</u>	<u>12,545</u>	<u>67,304</u>
Depreciation					
At 1 January 2022 restated	10,286	6,284	1,829	10,447	28,846
Charge for the year	451	256	288	529	1,524
Disposals	-	(8)	-	(72)	(80)
At 31 December 2022	<u>10,737</u>	<u>6,532</u>	<u>2,117</u>	<u>10,904</u>	<u>30,290</u>
Net book value					
At 31 December 2022	<u>28,784</u>	<u>1,186</u>	<u>5,403</u>	<u>1,641</u>	<u>37,014</u>
At 31 December 2021 restated	<u>28,269</u>	<u>1,130</u>	<u>3,934</u>	<u>984</u>	<u>34,317</u>

Included within freehold property is land of £12,974,000 (restated 2021: £12,974,000) which is not depreciated.

Company	Freehold Land and Buildings £'000
Cost	
At 1 January 2022 restated	10,581
Additions	859
At 31 December 2022	<u>11,440</u>
Depreciation	
At 1 January 2022 restated	488
Charge for the year	38
At 31 December 2022	<u>526</u>
Net book value	
At 31 December 2022	<u>10,914</u>
At 31 December 2021 restated	<u>10,093</u>

Included within freehold property is land of £4,689,000 (restated 2021: £4,689,000) which is not depreciated. At 31 December 2022 there are £125,000 (2021: £nil) of capital costs that have been committed to but not provided for in these financial statements.

Notes to the financial statements (continued)

10 Investments

Company	£'000
Shares in subsidiary undertakings:	
At 1 January 2022	9,001
Additions	87
At 31 December 2022	9,088
Group and Company	
Shares in associate companies:	
At 1 January 2022	275
At 31 December 2022	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 13 and 15 of these financial statements.

The additions to shares in subsidiary undertakings relates to shares purchased in MSV Spain SL which was incorporated during the year.

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)	Racing driver investment and sponsorship	£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	€1 ordinary
Motorsport Vision Spain SL	Operation of motor racing circuits	€1 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 Circuit, 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.

Notes to the financial statements (continued)

10 Investments (continued)

Motorsport Vision Spain SL is incorporated in Navarra, Spain and the registered office is Calle Malvasia 5, 31210 Los Arcos, Navarra.

Parental guarantees to subsidiary undertakings

For the year ended 31 December 2022 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.

11 Stocks

	2022	2021
Group	£'000	£'000
Consumables	<u>1,661</u>	<u>1,502</u>

12 Debtors

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade debtors	1,407	1,571	19	21
Amounts due from group undertakings	-	-	151	-
Prepayments and accrued income	1,575	1,639	8	6
VAT recoverable	9	7	-	-
	<u>2,991</u>	<u>3,217</u>	<u>178</u>	<u>27</u>

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 1.85% (2021: 2.4%) over average SONIA (2021: LIBOR) for the period.

13 Creditors: amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade creditors	2,275	2,058	-	-
Amounts owed to group undertakings	-	-	11,167	9,808
Corporation tax	767	2,785	41	41
Social security and other taxes	308	1,319	19	68
Other creditors	1,799	1,746	-	-
Accruals and deferred income	6,210	7,075	64	56
Directors' loans (note 26)	728	1,685	275	275
	<u>12,087</u>	<u>16,668</u>	<u>11,566</u>	<u>10,248</u>

Notes to the financial statements (continued)

13 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 1.85% (2021: 2.4%) over average SONIA (2021: LIBOR) for the period.

The Directors' loans are unsecured and interest free.

In 2020 a group company received £48,380 of cash funds in order to safeguard for various third party beneficiaries. After payments to beneficiaries and interest receipts, the value of those funds at 31 December 2022 was £48,043 (2021: £48,380). 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 these accounts.

14 Creditors: amounts falling due after more than one year

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Directors' loans (note 26)	<u>2,634</u>	<u>3,380</u>	<u>-</u>	<u>-</u>

The Directors' loans are unsecured and interest free.

15 Borrowings

Borrowings are repayable as follows:	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Within one year:				
Directors' loan	728	1,685	275	275
After one and within two years:				
Directors' loan	-	720	-	-
After two years and within five years:				
Directors' loan	<u>2,634</u>	<u>2,660</u>	<u>-</u>	<u>-</u>
	<u>3,362</u>	<u>5,065</u>	<u>275</u>	<u>275</u>

16 Provisions for liabilities

	Group 2022 £'000	Company 2022 £'000
Deferred taxation (note 17):		
At 1 January 2022	223	143
Origination and reversal of timing differences	243	(143)
Adjustments in respect of prior periods	(1)	-
Changes in tax rates	<u>87</u>	<u>-</u>
At 31 December 2022	<u>552</u>	<u>-</u>

Notes to the financial statements (continued)

17 Deferred taxation

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

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Accelerated capital allowances	594	233	-	-
Short term timing differences	(11)	(10)	-	143
Losses	(31)	-	-	-
	<u>552</u>	<u>223</u>	<u>-</u>	<u>143</u>
	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
At 1 January 2022	223	712	143	108
Charge to profit & loss account for the year	329	(489)	(143)	35
At 31 December 2022	<u>552</u>	<u>223</u>	<u>-</u>	<u>143</u>

The group has not recognised a deferred tax asset of £1,015,000 (2021: £1,006,000) relating to accumulated losses within MSV France SAS as the asset is not considered recoverable.

18 Share capital

	2022 £'000	2021 £'000
Authorised share capital: 100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid: 12,600 ordinary shares of £1 each	<u>13</u>	<u>13</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

19 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.

Notes to the financial statements (continued)

19 Reserves (continued)

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.

20 Operating lease commitments

At 31 December 2022 the group had annual commitments under non-cancellable operating leases as set out below:

	Land & buildings	
	2022	2021
	£'000	£'000
Within one year	2,340	1,926
Between one and five years	<u>10,096</u>	<u>9,266</u>

21 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 13) are £45,000 (2021: £43,000).

22 Contingent liabilities

All group undertakings have entered into a cross company guarantee in respect of the group's bank borrowings. At 31 December 2022 the amount so guaranteed amounted to £nil (2021: £nil).

23 Financial assets and liabilities

	2022	2021
	£'000	£'000
Group		
Financial assets measured at amortised cost	18,437	18,773
Financial liabilities measured at amortised cost	7,436	8,869

Financial assets comprise trade debtors and cash at bank and in hand. Financial liabilities comprise trade creditors, other creditors and directors' loans.

Company

Financial assets measured at amortised cost	583	522
Financial liabilities measured at amortised cost	11,442	10,083

Financial assets comprise trade debtors, amounts owed by group undertakings and cash at bank and in hand. Financial liabilities comprise amounts owed to group undertakings and directors' loans.

Notes to the financial statements (continued)

24 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. The group's bank loan was repaid during the year.

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. The group's bank loan was repaid during the year.

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.

25 Control

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

26 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 2022, an amount of £453,000 (2021: £2,850,000) was due to Dr J C Palmer, a director and shareholder of the company. The maximum amount due to him during the year was £5,543,000. No interest was charged on the balance due.

At 31 December 2022, an amount of £2,909,000 (2021: £2,215,000) was due to Sir Peter Ogden, a director and shareholder of the company. The maximum amount due to him during the year was £3,215,000. No interest was charged on the balance due.

Notes to the financial statements (continued)

26 Related party transactions (continued)

During the year a group company had purchases of £50,000 (2021: £19,000) from Blackbushe Airport Limited, a company in which Sir Peter Ogden has a controlling interest. At 31 December 2022 there were no amounts due to or from the company (2021: £nil).

During the year a group company had purchases of £16,000 (2021: £17,000) from Aigle Limited, a company in which Sir Peter Ogden has significant influence. At 31 December 2022 there were no amounts due to or from the company (2021: £nil).

27 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 2022	17,202	(1,685)	(3,380)	(5,065)	12,137
Cash flow	(172)	5,704	(4,001)	1,703	1,531
Other non-cash changes	-	(4,747)	4,747	-	-
At 31 December 2022	17,030	(728)	(2,634)	(3,362)	13,668

Other non-cash changes relate to the reclassification of debt payable in 2022 from falling due after one year at 31 December 2021 to falling due within one year at 31 December 2022.

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 2022	501	(275)	-	(275)	226
Cash flow	(87)	-	-	-	(87)
At 31 December 2022	414	(275)	-	(275)	139

28 Prior year adjustment

During the year, the directors concluded that the investment property held at valuation by the Company and Group at its Bedford Autodrome Circuit was held primarily for the benefit of the Company and Group rather than to earn rental income or for capital appreciation. As a result, the directors concluded that the property did not meet the definition of an investment property and have therefore reclassified it as a tangible fixed asset held at historic cost.

Notes to the financial statements (continued)

28 Prior year adjustment (continued)

As this represents a change in accounting policy, the adjustments necessary have been applied retrospectively, resulting in a restatement of the comparative figures including opening reserves at 1 January 2021.

Group

At Bedford Autodrome Circuit there are buildings which are rented to third parties. Previously the accounting policy was to treat these buildings as investment properties held at valuation. The directors have reconsidered previous judgements and have concluded that these buildings do not represent a significant proportion of Bedford Autodrome Circuit. Therefore, the entirety of Bedford Autodrome Circuit, including the buildings rented to third parties, is now treated as property, plant and equipment held at historic cost.

This prior year adjustment has had the effect of reducing the Group's reserves at 1 January 2021 by £195,000 and its profit for the financial year in 2021 by £5,000.

A number of restatements to the prior year comparatives have been made as detailed below:

DR/(CR)	As previously stated £'000	Adjustment £'000	Restated £'000
Consolidated statement of comprehensive income			
Administrative expenses	(18,339)	(5)	(18,344)
Operating profit	<u>17,905</u>	<u>(5)</u>	<u>17,900</u>
Profit on ordinary activities before taxation	<u>17,891</u>	<u>(5)</u>	<u>17,886</u>
Profit for the financial year	<u>14,689</u>	<u>(5)</u>	<u>14,684</u>
Profit and total comprehensive income for the financial year	<u>14,935</u>	<u>(5)</u>	<u>14,930</u>
Profit and total comprehensive income for the financial year attributable to:			
Owners of the parent	14,940	(5)	14,935
DR/(CR)	As previously stated £'000	Adjustment £'000	Restated £'000
Consolidated balance sheet			
Fixed assets			
Tangible assets	33,587	730	34,317
Investment property	930	(930)	-
Capital and reserves			
Profit and loss account	28,111	(200)	27,911

Notes to the financial statements (continued)

28 Prior year adjustment (continued)

Company

Bedford Autodrome Circuit is owned by the company and rented to JPM Limited, a subsidiary. Historically the company made the accounting policy choice to recognise this property as an investment property held at valuation. The directors have reconsidered this accounting policy choice and concluded that it is more appropriate to recognise Bedford Autodrome Circuit as property, plant and equipment as Bedford Autodrome Circuit is held primarily for the benefit of the wider Group, rather than to earn rental income or for capital appreciation.

The impact on the Company was to reduce reserves at 1 January 2021 by £1,589,000 and to increase its loss for the financial year in 2021 by £38,000.

A number of restatements to the prior year comparatives have been made as detailed below:

DR/(CR)	As previously stated £'000	Adjustment £'000	Restated £'000
Company balance sheet			
Fixed assets			
Tangible assets	4,220	5,873	10,093
Investment property	7,500	(7,500)	-
Capital and reserves			
Profit and loss account	2,033	(1,627)	406

29 Post balance sheet events

During the year the group expanded its activities in Europe with the formation of Motorsport Vision Spain SL for the purposes of acquiring the "Circuito de Navarra" motor racing circuit in Northern Spain and to that end signed a lease to operate the circuit whilst negotiations for the freehold purchase were progressed.

In May 2023, the sale and purchase agreement for the Navarra circuit freehold was executed by all parties at a cost of €7,000,000. This is a non-adjusting post balance sheet event. Motorsport Vision Spain continues to operate the circuit under the 2022 lease agreement whilst certain conditions for the freehold purchase are satisfied by the seller. When those conditions are satisfied, payment will become due in three instalments 12 months apart over a 24 month period.