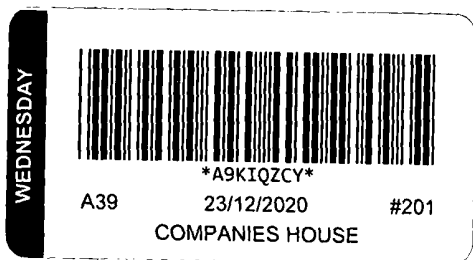


Registration number: 00882843

Silverstone Circuits Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



Silverstone Circuits Limited

Company Information

Directors	J Grant N Adams S Pringle N J Read
Registered office	Silverstone Circuit Towcester Northamptonshire NN12 8TN
Solicitors	Howes Percival LLP Oxford House Cliftonville Northampton NN1 5PN
Bankers	HSBC Bank 19 Midsummer Place Milton Keynes MK9 3GB
Auditor	KPMG LLP Chartered Accountants The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1BP

Silverstone Circuits Limited

Strategic Report for the Year Ended 31 December 2019

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

Principal activity

The principal activity of the company is the operation of a motor racing circuit.

Review of the business

Operating profit before interest, tax, depreciation and exceptional costs ('EBITDA') for the period amounted to £6,977,000 (2018 - £4,759,000). The profit for the period after taxation amounted to £808,000 (2018 - £480,000), which included £3,062,000 (2018 - £393,000 credit) of exceptional costs and £nil (2018 - £1,624,000) of impairment loss. The exceptional items relate to the creation of provisions against debts due from the company's parent company, the British Racing Drivers' Club, and Silverstone Heritage Limited, the owner and operator of The Silverstone Experience. The impairment loss recorded in 2018 related to an unsuccessful full track resurface which was undertaken during that year and which had to be undertaken again in 2019 in order to restore the company's FIM track license.

The company is responsible for the day-to-day management of the Silverstone venue which hosts several major motorsport events, the most significant being the British Grand Prix. In addition, it hires its many facilities to a broad range of clients and regularly hosts activities for both corporate and retail customers. The venue also operates a substantial conference, banqueting and exhibition space.

The British Racing Drivers' Club (BRDC), which is the parent company of Silverstone Circuits Limited (SCL), owns the Silverstone circuit and associated lands.

The Board has continued to implement its plan to develop a more profitable, cash generative and sustainable SCL business and substantial progress has been made towards this objective over the last four years. The underlying 2019 financial performance continued the track record of improvement seen in both 2017 and 2018. The resulting strengthening of the company's balance sheet and cash position positioned it to manage successfully what has turned out to be a challenging year in 2020.

The company's business operations have been significantly impacted in 2020 by the COVID-19 pandemic and the associated UK Government restrictions on business activities. The Board took the decision in March 2020 to immediately close the Silverstone circuit in March 2020 to the public, in line with government guidelines. The company utilised the government furlough scheme to place a large proportion of its workforce on furlough leave. Staff members retained to work focused on maintaining relationships with customers in order to re-plan postponed activities and to put in place plans to re-mobilise the business in a manner compliant with UK government guidelines regarding COVID-19 mitigation.

The closure of the circuit has had a significant impact on the financial position of the company in 2020, due in particular to the cancellation of large public events such as the British Grand Prix. The Board moved swiftly to agree new funding arrangements with the company's new main banking partner, HSBC, so that the company could continue to fund its on-going business operations. In addition, after several years of financial improvement, the company's balance sheet and cash position have been strengthened such that the short-term closure of the circuit could be managed appropriately, albeit the company still has net liabilities.

The circuit re-opened for track activity in May 2020, but with much lower business volumes than before the circuit closure as the business adapted to the new COVID-19 guidelines, e.g. regarding social distancing and the use of personal protective equipment. The Board is confident that, as economic activity returns, the business will see a progressive improvement in financial performance.

Silverstone Circuits Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

The company's key financial and other performance indicators during the year were as follows:

	2019	2018
Turnover (£000)	60,095	58,050
Gross profit margin (%)	32	29
Adjusted EBITDA (£000)	6,977	4,759
Adjusted EBITDA margin (%)	12	8

The directors consider that operating profit before depreciation and exceptional items (often referred to as adjusted 'EBITDA' or earnings before interest, tax, depreciation, amortisation and exceptional items) best represents the underlying trading performance of the business as it excludes depreciation (which is a function of historical capital expenditures) and non-recurring exceptional items.

Principal risks and uncertainties

The directors are responsible for identifying the principal risks facing the business, mitigating these as far as practicable and ensuring that processes are in place to manage the remaining risks effectively.

The company remains exposed to the risks and uncertainties of operating a motor racing circuit and its related activities. As the company has substantial fixed assets, its fixed and contractually committed costs are high relative to its revenue. It therefore is important that a wide range of business activities continue to be developed to diversify sources of revenue and provide improved coverage of fixed costs.

Major risks include:

Financial structure

The nature of the company's business, with substantial fixed assets and fixed costs that are high relative to revenues, increases the potential impact on profit and cash of any unexpected reduction in revenues. The business improvement plan implemented successfully in the last three years has achieved its objective of reducing financial risk by controlling costs, diversifying revenues and improving cash generation.

Revenue

Because of its high fixed cost base, it is important for the company to minimise the risk of revenue falling short of expectations. It therefore remains a strategic priority to grow and diversify revenues from a variety of profitable sources. In 2019, the company has seen total revenue grow for the third year in succession, in part due to the popularity of the British Grand Prix which generates approximately half of the company's annual revenue.

On 9 July 2019 a new 5-year contract was signed with Formula One World Championship Ltd to host the Grand Prix at Silverstone until 2024. Unfortunately, due to the enforced absence of public attendance at the 2020 Grand Prix, the commercial benefits of the new contract will not be realised until at least 2021. The Board, however, considers that the commercial terms of the new contract, compared to the previous contract, significantly reduce the financial risk of the company and will improve its profitability assuming that the event can be attended by the public from 2021 onwards.

Silverstone Circuits Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

Principal risks and uncertainties (continued)

Liquidity

Following the onset of the COVID-19 pandemic and the UK Government's restrictions on business activities from March 2020, the company cancelled events open to the public and significantly curtailed its other activities. The company has provided refunds to many of its customers for cancelled events and this has adversely affected on the company's cash position. In addition, the company's expectations with respect to cash generation have been reduced whilst business activities are limited due to COVID-19 guidelines.

Accordingly, the company has put in place an overdraft facility with its main banking partner, HSBC, to ensure it has sufficient liquid funds to meet liabilities as they fall due. The directors prepare a detailed cash flow forecast, which is reviewed on a monthly basis and shared with HSBC to ensure that the funding facilities available to the company are appropriate for its needs.

Credit risk

Policies are in place to mitigate credit risk. Cash collection is well controlled, with revenues for most events collected before customers are admitted to the circuit. No material credit losses were sustained in 2018 or in 2019.

Foreign currency risk

The majority of revenues and costs are denominated in Pounds Sterling. Revenues and costs designated in US Dollars and Euros are partially hedged, generally by means of forward exchange contracts, to reduce risk.

Brexit risk

The uncertainty surrounding the form Brexit will take remains a concern for the business, although the directors believe that the company has only a minimal exposure to risk in this area. The main focus of concern relates to customs clearance issues, particularly for race teams, and the possibility of cancellation of UK rounds of championships due to excessive border delays. The directors consider the expected cost impact of additional customs tariffs and duties to be minimal due to the UK centric nature of the company's supply chain.

Section 172(1) statement

The directors of Silverstone Circuits Limited 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 company for the benefit of its members as a whole during the year ended 31st December 2019.

The British Racing Drivers' Club Limited owns the Silverstone race circuit and all its associated assets. The entity is also the parent company of Silverstone Circuits Limited which operates the circuit and hosts events such as The F1 British Grand Prix.

The British Racing Drivers' Club ("The Club") is a members club, inaugurated in 1928, that exists to promote the long-term interests of British motor sport and there are strict criteria for membership. Memberships cannot be purchased or sold and the Club's members do not receive a dividend.

Silverstone Circuits Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

Section 172(1) statement (continued)

The Club, and its subsidiaries, are run on a commercial basis to ensure that funds are consistently invested in the Silverstone assets and in the success of British motor sport, for example through supporting emerging motor sport talent.

Members

The board of directors, as members of the Club, understand that they are accountable to current members and also to future generations of members. Consideration of the long-term success and viability of the Club is therefore an important part of any strategic or commercial decision-making.

Employees

Silverstone Circuits Limited communicates with employees on a regular basis via team updates and newsletters. The majority of staff normally work at the Silverstone site and have close access to at least one Silverstone Circuits Limited board director on a daily basis. Major business developments are communicated promptly to all staff impacted and staff opinions are regularly captured in the day-to-day business.

Customers

It is essential to the long-term success of Silverstone that strong customer relationships are developed and great emphasis is placed on customer feedback and in delighting customers. Customer contact is maintained via a variety of communication channels, including telephone, e-mail, social media and face-to-face. Feedback ratings received on the F1 British Grand Prix are consistently extremely high and customer reviews are overwhelmingly positive across all activities and events.

Suppliers and Partners

Strong relationships are enjoyed with key partners and suppliers and a number of multi-year contractual relationships are in place to support the continual delivery of excellent service to customers. The directors and management seek to build commercial relationships that strike a fair balance between all parties involved so that the relationships can be sustained over the longer term.

Local Community

The Silverstone circuit is one of the country's most famous sporting venues and has a rich history dating back to its use as an airfield in the Second World War. The board of directors take seriously the place that Silverstone has in the local community and ensure that engagement with stakeholders in the local area is timely especially with respect to activities being held at the circuit.

Silverstone Circuits Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

Future developments

The company intends to maintain its principal activity of operating Silverstone as a premier international motor racing venue. It continues to explore and implement opportunities to extend its range of activities and further improve long-term financial performance.

The Board recognises that the COVID-19 pandemic has had a significant impact on the company's finances, in particular due to the cancellation of public events, such as the British Grand Prix. The Board however is mindful that the new contract with Formula One will serve the business well until at least 2024.

In addition, the company is well supported by its main banking partner and the Board feel that as the business environment improves, the company is well placed to take advantage of new profitable opportunities as they develop.

Approved by the Board on 17 December and signed on its behalf by:



.....
J Grant
Director

Silverstone Circuits Limited

Directors' Report for the Year Ended 31 December 2019

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

Directors of the company

The directors who held office during the year were as follows:

J Grant

N Adams

H Irving (resigned 20 March 2020)

S Pringle

N J Read (appointed 24 January 2019)

Dividends

The directors do not recommend the payment of a dividend (2018 - £nil).

Going concern

On 9th July 2019, a new contract was signed with Formula One World Championship Ltd to host the Grand Prix at Silverstone until 2024. Unfortunately, due to the enforced absence of public attendance at the 2020 Grand Prix, the commercial benefits of the new contract won't be realised until at least 2021. The Board, however, considers that the commercial terms of the new contract, compared to the previous contract, significantly reduce the financial risk of the company and will improve its profitability assuming that the event can be attended by the public from 2021 onwards.

The Company as at 31 December 2019, had net current liabilities of £16,339k and net liabilities of £5,255k.

The directors have prepared cash flow forecasts up to 31 December 2021 to assess whether the Company is able to meet its liabilities as they fall due within that period. The base case prepared assumes a gradual recovery through 2021, although still 30% lower than what was achieved in 2019. A severe but plausible downside scenario has been prepared which assumes that the prolonged national and local lockdown measures continue into 2021 with sales forecast to be an additional 20% lower for the British Grand Prix than in the base case. Mitigating cost control actions within management's control have been considered to reduce discretionary spend. In the downside scenario, the Company will fully utilise the current overdraft facilities available to it.

Should the impact of Covid-19, through the cancellation of events or restrictions on customer attendances at major events such as the British Grand Prix, exceed the severe but plausible downside scenario, additional financing would be required for the company to continue as a going concern. As at 31 December 2019 the Company has cash of £14,272k and as detailed in the Directors' Report has agreed a new overdraft facility with its main banking partner, HSBC, which provides a £10m overdraft facility and which is due for renewal on 30 September 2021. The cash flow forecasts assume that this facility will be renewed on current terms at that date.

Based on the severe but plausible forecasts the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the circumstances described above in relation to the uncertainty of the COVID-19 pandemic and the availability of financing represent a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Important non-adjusting events after the financial period

Subsequent to the balance sheet date, as noted in the Strategic Report, the COVID-19 outbreak has developed rapidly, being declared a global pandemic. The principal risks and uncertainties and the impact on going concern have been discussed in detail elsewhere in these financial statements. No adjustment has been made to the 2019 results in respect of COVID-19. The directors have concluded that it is a non-adjusting event as the conditions did not exist at the balance sheet date. The effect on trading in 2020 and beyond is yet to be fully clarified.

Silverstone Circuits Limited

Directors' Report for the Year Ended 31 December 2019 (continued)

Directors' liabilities

The company has granted an indemnity to each of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Auditor appointment

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Disclosure requirements

In accordance with the Companies Act 2006, section 414C(11), the company's Strategic Report contains certain disclosures required in the Directors' Report.

Approved by the Board on ~~17 December~~ and signed on its behalf by:



J. Grant
Director

Silverstone Circuit
Towcester
Northamptonshire
NN12 8TN

Silverstone Circuits Limited

Statement of Directors' Responsibilities

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Silverstone Circuits Limited

Opinion

We have audited the financial statements of Silverstone Circuits Limited (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements which indicates that due to the ongoing Covid-19 pandemic, in a severe but plausible downside scenario, the company will utilise in full its available overdraft facility from its bankers, HSBC. Should Covid-19 continue to impact the business through the cancellation of events or restrictions on customer attendances at major events such as the British Grand Prix, the company would be dependent on additional facilities being made available as well as the extension of such facilities when they are due for renewal in September 2021. These events and conditions, along with the other matters explained in note 2, constitute material uncertainties that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of Silverstone Circuits Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Peter Selvey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

170 Midsummer Boulevard
Milton Keynes
MK9 1BP
United Kingdom

Date: 21 December 2020

Silverstone Circuits Limited

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Turnover	3	60,095	58,050
Cost of sales		<u>(40,930)</u>	<u>(41,357)</u>
Gross profit		19,165	16,693
Operating expenses		<u>(17,966)</u>	<u>(16,086)</u>
Operating profit before depreciation, impairment and exceptional items*		6,977	4,759
Depreciation		(2,716)	(2,921)
Exceptional items	4	(3,062)	393
Impairment loss		<u>-</u>	<u>(1,624)</u>
Operating profit	4	1,199	607
Other interest receivable and similar income	8	23	22
Interest payable and similar expenses	9	<u>(109)</u>	<u>(149)</u>
Profit before tax		1,113	480
Tax on profit	10	<u>(305)</u>	<u>-</u>
Profit for the financial year		<u>808</u>	<u>480</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

* The directors consider that operating profit before depreciation, impairment and exceptional items (often referred to as adjusted 'EBITDA' or earnings before interest, tax, depreciation and exceptional items) best represents the underlying trading performance of the business as it excludes depreciation (which is a function of historical capital expenditures) and non-recurring exceptional items. Although, an exceptional cost has been incurred in the current and prior year relating to debts with the parent company (BRDC), these costs are not necessarily incurred each year.

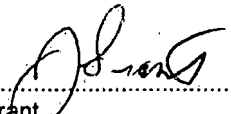
The notes on pages 15 to 30 form an integral part of these financial statements.

Silverstone Circuits Limited

(Registration number: 00882843)
Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	11	12,672	10,423
Current assets			
Stocks	12	290	279
Debtors (of which £- is non-current (2018 - £300,000))	13	4,504	3,659
Cash at bank and in hand		<u>14,272</u>	<u>9,984</u>
		19,066	13,922
Creditors: Amounts falling due within one year	14	<u>(35,405)</u>	<u>(27,482)</u>
Net current liabilities		<u>(16,339)</u>	<u>(13,560)</u>
Total assets less current liabilities		(3,667)	(3,137)
Creditors: Amounts falling due after more than one year	14	(1,438)	(1,570)
Provisions for liabilities	16	<u>(150)</u>	<u>(1,356)</u>
Net liabilities		<u>(5,255)</u>	<u>(6,063)</u>
Capital and reserves			
Called up share capital	17	1,000	1,000
Revaluation reserve	18	2,880	2,880
Retained earnings	18	<u>(9,135)</u>	<u>(9,943)</u>
Total equity		<u>(5,255)</u>	<u>(6,063)</u>

The financial statements were approved and authorised by the Board on 17 December 2020 and signed on its behalf by:


.....
J Grant
Director

The notes on pages 15 to 30 form an integral part of these financial statements.

Silverstone Circuits Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Revaluation reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	1,000	2,880	(9,943)	(6,063)
Profit for the year	-	-	808	808
At 31 December 2019	<u>1,000</u>	<u>2,880</u>	<u>(9,135)</u>	<u>(5,255)</u>

	Share capital £ 000	Revaluation reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018	1,000	2,880	(10,423)	(6,543)
Profit for the year	-	-	480	480
At 31 December 2018	<u>1,000</u>	<u>2,880</u>	<u>(9,943)</u>	<u>(6,063)</u>

The notes on pages 15 to 30 form an integral part of these financial statements.

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Silverstone Circuit
Towcester
Northamptonshire
NN12 8TN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements were prepared in accordance with applicable United Kingdom Accounting Standards, including FRS 102, and with the Companies Act 2006. These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in pounds sterling and rounded to thousands. The company's functional and presentation currency is pounds sterling.

In July 2017, the company exercised a break clause in its agreement with Formula One World Championship Ltd to host the Grand Prix at Silverstone due to the increasingly unprofitable nature of that contract. On 9th July, 2019 the Board signed a new contract with Formula One World Championship Ltd to host the Grand Prix at Silverstone until 2024. The Board consider that the commercial terms of the new contract significantly reduce the financial risk of the company and will improve its profitability over the longer term, albeit there will be reduced profitability in 2020 due to the event being held without the public in attendance.

The Company as at 31 December 2019, had net current liabilities of £16,339k and net liabilities of £5,255k.

The directors have prepared cash flow forecasts up to 31 December 2021 to assess whether the Company is able to meet its liabilities as they fall due within that period. The base case prepared assumes a gradual recovery through 2021, although still 30% lower than what was achieved in 2019. A severe but plausible downside scenario has been prepared which assumes that the prolonged national and local lockdown measures continue into 2021 with sales forecast to be an additional 20% lower for the British Grand Prix than in the base case. Mitigating cost control actions within management's control have been considered to reduce discretionary spend. In the downside scenario, the Company will fully utilise the current overdraft facilities available to it.

Should the impact of Covid-19, through the cancellation of events or restrictions on customer attendances at major events such as the British Grand Prix, exceed the severe but plausible downside scenario, additional financing would be required for the company to continue as a going concern. As at 31 December 2019 the Company has cash of £14,272k and as detailed in the Directors' Report has agreed a new overdraft facility with its main banking partner, HSBC, which provides a £10m overdraft facility and which is due for renewal on 30 September 2021. The cash flow forecasts assume that this facility will be renewed on current terms at that date.

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Based on the severe but plausible forecasts the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the circumstances described above in relation to the uncertainty of the COVID-19 pandemic and the availability of financing represent a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The company has taken advantage of the following exemptions:

- from disclosing the company key management personnel compensation;
- from disclosing transactions with other wholly owned entities for the period that they form part of the same group;
- from preparing a statement of cash flows and the related notes on the basis that it is a qualifying entity and its parent company, The British Racing Drivers' Club Limited, includes the company's cash flows in its own consolidated financial statements; and
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, including:
 - categories of financial instruments;
 - items of income, expenses, gains or losses relating to financial instruments; and
 - exposure to management of financial risks.

Name of parent of group

These financial statements are consolidated in the financial statements of The British Racing Drivers' Club Limited.

The financial statements of The British Racing Drivers' Club Limited may be obtained from The British Racing Drivers' Club Limited may be obtained from Silverstone Circuit, Northamptonshire, NN12 8TN.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Revenue recognition

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received and receivable, excluding discounts, rebates, VAT and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on completion of the service or provision of the facility.

Rendering of services

Revenue for the provision of event and conferencing services is recognised at the point at which the event takes place. Revenue from the provision of experience services is recognised at the point of delivering the experience.

Commissions

Sales commission is recognised over the period in which the service is provided..

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

<i>Asset class</i>	<i>Depreciation method and rate</i>
Plant and machinery	3 to 20 years straight line basis
Motor vehicles	3 to 10 years straight line basis
Land and buildings	3 to 20 years straight line basis
Track works	8 to 12 years straight line basis
Furniture and fittings	3 to 20 years straight line basis

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Impairment of assets

At each reporting date non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost comprises direct materials. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Alternative performance measures

The directors use adjusted EBITDA as the preferred business performance measure as it best represents the underlying trading performance of the business by excluding depreciation (which is a function of historical capital expenditure) and non-recurring exceptional items. Exceptional items are expenses or income which either arise from the normal operation of the business but are outside the normal value range expected or relate to items that do not occur in the normal course of business.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2019 £ 000	2018 £ 000
Sale of goods	47,240	46,098
Rendering of services	12,455	11,531
Commissions received	400	421
	<u>60,095</u>	<u>58,050</u>

The analysis of the company's revenue for the year by market is as follows:

	2019 £ 000	2018 £ 000
UK	<u>60,095</u>	<u>58,050</u>

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

4 Operating profit

Arrived at after charging/(crediting)

	Note	2019 £ 000	2018 £ 000
Depreciation expense	11	2,716	2,921
Impairment loss		-	1,624
Foreign exchange losses		175	334
Operating lease expense - plant and machinery		230	218
Profit on disposal of tangible assets		-	(240)
Exceptional costs			
Legal costs relating to Lotus dealership divestment and catering procurement case		-	(730)
Restructuring costs		-	52
Intercompany debtor write off		2,187	285
Doubtful debt provision with respect to Silverstone Heritage Limited		875	-
		<u>3,062</u>	<u>(393)</u>

In the prior year, the business undertook an exercise to re-align the organisational structure of the company with its future strategic focus. The majority of the restructuring expenses incurred are expected to be allowable for tax purposes, with the exception of a provision against an inter-company debtor of £2,187,000 (2018 - £285,000). The company classifies profit and loss items as exceptional where they are considered to be outside of the normal trading activities of the company and generally not likely to recur continuously in future periods. The exceptional costs in the current year are not considered to recur continuously in the future.

In the current and prior periods, the company has loaned funds to Silverstone Heritage Limited, a community benefit society which owns and operates The Silverstone Experience, a museum displaying Silverstone's historic association with motor sport.

Due to the COVID-19 pandemic, The Silverstone Experience was closed from late March until late July 2020, and then later for one month from early November.

Due to resulting reduction in visitor numbers and the associated impacts on financial performance, Silverstone Heritage Limited will not be able to meet its contractual loan repayments as they fall due. In view of the unusual circumstances, the Board of Directors has agreed to a request from Silverstone Heritage Limited for an extended period in which to repay the loans.

Given the current uncertainty regarding the future financial performance of Silverstone Heritage Limited, the Board has decided to make a full provision against the monies owed in the current financial period of £875,000 (2018 - £nil).

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

4 Operating profit (continued)

On 5 April 2019 all of the parties involved in the litigation between Silverstone Circuits Limited and the former directors of Silverstone Hospitality Limited and its former procurement companies agreed to settle the case. Consequently, the unrequired provision (£699,000), which had been charged to the financial statements in previous years, was released as an exceptional gain in the prior period. The directors believe that the remaining provision held in the financial statements will be sufficient to cover any further legal costs required to conclude the case.

The business and asset of the Lotus Silverstone business were sold subsequent on 9 April 2018. The legal costs related to this transaction were included in the exceptional costs above for the prior year.

During the prior period, the company undertook works to resurface the entire track at Silverstone, engaging its long standing paving partner to complete the works. Following the cancellation of the British round of the MotoGP Championship held at Silverstone, and the subsequent loss of the company's FIM track license, lengthy investigations were conducted on track and the directors decided to undertake a second, full track resurface. As a result, an impairment loss (£1,624,000) was charged against the Grand Prix track asset in the prior period. This represents the current value of the old asset that was removed ahead of the resurfacing project.

5 Auditor's remuneration

	2019 £ 000	2018 £ 000
Audit of the financial statements	18	39
Auditor's remuneration - Tax services	10	9
	<u>28</u>	<u>48</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £ 000	2018 £ 000
Wages and salaries	6,219	5,262
Social security costs	592	538
Pension costs, defined contribution scheme	198	180
	<u>7,009</u>	<u>5,980</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administrative, operational and management	<u>161</u>	<u>150</u>

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £ 000	2018 £ 000
Remuneration	904	286
Contributions paid to money purchase schemes	36	23
	<u>940</u>	<u>309</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019 No.	2018 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>2</u>

In respect of the highest paid director:

	2019 £ 000	2018 £ 000
Remuneration	358	155
Company contributions to money purchase pension schemes	14	12
	<u>372</u>	<u>167</u>

8 Other interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest income on bank deposits	22	22
Other finance income	1	-
	<u>23</u>	<u>22</u>

9 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest on obligations under finance leases	71	111
Interest expense on other finance liabilities	38	38
	<u>109</u>	<u>149</u>

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

10 Taxation

Tax charged in the profit and loss account:

	2019 £ 000	2018 £ 000
Current taxation		
UK corporation tax	255	-
Deferred taxation		
Arising from origination and reversal of timing differences	50	-
Tax expense in the income statement	305	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit before tax	1,113	480
Corporation tax at standard rate	211	91
Expenses not deductible for tax purposes	419	241
Deferred tax credit relating to changes in tax rates or laws	(16)	(35)
Decrease from tax losses for which no deferred tax asset was recognised	(89)	(297)
Fixed asset differences	248	-
Group relief claimed	(468)	-
Total tax charge	305	-

The tax rate for the current period is the same as the prior period.

Deferred tax

There are net deferred tax liabilities included in the balance sheet of £50,000 (2018 - £-)

2019	Asset £ 000	Liability £ 000
Fixed asset timing differences	-	70
Short term timing differences	20	-
	20	70

There are £nil (2018 - £110,000) of unrecognised deferred tax assets.

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

10 Taxation (continued)

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporate tax rate from 19% to 17%. This was subsequently confirmed in the Budget in March 2020. This announcement does not constitute substantive enactment and therefore deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 17%.

11 Tangible assets

	Land and buildings £ 000	Furniture and fittings £ 000	Motor vehicles £ 000	Plant and machinery £ 000	Track works £ 000	Total £ 000
Cost or valuation						
At 1 January 2019	3,887	12,107	1,665	4,328	14,091	36,078
Additions	377	357	-	276	3,955	4,965
Disposals	-	-	(4)	-	-	(4)
At 31 December 2019	<u>4,264</u>	<u>12,464</u>	<u>1,661</u>	<u>4,604</u>	<u>18,046</u>	<u>41,039</u>
Depreciation						
At 1 January 2019	311	10,090	1,398	3,693	10,163	25,655
Charge for the year	130	861	60	330	1,335	2,716
Eliminated on disposal	-	-	(4)	-	-	(4)
At 31 December 2019	<u>441</u>	<u>10,951</u>	<u>1,454</u>	<u>4,023</u>	<u>11,498</u>	<u>28,367</u>
Carrying amount						
At 31 December 2019	<u>3,823</u>	<u>1,513</u>	<u>207</u>	<u>581</u>	<u>6,548</u>	<u>12,672</u>
At 31 December 2018	<u>3,576</u>	<u>2,017</u>	<u>267</u>	<u>635</u>	<u>3,928</u>	<u>10,423</u>

Included within the net book value of land and buildings above is £3,823,000 (2018 - £3,576,000) in respect of long leasehold land and buildings.

Revaluation

The fair value of the company's circuit assets, included within Land and buildings, was revalued on 31 December 2017 by an independent valuer, on an existing use basis, utilising the net present value of forecast future income and cash flows expected to be generated by these assets. This resulted in an increase in the carrying value of £2,880,000 in 2017. Had this class of asset been measured on a historical cost basis, the carrying amount would have been £943,000 (2018 - £696,000).

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

11 Tangible assets (continued)

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2019 £ 000	2018 £ 000
Plant and machinery	154	-
Motor vehicles	207	267
Furniture and fittings	90	959
	<u>451</u>	<u>1,226</u>

12 Stocks

	2019 £ 000	2018 £ 000
Engineering stock, fuel and merchandise	<u>290</u>	<u>279</u>

The amount of reversal of impairment recognised in profit or loss is £60,000 (2018 - £137,000). The impairment charge and the reversal are included within the cost of sales. Provisions for impairment held in the prior year in respect of catering stocks and merchandising were released in the year as stocks were able to be utilised.

13 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	3,272	1,607
Other debtors and prepayments	<u>1,232</u>	<u>2,052</u>
	4,504	3,659
Less non-current portion	<u>-</u>	<u>(300)</u>
Total current trade and other debtors	<u>4,504</u>	<u>3,359</u>

Trade debtors are stated after provisions for impairment of £159,000 (2018 - £61,000). Other debtors are stated after provisions for impairment of £740,000 (2018 -£nil).

Details of non-current trade and other debtors

£Nil (2018 - £300,000) of Other debtors and prepayments is classified as non current and represents amounts owed from Silverstone Heritage Limited. The loan is denominated in £ with a nominal-interest rate of UK base rate plus 1%. This loan is repayable principally if the company reaches a specified annual profit before tax level; or by 31 December 2022. A doubtful debt provision has been recognised in the current year against this balance, and all other amounts due from Silverstone Heritage Limited, as detailed in note 4.

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

14 Creditors

	Note	2019 £ 000	2018 £ 000
Due within one year			
Loans and borrowings	15	225	377
Trade creditors		8,501	8,425
Social security and other taxes		1,036	615
Outstanding defined contribution pension costs		35	34
Accrued expenses		6,595	3,569
Income tax liability		255	-
Deferred income		18,758	14,462
		<u>35,405</u>	<u>27,482</u>
Due after one year			
Loans and borrowings	15	<u>1,438</u>	<u>1,570</u>

15 Loans and borrowings

	2019 £ 000	2018 £ 000
<i>Non-current loans and borrowings</i>		
Finance lease liabilities	211	226
Other borrowings	<u>1,227</u>	<u>1,344</u>
	<u>1,438</u>	<u>1,570</u>
<i>Current loans and borrowings</i>		
Finance lease liabilities	167	319
Other borrowings	<u>58</u>	<u>58</u>
	<u>225</u>	<u>377</u>

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

15 Loans and borrowings (continued)

Other borrowings

A loan from Northampton County Council with a carrying amount of £1,285,000 (2018 - £1,402,000) is denominated in £ with a nominal interest rate of UK bank base rate plus 1%.

This loan is repayable principally in the event of change of control or if the company reaches a specified annual profit before tax level.

16 Provisions

	Legal costs and contract transaction fees £ 000	Deferred tax £ 000	Total £ 000
At 1 January 2019	1,356	-	1,356
Additional provisions	38	50	88
Decrease in existing provisions	(1,246)	-	(1,246)
Provisions used	(48)	-	(48)
At 31 December 2019	<u>100</u>	<u>50</u>	<u>150</u>

The provision for the potential transaction fees relating to the company's ticketing partner has been released in the current financial period following confirmation that no further fees are payable. The balance sheet provision remaining at year-end is in place to cover any legal costs associated with the conclusion of legal proceedings involving the company's former catering partner.

17 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.0687285 each	<u>14,550</u>	<u>1,000</u>	<u>14,550</u>	<u>1,000</u>

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

18 Reserves

Called up share capital

Called-up share capital represents the nominal value of shares that have been issued.

Revaluation reserve

The revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase in the same asset previously recognised in equity.

Retained earnings

The retained earnings reserve includes all current and prior period retained profits and losses.

19 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2019 £ 000	2018 £ 000
Not later than one year	203	382
Later than one year and not later than five years	244	269
	<u>447</u>	<u>651</u>

Operating leases

The total of future minimum lease payments is as follows:

	2019 £ 000	2018 £ 000
Not later than one year	173	156
Later than one year and not later than five years	187	308
	<u>360</u>	<u>464</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £230,000 (2018 - £218,000).

Silverstone Circuits Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £198,000 (2018 - £180,000).

Contributions totalling £35,000 (2018 - £34,000) were payable to the scheme at the end of the year and are included in creditors.

21 Parent and ultimate parent undertaking

The company's immediate parent is The British Racing Drivers' Club Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is The British Racing Drivers' Club Limited. These financial statements are available upon request from Silverstone Circuit, Towcester, Northamptonshire, NN12 8TN.

22 Non-adjusting events after the financial period

Subsequent to the balance sheet date, as noted in the Strategic Report, the COVID-19 outbreak has developed rapidly, being declared a global pandemic. The principal risks and uncertainties and the impact on going concern have been discussed in detail elsewhere in these financial statements. No adjustment has been made to the 2019 results in respect of COVID-19. The directors have concluded that it is a non-adjusting event as the conditions did not exist at the balance sheet date. The effect on trading in 2020 and beyond is yet to be fully clarified.