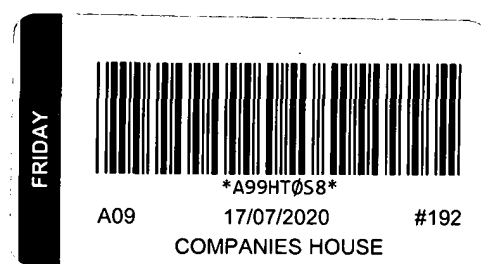


Company Registration No. 00516639 (England and Wales)

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**COMPANY INFORMATION**

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<b>Directors</b>	Mr P F Chubb Mr L J Felix Mr R D Jenkins Mr A Scott Andrews Mr J L Smith Mr J Baynam Mr M P Carter Mr N J Frost Dr B Grant-Braham Mr N H Pearce Ms D Uwota Mr C Wood
<b>Company number</b>	00516639
<b>Registered office</b>	Thruxton Circuit Thruxton Andover Hampshire SP11 8PN
<b>Auditor</b>	Moore (South) LLP 33 The Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wiltshire SP1 2TJ

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# **BRITISH AUTOMOBILE RACING CLUB LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

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# **BRITISH AUTOMOBILE RACING CLUB LIMITED**

## **COMPANY LIMITED BY GUARANTEE**

### **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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The directors present the strategic report for the year ended 31 December 2019.

#### **BUSINESS REVIEW**

The company is a members' club established to promote and provide motor sport. During the year, the club organised championships in the UK, and was involved in the running of other major events in this country. The club has regional centres in the UK organising their own racing, hill climbing and sprinting events. The group operates from motor racing circuits at Thruxton, Pembrey and Croft, and from speed hillclimbs at Gurston Down and Harewood Hill.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The activities of the group expose it to a number of financial risks including credit risk, cash flow and liquidity risk. The Council have policies in place to ensure such risks are managed.

##### **Credit risk**

The group's principal financial assets are investments, cash at bank and in hand, and trade and other debtors. The group's credit risk is primarily attributable to its trade debtors. However, this is managed by monitoring the aggregate amount and duration of exposure to any one debtor depending on their history. The amounts included in the balance sheet are net of provisions for any doubtful debts. The group has no significant concentration of credit risk, with exposure spread over a large number of customers.

##### **Cash flow risk**

Interest bearing assets comprise of cash and bank deposits. The interest rate on the bank overdraft facility is at market rate and the group's policy is to keep the overdraft within the defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The Council monitors the overall level of borrowing and interest costs to limit any adverse effects on the financial performance of the group.

##### **Liquidity risk**

The group is funded by retained profits and by an agreed bank overdraft facility. The group's policy is to ensure that any projected borrowing requirement is covered by committed facilities with its bankers. The group has continued to operate within its bank facilities and the Council believe that its financing arrangements are adequate for its future operational needs.

#### **CORONAVIRUS PANDEMIC**

The directors have considered the potential impact of the coronavirus pandemic, and have followed the guidance issued by the UK Government and Motorsport UK. The group's activities are currently postponed, with the temporary closure of the circuit venues, the furloughing of employees and the discussions with creditors. The impact of this will be closely monitored over the coming weeks and if further disruptions occur, the directors will take appropriate steps to mitigate them and to ensure the ongoing viability of the group.

#### **FUTURE DEVELOPMENTS**

The Council's strategy is focused on providing and promoting motor sport whilst continuing to keep the group in profit and to invest in its activities in the future.

After reviewing the group's cash balances, borrowing facilities and projected cash flows, the Council believe that the group has adequate resources to continue operations for the foreseeable future. In reaching this conclusion, the Council have considered carefully the group's budgets and cash flow forecasts for the year ended 31 December 2020 and beyond, and as a result, they continue to adopt the going concern basis in preparing the financial statements.

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Key performance indicators**

The key performance indicators, which are monitored by the Council, are based principally on the number of competitors, spectators, driving school customers and marshals/other volunteers essential to the organisation of all motor racing events. Disclosure of any further details in respect of these key performance indicators is considered to be commercially prejudicial to the group's activities.

Further key performance indicators are the profit and cash flows generated by the group's activities that are available for investment back into motor racing and into circuit improvements, as evidenced by capital expenditure during the year of £940k, which includes the resurfacing of one of the group's motor racing circuits, all of which has been funded by cash generated from operating activities.

Across the group, the year has seen another satisfactory performance, with turnover increasing by 2.2%. Expenditure has remained stable and overall, there is a group profit on ordinary activities before taxation of £440k (2018 - £63k). Therefore, at the end of the year, the group's profit and loss reserves stood at £2.6m.

On behalf of the board



Mr A Scott Andrews

Director

15/5/2020

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**DIRECTORS' REPORT**  
***FOR THE YEAR ENDED 31 DECEMBER 2019***

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The directors present their annual report and financial statements for the year ended 31 December 2019.

**Principal activities**

The principal activity of the company and group continued to be that of the organisation of motor racing events and other related activities.

**Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P F Chubb  
Mr L J Felix  
Mr R D Jenkins  
Mr A Scott Andrews  
Mr J L Smith  
Mr J Baynam  
Mr M P Carter  
Mr N J Frost  
Dr B Grant-Braham  
Mr N H Pearce  
Ms D Uwota  
Mr C Wood

In accordance with the Articles of Association, Mr N J Frost, Mr R D Jenkins, Mr N H Pearce and Ms D Uwota will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

**Member' liability**

The company is limited by the guarantees of its members and has no share capital. The extent of each member's liability to contribute to the company's debts and liabilities, should the company be unable to continue as a going concern, is limited to an amount not exceeding 50 pence.

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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). Under company law the directors must not approve the financial statements unless they are 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 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 accounting 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

The auditors, Moore (South) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board



Mr A Scott Andrews

Director

Date: 15/5/2020

**BRITISH AUTOMOBILE RACING CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF BRITISH AUTOMOBILE RACING CLUB LIMITED**

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**Opinion**

We have audited the financial statements of British Automobile Racing Club Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group income statement, the group statement of financial position, the company statement of financial position, the group statement of cash flows 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 FRS 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 the parent company's affairs as at 31 December 2019 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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



**BRITISH AUTOMOBILE RACING CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF BRITISH AUTOMOBILE RACING CLUB LIMITED**

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**Opinions on other matters prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where 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
- 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.

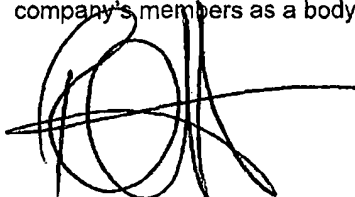
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**BRITISH AUTOMOBILE RACING CLUB LIMITED  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF BRITISH AUTOMOBILE RACING CLUB LIMITED**

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**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.



**Robert MacDonald (Senior Statutory Auditor)**  
for and on behalf of Moore (South) LLP

29-06-2020

**Chartered Accountants  
Statutory Auditor**

33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**GROUP INCOME STATEMENT**

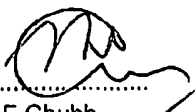
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>4</b>	13,728,296	13,427,226
Cost of sales		(8,159,311)	(8,083,408)
<b>Gross profit</b>		5,568,985	5,343,818
Administrative expenses		(5,184,560)	(5,241,656)
<b>Operating profit</b>	<b>5</b>	384,425	102,162
Interest receivable and similar income	<b>8</b>	7,950	7,668
Interest payable and similar expenses	<b>9</b>	(19,336)	(13,607)
Amounts written off investments	<b>10</b>	67,193	(33,181)
<b>Profit before taxation</b>		440,232	63,042
Tax on profit	<b>11</b>	(80,189)	(129,312)
<b>Profit/(loss) for the financial year</b>	<b>24</b>	360,043	(66,270)
Profit/(loss) for the financial year is attributable to:			
- Owners of the parent company		354,211	(33,360)
- Non-controlling interests		5,832	(32,910)
		360,043	(66,270)

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**GROUP STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	13	4,308,719		3,963,956	
Investments	14	474,920		418,205	
		<u>4,783,639</u>		<u>4,382,161</u>	
<b>Current assets</b>					
Stocks	17	82,639		76,310	
Debtors	18	473,857		471,112	
Cash at bank and in hand		399,401		409,898	
		<u>955,897</u>		<u>957,320</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(2,774,169)</u>		<u>(2,713,972)</u>	
<b>Net current liabilities</b>		<u>(1,818,272)</u>		<u>(1,756,652)</u>	
<b>Total assets less current liabilities</b>		<u>2,965,367</u>		<u>2,625,509</u>	
<b>Creditors: amounts falling due after more than one year</b>	20	(32,264)		(66,157)	
<b>Provisions for liabilities</b>	22	(54,436)		(40,728)	
<b>Net assets</b>		<u>2,878,667</u>		<u>2,518,624</u>	
<b>Capital and reserves</b>					
Profit and loss reserves	24	2,631,898		2,277,687	
Non-controlling Interests		246,769		240,937	
		<u>2,878,667</u>		<u>2,518,624</u>	

The financial statements were approved by the board of directors and authorised for issue on 15/5/2020 and are signed on its behalf by:

  
 .....  
 Mr P F Chubb  
 Director

  
 .....  
 Mr A Scott Andrews  
 Director

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**COMPANY STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2019**

		2019		2018	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		247,954		291,789
Investments	14		2,317,472		2,260,757
			<u>2,565,426</u>		<u>2,552,546</u>
<b>Current assets</b>					
Stocks	17	18,935		18,803	
Debtors	18	4,205,999		3,735,299	
Cash at bank and in hand		234,833		168,697	
		<u>4,459,767</u>		<u>3,922,799</u>	
<b>Creditors: amounts falling due within one year</b>	19	(5,773,613)		(5,616,441)	
<b>Net current liabilities</b>			<u>(1,313,846)</u>		<u>(1,693,642)</u>
<b>Total assets less current liabilities</b>			<u>1,251,580</u>		<u>858,904</u>
<b>Creditors: amounts falling due after more than one year</b>	20		(22,893)		(48,171)
<b>Net assets</b>			<u><u>1,228,687</u></u>		<u><u>810,733</u></u>
<b>Capital and reserves</b>					
Profit and loss reserves	24		<u><u>1,228,687</u></u>		<u><u>810,733</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £417,954 (2018 - £285,718 loss).

The financial statements were approved by the board of directors and authorised for issue on 15/5/2020 and are signed on its behalf by:

  
 .....  
 Mr P F Chubb  
 Director

  
 .....  
 Mr A Scott Andrews  
 Director

Company Registration No. 00516639

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**GROUP STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
<b>Balance at 1 January 2018</b>	2,311,047	2,311,047	273,847	2,584,894
<b>Year ended 31 December 2018:</b>				
Loss and total comprehensive income for the year	(33,360)	(33,360)	(32,910)	(66,270)
<b>Balance at 31 December 2018</b>	2,277,687	2,277,687	240,937	2,518,624
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year	354,211	354,211	5,832	360,043
<b>Balance at 31 December 2019</b>	2,631,898	2,631,898	246,769	2,878,667

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**GROUP STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	870,712		999,470	
Interest paid		(19,336)		(13,607)	
Income taxes paid		(26,510)		(66,022)	
<b>Net cash inflow from operating activities</b>		<b>824,866</b>		<b>919,841</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(904,819)		(1,416,363)	
Proceeds on disposal of tangible fixed assets		19,940		11,281	
Purchase of fixed asset investments		(42,673)		(102,260)	
Proceeds on disposal of fixed asset investments		53,152		79,398	
Interest received		131		1,278	
Dividends received		7,819		6,390	
<b>Net cash used in investing activities</b>		<b>(866,450)</b>		<b>(1,420,276)</b>	
<b>Financing activities</b>					
Payment of finance leases obligations		(53,366)		36,099	
<b>Net cash (used in)/generated from financing activities</b>		<b>(53,366)</b>		<b>36,099</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(94,950)</b>		<b>(464,336)</b>	
Cash and cash equivalents at beginning of year		(223,740)		240,596	
<b>Cash and cash equivalents at end of year</b>		<b>(318,690)</b>		<b>(223,740)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		399,401		409,898	
Bank overdrafts included in creditors payable within one year		(718,091)		(633,638)	

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**Company information**

British Automobile Racing Club Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Thruxton Circuit, Thruxton, Andover, Hampshire, SP11 8PN.

The group consists of British Automobile Racing Club Limited and all of its subsidiaries.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The consolidated financial statements incorporate those of British Automobile Racing Club Limited and all of its subsidiaries. All financial statements are made up to 31 December 2019. The results of subsidiary undertakings acquired during the year are consolidated from the date of acquisition. Each of the subsidiary undertakings makes up its own financial statements to the same date as the company. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests.

**1.2 Going concern**

As a result of the impact of the coronavirus pandemic and the postponement of the group's activities, the group is expecting a decrease in turnover subsequent to the year end, and therefore losses being incurred. At the balance sheet date, the group was profitable, and had net assets. The group has reserves and has since obtained additional finance, which will enable it to continue to meet its liabilities as they fall due. However, if the situation does not improve, the group will implement further measures as appropriate. As a result, the directors believe that the group will be able to continue in business and to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.



**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**1 Accounting policies**

**(Continued)**

**1.3 Turnover**

Turnover represents the income receivable from the organisation of motor racing events and other related activities, excluding value added tax.

Subscriptions are recognised as income in the period to which they relate. Amounts received in respect of the next accounting period are carried forward as deferred income.

Gift vouchers are recognised as income in the period in which they are utilised and those not utilised or expired are carried forward to the next accounting period as deferred income. Gift vouchers not utilised within one year of issue expire and are written off to the profit and loss account.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**1.4 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. All intangibles have been calculated as having a useful life of less than five years.

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

**1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% on cost
Leasehold land and buildings	10% on cost
Fixtures, fittings and equipment	10%, 20% and 33% on cost
Motor vehicles	20% on cost and 20% on reducing balance

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

**1.6 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**1 Accounting policies**

**(Continued)**

**1.7 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

**1.8 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

**1.9 Cash at bank and in hand**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.10 Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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---

**1 Accounting policies**

**(Continued)**

***Classification of financial liabilities***

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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.12 Retirement benefits**

The company operates a defined contribution pension scheme on behalf of the group. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions to the scheme are charged as an expense as they fall due.

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---

**1 Accounting policies**

**(Continued)**

**1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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**2 Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

***Depreciation, amortisation and residual values***

The board reviews the asset's expected useful economic lives and assess residual values for all fixed asset classes to determine appropriate depreciation and amortisation policies.

***Bad debt provision***

Debtors are assessed by management on a case by case basis with reference to each debtor's financial situation, historical trends and relevant correspondence. A provision against irrecoverable balances is calculated and agreed by management accordingly.

***Valuation of investments***

Investments in subsidiaries are assessed for impairment on a regular basis with the use of external advisors where required. Impairment reviews take into account the entity's expected future cash flows which are discounted at the group's cost of capital.

Listed investments are valued at their market value as agreed to publicly available market information.

**3 Company limited by guarantee**

British Automobile Racing Club Limited is a company limited by the guarantees of its members and has no share capital. The extent of each member's liability to contribute to the company's debts and liabilities, should the company be unable to continue as a going concern, is limited to an amount not exceeding 50 pence.

**4 Turnover and other revenue**

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Sale of goods	472,155	332,862
Provision of services	13,256,141	13,094,364
	<u>13,728,296</u>	<u>13,427,226</u>

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4 Turnover and other revenue	(Continued)	
	2019	2018
	£	£
<b>Other significant revenue</b>		
Interest income	131	1,278
Dividends received	7,819	6,390
	<u>          </u>	<u>          </u>

All turnover arose within the United Kingdom.

5 Operating profit	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	-	351
Depreciation of owned tangible fixed assets	560,056	469,026
Profit on disposal of tangible fixed assets	(19,940)	(5,149)
Amortisation of intangible assets	-	148,384
	<u>          </u>	<u>          </u>

6 Auditor's remuneration	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	27,500	26,500
	<u>          </u>	<u>          </u>

**7 Employees**

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Administrative	24	23	13	12
Circuits and workshop	36	35	-	-
Catering	3	3	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	63	61	13	12
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**BRITISH AUTOMOBILE RACING CLUB LIMITED**  
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**7 Employees**

**(Continued)**

Their aggregate remuneration comprised:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	1,803,907	1,734,096	532,241	302,397
Social security costs	150,262	145,228	44,097	29,998
Pension costs	85,654	75,899	36,898	31,407
	<u>2,039,823</u>	<u>1,955,213</u>	<u>613,236</u>	<u>363,802</u>

**8 Interest receivable and similar income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	131	82
Other interest income	-	1,196
Total interest revenue	<u>131</u>	<u>1,278</u>
<b>Other income from investments</b>		
Dividends received	7,819	6,390
Total income	<u>7,950</u>	<u>7,668</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>131</u>	<u>82</u>
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**9 Interest payable and similar expenses**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	9,719	6,397
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	9,483	7,210
Other interest	134	-
Total finance costs	<u>19,336</u>	<u>13,607</u>

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**10 Amounts written off investments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	63,877	(36,131)
<b>Other gains/(losses)</b>		
Gain on disposal of fixed asset investments	3,316	2,950
	<u>67,193</u>	<u>(33,181)</u>

**11 Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	67,912	41,348
Adjustments in respect of prior periods	(1,454)	(12,421)
Total current tax	<u>66,458</u>	<u>28,927</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>13,731</u>	<u>100,385</u>
Total tax charge	<u>80,189</u>	<u>129,312</u>



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**FOR THE YEAR ENDED 31 DECEMBER 2019**

**11 Taxation**

**(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before taxation	440,232	63,042
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	83,644	11,978
Tax effect of expenses that are not deductible in determining taxable profit	-	261
Unutilised tax losses carried forward	(14,003)	465
Adjustments in respect of prior years	(1,454)	(12,421)
Permanent capital allowances in excess of depreciation	19,582	(2,207)
Amortisation on assets not qualifying for tax allowances	-	28,193
Adjustments in respect of financial assets	(7,253)	-
Effect of revaluations of investments	(12,767)	6,304
Other non-reversing timing differences	-	(2,492)
Under/(over) provided in prior years	-	(1,154)
Deferred tax adjustments in respect of prior years	13,731	100,385
Dividend income	(1,291)	-
Taxation charge	80,189	129,312

**12 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	2,380,037
<b>Amortisation and impairment</b>	
At 1 January 2019 and 31 December 2019	2,380,037
<b>Carrying amount</b>	
At 31 December 2019	-
At 31 December 2018	-

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

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**13 Tangible fixed assets**

<b>Group</b>	<b>Freehold property</b>	<b>Leasehold land and buildings</b>	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 January 2019	740,392	4,629,274	1,992,696	2,095,369	9,457,731
Additions	-	678,382	135,080	91,357	904,819
Disposals	-	(5,184)	(169,630)	(140,638)	(315,452)
At 31 December 2019	740,392	5,302,472	1,958,146	2,046,088	10,047,098
<b>Depreciation and impairment</b>					
At 1 January 2019	196,350	2,429,278	1,502,863	1,365,284	5,493,775
Depreciation charged in the year	16,339	183,703	181,303	178,711	560,056
Eliminated in respect of disposals	-	(5,184)	(169,630)	(140,638)	(315,452)
At 31 December 2019	212,689	2,607,797	1,514,536	1,403,357	5,738,379
<b>Carrying amount</b>					
At 31 December 2019	527,703	2,694,675	443,610	642,731	4,308,719
At 31 December 2018	544,042	2,199,996	489,833	730,085	3,963,956

<b>Company</b>	<b>Freehold property</b>	<b>Leasehold land and buildings</b>	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 January 2019	21,067	592,632	545,917	187,407	1,347,023
Additions	-	2,579	37,088	14,942	54,609
Disposals	-	(4,681)	(115,747)	(47,009)	(167,437)
At 31 December 2019	21,067	590,530	467,258	155,340	1,234,195
<b>Depreciation and impairment</b>					
At 1 January 2019	-	485,291	454,542	115,401	1,055,234
Depreciation charged in the year	-	22,210	50,045	26,189	98,444
Eliminated in respect of disposals	-	(4,681)	(115,747)	(47,009)	(167,437)
At 31 December 2019	-	502,820	388,840	94,581	986,241
<b>Carrying amount</b>					
At 31 December 2019	21,067	87,710	78,418	60,759	247,954
At 31 December 2018	21,067	107,341	91,375	72,006	291,789

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**14 Fixed asset investments**

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15	-	-	1,842,552	1,842,552
Listed investments		474,418	417,703	474,418	417,703
Unlisted investments		502	502	502	502
		<u>474,920</u>	<u>418,205</u>	<u>2,317,472</u>	<u>2,260,757</u>
<b>Listed investments included above:</b>					
Listed investments carrying amount		<u>474,418</u>	<u>417,703</u>	<u>474,418</u>	<u>417,703</u>

**Movements in fixed asset investments**  
**Group**

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 January 2019	418,205
Additions	42,673
Valuation changes	63,877
Disposals	(49,835)
At 31 December 2019	<u>474,920</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>474,920</u>
At 31 December 2018	<u>418,205</u>

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**14 Fixed asset investments**

**(Continued)**

**Movements in fixed asset investments**  
**Company**

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2019	2,070,552	418,205	2,488,757
Additions	-	42,673	42,673
Valuation changes	-	63,877	63,877
Disposals	-	(49,835)	(49,835)
At 31 December 2019	2,070,552	474,920	2,545,472
<b>Impairment</b>			
At 1 January 2019 and 31 December 2019	228,000	-	228,000
<b>Carrying amount</b>			
At 31 December 2019	1,842,552	474,920	2,317,472
At 31 December 2018	1,842,552	418,205	2,260,757

**15 Subsidiaries**

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
BARC (Pembrey) Limited		Provision of motorsport facilities	Ordinary	100.00
BARC (TOCA) Limited		Organisation of motorsport championships and events	Ordinary	100.00
BARC Commercial Limited		Provision of management services	Ordinary	100.00
Croft Promo-Sport Limited		Provision of motorsport facilities	Ordinary	100.00
Harewood Hill Limited		Promotion of leisure pursuits, particularly motor sport	Ordinary	60.33
Ian Taylor Motor Racing School Limited		Operation of a motor racing school	Ordinary	100.00
Thruxton (B.A.R.C.) Limited		Provision of motorsport facilities	Ordinary	100.00

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**16 Financial instruments**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	474,418	417,703	474,418	417,703

Financial assets measured at fair value through profit or loss are comprised of listed investments.

Financial assets that are debt instruments measured at amortised cost are comprised of trade debtors, other debtors and amounts owed by group.

Financial liabilities measured at amortised cost are comprised of trade creditors, other creditors, accruals, amounts owed to group undertakings, bank loans and obligations under finance leases and hire purchase arrangements.

**17 Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finished goods and goods for resale	82,639	76,310	18,935	18,803

**18 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	217,520	204,855	61,757	16,545
Corporation tax recoverable	-	31,631	-	-
Amounts owed by group undertakings	-	-	4,065,787	3,603,192
Other debtors	830	3,000	19,280	28,999
Prepayments and accrued income	255,507	231,626	37,680	57,583
	473,857	471,112	4,184,504	3,706,319
Deferred tax asset (note 22)	-	-	21,495	28,980
	473,857	471,112	4,205,999	3,735,299

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**19 Creditors: amounts falling due within one year**

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts		718,091	633,638	718,091	633,638
Obligations under finance leases	21	48,648	70,219	40,034	35,077
Trade creditors		359,216	428,778	105,292	94,757
Amounts owed to group undertakings		-	-	4,738,714	4,686,613
Corporation tax payable		67,935	59,595	-	-
Other taxation and social security		147,313	153,243	41,585	44,783
Other creditors		43,435	81,733	40,639	16,971
Accruals and deferred income		1,389,531	1,286,766	89,258	104,602
		<u>2,774,169</u>	<u>2,713,972</u>	<u>5,773,613</u>	<u>5,616,441</u>

**20 Creditors: amounts falling due after more than one year**

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Obligations under finance leases	21	26,424	58,219	17,053	40,233
Deferred income		5,840	7,938	5,840	7,938
		<u>32,264</u>	<u>66,157</u>	<u>22,893</u>	<u>48,171</u>

**21 Finance lease obligations**

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	48,648	70,219	40,034	35,077
In two to five years	26,424	58,219	17,053	40,233
	<u>75,072</u>	<u>128,438</u>	<u>57,087</u>	<u>75,310</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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**22 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	<b>Liabilities</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Assets</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Group</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	54,436	40,728	-	-
	<u>54,436</u>	<u>40,728</u>	<u>-</u>	<u>-</u>
	<b>Liabilities</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Assets</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Company</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	-	-	21,495	28,980
	<u>-</u>	<u>-</u>	<u>21,495</u>	<u>28,980</u>
			<b>Group</b>	<b>Company</b>
			<b>2019</b>	<b>2019</b>
			<b>£</b>	<b>£</b>
<b>Movements in the year:</b>				
Liability/(Asset) at 1 January 2019			40,728	(28,980)
Charge to profit or loss			13,708	7,485
			<u>13,708</u>	<u>7,485</u>
Liability/(Asset) at 31 December 2019			54,436	(21,495)
			<u>54,436</u>	<u>(21,495)</u>

The deferred tax asset/liability set out above is expected to reverse within the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.

**23 Retirement benefit schemes**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	82,710	75,889
	<u>82,710</u>	<u>75,889</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

**24 Reserves**

**Other reserves**

Non-controlling interests is a reserve in which the proportion of retained earnings and accumulated losses attributable to minority interests is recorded.

**Profit and loss account**

This reserve records retained earnings and accumulated losses.

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**25 Financial commitments, guarantees and contingent liabilities**

At 31 December 2019, subsidiary companies had commitments to pay rent of £394,850 (2018 - £394,850) for the use of facilities during the following year.

**26 Operating lease commitments**

**Lessee**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	843,272	435,631	53,500	65,919
Between two and five years	3,158,554	1,188,586	223,000	260,208
In over five years	5,552,193	3,249,730	258,833	292,908
	<u>9,554,019</u>	<u>4,873,947</u>	<u>535,333</u>	<u>619,035</u>

During the year to 31 December 2019, lease payments totalling £423,501 (2018 - £392,187) were recognised within administrative expenses.

**27 Transactions with Council members and related parties**

Remuneration awarded to key management personnel other than directors during the year totalled £547,122 (2018 - £438,573).

The group has taken advantage of the exemption under FRS 102 to not disclose transactions with related parties which are 100% owned within a group.



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**28 Cash generated from group operations**

	2019 £	2018 £
Profit/(loss) for the year after tax	360,043	(66,270)
<b>Adjustments for:</b>		
Taxation charged	80,189	129,312
Finance costs	19,336	13,607
Investment income	(7,950)	(7,668)
Gain on disposal of tangible fixed assets	(19,940)	(5,149)
Amortisation and impairment of intangible assets	-	148,384
Depreciation and impairment of tangible fixed assets	560,056	469,026
Gain on sale of investments	(3,316)	(2,950)
Amounts written off investments	(63,877)	36,131
<b>Movements in working capital:</b>		
Increase in stocks	(6,329)	(13,415)
(Increase)/decrease in debtors	(34,377)	259,799
(Decrease)/increase in creditors	(11,025)	39,618
Decrease in deferred income	(2,098)	(955)
<b>Cash generated from operations</b>	<u>870,712</u>	<u>999,470</u>

**29 Analysis of changes in net debt - group**

	1 January 2019 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	409,898	(10,497)	399,401
Bank overdrafts	(633,638)	(84,453)	(718,091)
	<u>(223,740)</u>	<u>(94,950)</u>	<u>(318,690)</u>
Obligations under finance leases	(128,438)	53,366	(75,072)
	<u>(352,178)</u>	<u>(41,584)</u>	<u>(393,762)</u>

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**30 Analysis of changes in net debt - company**

	<b>1 January 2019 £</b>	<b>Cash flows £</b>	<b>31 December 2019 £</b>
Cash at bank and in hand	168,697	66,136	234,833
Bank overdrafts	(633,638)	(84,453)	(718,091)
	<u>(464,941)</u>	<u>(18,317)</u>	<u>(483,258)</u>
Obligations under finance leases	(75,310)	18,223	(57,087)
	<u>(540,251)</u>	<u>(94)</u>	<u>(540,345)</u>