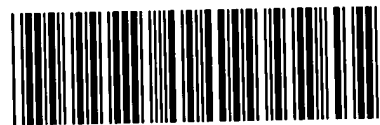


REGISTERED NUMBER: 00882843 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2021
for Silverstone Circuits Limited**

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Silverstone Circuits Limited

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS:

N J Adams
J A M Grant
S A M Pringle
N J Read

REGISTERED OFFICE:

Silverstone Circuit
Silverstone
Towcester
Northamptonshire
NN12 8TN

REGISTERED NUMBER:

00882843 (England and Wales)

AUDITORS:

Harris & Co (Accountants) Ltd, Statutory Auditor
2 Pavilion Court
600 Pavilion Drive
Northampton
NN4 7SL

BANKERS:

HSBC Bank
19 Midsummer Place
Milton Keynes
MK9 3GB

SOLICITORS:

Howes Percival LLP
Oxford House
Cliftonville
Northampton
NN1 5PN

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF THE BUSINESS

Operating profit/(loss) before interest, tax, depreciation and exceptional items ('EBITDA') for the period amounted to £9,624,000 (2020 - Loss £2,042,000).

The profit/(loss) for the period after taxation amounted to £6,921,000 (2020 - Loss £3,695,000), which included £0 gain (2020 - £355,000 net gain) of exceptional items.

The exceptional items relate to the creation and release of provisions against debts due from the company's parent company, The British Racing Drivers' Club Limited, and Silverstone Heritage Limited, the owner and operator of The Silverstone Interactive Museum.

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 F1 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 Limited (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 diversify its sources of income by developing a broader range of profitable, cash generative and sustainable revenue streams.

Understandably, the financial results of the business took a step backwards in 2020 because of the trading restrictions in place due to the pandemic. The business was however able to host two F1 races behind closed doors, including the British Grand Prix and the 70th Anniversary Grand Prix, as well as introduce its new Christmas lighting experience in the final weeks of the year. These events, alongside robust track hire income and several cost reductions measures, helped to mitigate the financial impact of the pandemic.

With a return to publicly-attended events on the summer of 2021, the business has seen a shift and significant return to profitability. With strong ticket sales for its major events in 2022, the Board is confident that the business will continue to perform strongly in the near term whilst continuing to invest in its long-term plan.

PRINCIPAL RISKS AND UNCERTAINTIES

Revenue

Because of its high fixed cost base, it is important for the group 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 a normal year, the F1 British Grand Prix generates more than half of the group's annual revenue.

In July 2019, a five-year contract was signed with Formula One World Championship Ltd to host the British Grand Prix at Silverstone until 2024. The Board considers that the commercial terms of the new contract, compared to the previous contract, significantly reduce financial risk and improve profitability.

As COVID-19 restrictions prevented public attendance in 2020, special arrangements were agreed with Formula One for the running of the 2020 British Grand Prix and an additional event, the 70th Anniversary Grand Prix. This meant that the benefits of the new contract were not realised in its first year.

In 2021, the relaxation of COVID-19 restrictions supported a return to public attendance for our F1 fans. With a fantastic championship battle, glorious weather and strong demand from fans to get back to watching live sport, the 2021 British Grand Prix was a sell-out with record crowd.

As a result, the commercial benefits of the new contract are now being fully realised.

Liquidity

Following the onset of the COVID-19 pandemic and the UK Government's restrictions on business activities from March 2020, the group cancelled events open to the public and significantly curtailed its other activities. Although some 70% of ticket holders for the British Grand Prix and MotoGP agreed to roll over their tickets to 2021, the group provided refunds to many of its customers for cancelled events and this adversely affected the group's cash position in 2020.

The strength of sales for the 2021 public events season, including the F1 British Grand Prix and the British MotoGP, as well as robust forward sales for the 2022 season has meant that the group's liquidity position has strengthened significantly during 2021.

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 2021.

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.

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. During 2020, many staff were furloughed for several months and others worked mainly from home. Comprehensive arrangements were put in place to minimise risks to employees on their return to normal working.

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 continued to be extremely high in 2021, with customer reviews being 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.

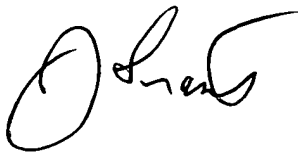
FUTURE DEVELOPMENTS

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 and sustainability.

As a result of its strong financial performance in 2021, the company has recovered fully from the damaging effects of COVID-19 in 2020. The directors expect to deliver another strong performance in 2022, but are mindful that a new British Grand Prix contract will need to be negotiated with Formula One before the current contract ends in 2024.

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

ON BEHALF OF THE BOARD:



J A M Grant - Director

22 September 2022

Silverstone Circuits Limited

**Report of the Directors
for the Year Ended 31 December 2021**

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

PRINCIPAL ACTIVITY

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

N J Adams
J A M Grant
S A M Pringle
N J Read

STREAMLINED ENERGY AND CARBON REPORTING

- Annual quantity of Green House Gas emissions 3,181 tCO₂e/yr
- Annual quantity of emissions from purchase of electricity for own use 1,781 tCO₂e/yr
- Annual quantity energy consumed 14,711 MWh/yr
- 51.69 Tonnes of CO₂e per £000,000's revenue

In line with the Streamlined Energy and Carbon Reporting legislation, the company is required to report its energy consumption and greenhouse gas emissions arising in the UK. All scope 1 & 2 sources of energy and emissions have been disclosed as well as mandatory scope 3 sources of energy and emissions.

British Racing Drivers Club Limited (The) and Silverstone Circuits Limited engaged an external firm called LG Energy Group to undertake the Streamlined Energy and Carbon Reporting for the financial statements.

Silverstone appointed a Head of Business Sustainability during 2021 to focus on the venue's plans for a sustainable future, environmentally, economically and operationally. Silverstone actively seek ways to minimise their impact on the environment by helping their customers be responsible consumers, giving them information and choices. They encourage the use of HVO Fuels and are looking to install solar panels on site in the next year. Internal generators are also using HVO Fuels and the use of red diesel is decreasing year on year. LED lighting is now used as standard and ESOS surveys will be completed in the next year to look for consumption based savings.

Conversion Factors

All conversion factors and fuel properties used in this disclosure have been taken from the 2021 "UK Government Greenhouse Gas Conversion Factors for Company Reporting" published by the Department for Business, Energy & Industrial Strategy (BEIS) and the Department for Environment, Food & Rural Affairs (DEFRA). All greenhouse gas emissions have been expressed in terms of their carbon dioxide equivalence.

Utilities

Where possible, energy consumption expressed in kilowatt-hours has been taken from suppliers' invoices. The electricity consumption has been checked against the half hourly data and the invoiced figures to confirm the totals reached.

Transport

Diesel, petrol and HVO fuel consumption used in vehicles at site has been given in litres of fuel and converted accordingly.

Other Fuels & Emissions

Gas oil and LPG has been for heating and catering facilities. The kgCO₂e/litre and kgCO₂e/kWh conversion factors have been used to calculate greenhouse gas emissions and underlying energy use.

Maintenance records did not contain any instances of refrigerant leaks during the reference period. No other fugitive emissions have been identified.

**Report of the Directors
for the Year Ended 31 December 2021**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Harris & Co (Accountants) Ltd, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



J A M Grant - Director

22 September 2022

Opinion

We have audited the financial statements of Silverstone Circuits Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its 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 Auditors' 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Enquiring of management regarding the assumptions used in the going concern models;
- Evaluating the company's existing access to sources of finance, including undrawn committed bank facilities;
- Reading industry reports and data and other external information to determine if it provided corroborative or contradictory evidence in relation to management's assumptions;
- Comparing forecasted sales to recent historical financial information;
- Testing the underlying data generated to prepare the forecast scenarios and determining whether there was adequate support for the assumptions underlying the forecast; and
- Evaluating the company's disclosures on going concern against the requirements of United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006.

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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, 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page eight, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 a Report of the Auditors 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.

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- Enquiring of management and the directors, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team and involving relevant internal specialists, including tax, and industry specialists (where relevant) regarding how and where fraud might occur in the financial statements and any potential indicators of fraud; and;
- Obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company; including General Data Protection requirements, anti-bribery and corruption policy.

Audit response to risks identified

As a result of performing the above, we identified various F1 contracts, FIA and Motorsport UK licences as key audit matters related to potential areas where non-compliance with laws and regulations might lead to material misstatements and the sale of the F1 tickets as a key audit matter related to the potential risk of fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

In addition to the above, our procedures to respond to risks identified include the following:

- Review of the financial statement disclosures and testing to support documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Review of the various legal agreements for key clauses that require the company to comply with and then testing compliance with those clauses;
- Enquiring of management, the directors and in-house and external legal counsel (where relevant) concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Performing testing of the sale of F1 tickets; and
- Reading minutes of meetings of those charged with governance, reviewing internal reports where relevant and correspondence.
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Audit response to risks identified (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to an indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and access the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 a Report of the Auditors 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.

Phillip Harris BA FCA (Senior Statutory Auditor)
for and on behalf of Harris & Co (Accountants) Ltd, Statutory Auditor
2 Pavilion Court
600 Pavilion Drive
Northampton
NN4 7SL

29 September 2022

Silverstone Circuits Limited

**Statement of Comprehensive Income
for the Year Ended 31 December 2021**

| | Notes | 2021 £'000 | 2020 £'000 |
|---|-------|---------------------|-----------------------|
| TURNOVER | 3 | 61,542 | 14,194 |
| Cost of sales | | <u>(39,783)</u> | <u>(6,427)</u> |
| GROSS PROFIT | | 21,759 | 7,767 |
| Administrative expenses | | <u>(14,569)</u> | <u>(12,544)</u> |
| OPERATING PROFIT/(LOSS) | 5 | 7,190 | (4,777) |
| Exceptional items | 7 | <u>-</u> | <u>355</u> |
| | | 7,190 | (4,422) |
| Interest receivable and similar income | 8 | 35 | 61 |
| Interest payable and similar expenses | 9 | <u>84</u> | <u>(94)</u> |
| PROFIT/(LOSS) BEFORE TAXATION | | 7,309 | (4,455) |
| Tax on profit/(loss) | 10 | <u>(388)</u> | <u>760</u> |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | 6,921 | (3,695) |
| OTHER COMPREHENSIVE INCOME | | | |
| Transfer of revaluation reserve | | (2,880) | - |
| Income tax relating to other comprehensive income | | <u>-</u> | <u>-</u> |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | | <u>(2,880)</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u><u>4,041</u></u> | <u><u>(3,695)</u></u> |

The notes form part of these financial statements

Balance Sheet
31 December 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|-----------------|-----------------|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 2,228 | 11,032 |
| CURRENT ASSETS | | | |
| Stocks | 12 | 673 | 368 |
| Debtors | 13 | 10,972 | 4,316 |
| Cash at bank and in hand | | <u>33,717</u> | <u>9,841</u> |
| | | 45,362 | 14,525 |
| CREDITORS | | | |
| Amounts falling due within one year | 14 | <u>(51,688)</u> | <u>(32,253)</u> |
| NET CURRENT LIABILITIES | | <u>(6,326)</u> | <u>(17,728)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (4,098) | (6,696) |
| CREDITORS | | | |
| Amounts falling due after more than one year | 15 | (810) | (2,153) |
| PROVISIONS FOR LIABILITIES | 19 | <u>-</u> | <u>(100)</u> |
| NET LIABILITIES | | <u>(4,908)</u> | <u>(8,949)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 20 | 1,000 | 1,000 |
| Revaluation reserve | 21 | - | 2,880 |
| Retained earnings | 21 | <u>(5,908)</u> | <u>(12,829)</u> |
| SHAREHOLDERS' FUNDS | | <u>(4,908)</u> | <u>(8,949)</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 22 September 2022 and were signed on its behalf by:



J A M Grant - Director

Silverstone Circuits Limited

**Statement of Changes in Equity
for the Year Ended 31 December 2021**

| | Called up share capital £'000 | Retained earnings £'000 | Revaluation reserve £'000 | Total equity £'000 |
|------------------------------------|--|--|--|-----------------------------------|
| Balance at 1 January 2020 | 1,000 | (9,134) | 2,880 | (5,254) |
| Changes in equity | | | | |
| Total comprehensive income | - | (3,695) | - | (3,695) |
| Balance at 31 December 2020 | <u>1,000</u> | <u>(12,829)</u> | <u>2,880</u> | <u>(8,949)</u> |
| Changes in equity | | | | |
| Total comprehensive income | - | 6,921 | (2,880) | 4,041 |
| Balance at 31 December 2021 | <u>1,000</u> | <u>(5,908)</u> | <u>-</u> | <u>(4,908)</u> |

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

Silverstone Circuits Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

In July 2019, a new 5-year contract was signed with Formula One World Championship Ltd to host the Grand Prix at Silverstone until 2024. Due to the enforced absence of public attendance, special arrangements had to be agreed with Formula One for the running of the 2020 British Grand Prix and an additional event, the 70th Anniversary Grand Prix. As a result, the commercial benefits of the new contract were not realised until 2021. The Board, however, considers that the commercial terms of the new contract, compared to the previous contract, significantly reduce financial risk.

The financial statements have been prepared on the going concern basis, notwithstanding the net current liabilities of £6.3m as at 31 December 2021. The company relies on cash received from advanced ticket sales to fund its operations; for accounting purposes, the associated revenue is deferred and held as a current liability which amounted to £36.7m at 31 December 2021.

The Board maintains a risk register to identify material risks to the company and forecasts forward its financial performance on an ongoing basis. In the opinion of the Board, the company, therefore, has in place suitable measures to mitigate any risks relating to its going concern status.

Based on the above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Preparation of consolidated financial statements

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, Silverstone Circuit, Northamptonshire, NN12 8TN.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

2. ACCOUNTING POLICIES - continued

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 recognised 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 fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|---|
| Land and buildings | - No depreciation and straight line over 3 to 20 years. |
| Track works | - Straight line over 8 to 12 years |
| Plant and machinery | - Straight line over 3 to 20 years |
| Fixtures and fittings | - Straight line over 3 to 20 years |
| Motor vehicles | - Straight line over 3 to 10 years |

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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.

2. **ACCOUNTING POLICIES - continued**

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

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.

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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 Statement of Comprehensive Income and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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.

2. ACCOUNTING POLICIES - continued**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.

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 costs 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.

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. TURNOVER

The turnover and profit (2020 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

| | 2021 | 2020 |
|-----------------------|---------------|---------------|
| | £'000 | £'000 |
| Sale of goods | 47,802 | 3,693 |
| Rendering of services | 13,586 | 10,497 |
| Commissions received | 154 | 4 |
| | <u>61,542</u> | <u>14,194</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

| | 2021 | 2020 |
|----------------|---------------|---------------|
| | £'000 | £'000 |
| United Kingdom | <u>61,542</u> | <u>14,194</u> |
| | <u>61,542</u> | <u>14,194</u> |

4. EMPLOYEES AND DIRECTORS

| | 2021 | 2020 |
|-----------------------|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 6,080 | 4,130 |
| Social security costs | 598 | 465 |
| Other pension costs | <u>217</u> | <u>177</u> |
| | <u>6,895</u> | <u>4,772</u> |

The average number of employees during the year was as follows:

| | 2021 | 2020 |
|---|-------------|-------------|
| Administrative, operational, management | <u>122</u> | <u>139</u> |

| | 2021 | 2020 |
|--|---------------|---------------|
| | £ | £ |
| Directors' remuneration | 524,025 | 296,000 |
| Directors' pension contributions to money purchase schemes | <u>32,935</u> | <u>29,600</u> |

Information regarding the highest paid director is as follows:

| | 2021 | 2020 |
|---|---------------|---------------|
| | £ | £ |
| Emoluments etc | 224,025 | 149,350 |
| Pension contributions to money purchase schemes | <u>14,935</u> | <u>14,934</u> |

5. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging/(crediting):

| | 2021 | 2020 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Hire of plant and machinery | 280 | 213 |
| Other operating leases | 300 | 6 |
| Depreciation - owned assets | 2,434 | 2,735 |
| Profit on disposal of fixed assets | (2) | - |
| Foreign exchange differences | <u>17</u> | <u>(50)</u> |

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

6. AUDITORS' REMUNERATION

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Fees payable to the company's auditors and their associates for the audit of the company's financial statements | 13 | 12 |
| Taxation compliance services | <u>3</u> | <u>3</u> |

7. EXCEPTIONAL ITEMS

| | 2021 | 2020 |
|-------------------|--------------|--------------|
| | £'000 | £'000 |
| Exceptional items | <u>-</u> | <u>355</u> |

There were no exceptional items in the current year.

In the prior year, £485,000 in exceptional items was partly reversing the provision made on the inter-company balance in prior years.

A £130,000 provision was made in the prior year against monies owed from Silverstone Heritage Limited.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2021 | 2020 |
|--------------------------|--------------|--------------|
| | £'000 | £'000 |
| Deposit account interest | - | 21 |
| Other finance income | <u>35</u> | <u>40</u> |
| | <u>35</u> | <u>61</u> |

9. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2021 | 2020 |
|--------------------|--------------|--------------|
| | £'000 | £'000 |
| Bank loan interest | (115) | 58 |
| Hire purchase | <u>31</u> | <u>36</u> |
| | <u>(84)</u> | <u>94</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

10. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

| | 2021 | 2020 |
|-----------------------------|-------------------|---------------------|
| | £'000 | £'000 |
| Current tax: | | |
| UK corporation tax | 360 | (237) |
| Under/over provision of tax | <u>(18)</u> | <u>-</u> |
| Total current tax | 342 | (237) |
| Deferred tax | <u>46</u> | <u>(523)</u> |
| Tax on profit/(loss) | <u><u>388</u></u> | <u><u>(760)</u></u> |

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2021 | 2020 |
|--|-------------------|---------------------|
| | £'000 | £'000 |
| Profit/(loss) before tax | <u>7,309</u> | <u>(4,455)</u> |
| Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%) | 1,389 | (846) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 4 | 3 |
| Income not taxable for tax purposes | - | (92) |
| Capital allowances in excess of depreciation | (298) | - |
| Depreciation in excess of capital allowances | - | 219 |
| Utilisation of tax losses | (492) | - |
| to changes in tax rates or which no deferred tax asset | | |
| Group relief claimed | (243) | - |
| Deferred tax movement | 46 | (523) |
| Losses carried forward | - | 479 |
| Over provision from prior year | <u>(18)</u> | <u>-</u> |
| Total tax charge/(credit) | <u><u>388</u></u> | <u><u>(760)</u></u> |

Tax effects relating to effects of other comprehensive income

| | Gross | 2021 | Net |
|---------------------------------|----------------|--------------|----------------|
| | £'000 | Tax | £'000 |
| | £'000 | £'000 | £'000 |
| Transfer of revaluation reserve | <u>(2,880)</u> | <u>-</u> | <u>(2,880)</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

11. TANGIBLE FIXED ASSETS

| | Land and buildings £'000 | Track works £'000 | Plant and machinery £'000 |
|-------------------------|--|-------------------------------------|---------------------------------|
| COST | | | |
| At 1 January 2021 | 4,633 | 18,400 | 4,740 |
| Additions | 641 | 68 | 403 |
| Disposals | (5,001) | (18,245) | (462) |
| Reversal of impairments | - | 162 | - |
| At 31 December 2021 | <u>273</u> | <u>385</u> | <u>4,681</u> |
| DEPRECIATION | | | |
| At 1 January 2021 | 610 | 13,025 | 4,221 |
| Charge for year | 242 | 1,542 | 157 |
| Eliminated on disposal | (758) | (14,344) | (129) |
| Reversal of impairments | - | 162 | - |
| At 31 December 2021 | <u>94</u> | <u>385</u> | <u>4,249</u> |
| NET BOOK VALUE | | | |
| At 31 December 2021 | <u>179</u> | <u>-</u> | <u>432</u> |
| At 31 December 2020 | <u>4,023</u> | <u>5,375</u> | <u>519</u> |
| | Fixtures and fittings £'000 | Motor vehicles £'000 | Totals £'000 |
| COST | | | |
| At 1 January 2021 | 12,700 | 1,661 | 42,134 |
| Additions | 862 | 680 | 2,654 |
| Disposals | (1,811) | - | (25,519) |
| Reversal of impairments | - | - | 162 |
| At 31 December 2021 | <u>11,751</u> | <u>2,341</u> | <u>19,431</u> |
| DEPRECIATION | | | |
| At 1 January 2021 | 11,731 | 1,515 | 31,102 |
| Charge for year | 433 | 60 | 2,434 |
| Eliminated on disposal | (1,264) | - | (16,495) |
| Reversal of impairments | - | - | 162 |
| At 31 December 2021 | <u>10,900</u> | <u>1,575</u> | <u>17,203</u> |
| NET BOOK VALUE | | | |
| At 31 December 2021 | <u>851</u> | <u>766</u> | <u>2,228</u> |
| At 31 December 2020 | <u>969</u> | <u>146</u> | <u>11,032</u> |

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

11. TANGIBLE FIXED ASSETS - continued

Included within the net book value of land and buildings above is £6,000 (2020 - £4,023,000) in respect of long leasehold land and buildings.

During the year, a number of assets were transferred to The British Racing Drivers' Club Limited (BRDC), the parent company, at cost and accumulated depreciation.

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 £0 (2020 - £1,143,000).

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

Plant and machinery £87,000 (2020 - £121,000)

Motor vehicles £0 (2020 - £150,000)

Fixtures and fittings £30,000 (2020 - £60,000)

12. STOCKS

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Engineering stock, fuel and merchandise | <u>673</u> | <u>368</u> |

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|------------------------------------|---------------|--------------|
| | £'000 | £'000 |
| Trade debtors | 1,844 | 3,247 |
| Amounts owed by group undertakings | 7,608 | - |
| Other debtors | 235 | - |
| Deferred tax asset | 427 | 473 |
| Prepayments | 838 | 523 |
| Accrued income | <u>20</u> | <u>73</u> |
| | <u>10,972</u> | <u>4,316</u> |

Trade debtors are stated after provisions for impairment of £340,000 (2020 - £89,000).

Details of non-current trade and other debtors

A loan of £300,000 was made to Silverstone Heritage Limited in 2017 with an interest rate of Bank of England base rate plus 1%. This loan is repayable if the company reaches a specified annual profit before tax level or by 31 December 2022, whichever is earlier. In 2020, a further £570,000 was lent to Silverstone Heritage Limited with an interest rate of Bank of England base rate plus 5.5%. This loan is repayable by 30 December 2022. A doubtful debt provision has been recognised against all amounts due from Silverstone Heritage Limited.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|---------------------------------------|----------------------|----------------------|
| | £'000 | £'000 |
| Other loans (see note 16) | - | 58 |
| Hire purchase contracts (see note 17) | 74 | 122 |
| Trade creditors | 4,042 | 3,414 |
| Tax | 360 | 18 |
| Social security and other taxes | 163 | 111 |
| Defined contribution pension scheme | 49 | 28 |
| VAT | 6,449 | 1,943 |
| Deferred income | 35,900 | 23,098 |
| Accrued expenses | <u>4,651</u> | <u>3,461</u> |
| | <u>51,688</u> | <u>32,253</u> |

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2021 | 2020 |
|---------------------------------------|-------------------|---------------------|
| | £'000 | £'000 |
| Other loans (see note 16) | - | 1,169 |
| Hire purchase contracts (see note 17) | 10 | 84 |
| Deferred income | <u>800</u> | <u>900</u> |
| | <u>810</u> | <u>2,153</u> |

16. LOANS

An analysis of the maturity of loans is given below:

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Amounts falling due within one year or on demand: | | |
| Northamptonshire Council Loan | <u>-</u> | <u>58</u> |
| Amounts falling due between two and five years: | | |
| Northamptonshire Council Loan | <u>-</u> | <u>1,169</u> |

Other borrowings

A loan from Northampton County Council with a carrying amount of £0 (2020 - £1,314,000) is denominated in £ with a nominal interest rate of UK bank base rate plus 1%.

The loan was repaid by 31 December 2021.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

| | Hire purchase contracts | |
|----------------------------|---|--------------|
| | 2021 | 2020 |
| | £'000 | £'000 |
| Net obligations repayable: | | |
| Within one year | 74 | 122 |
| Between one and five years | <u>10</u> | <u>84</u> |
| | <u>84</u> | <u>206</u> |
| | | |
| | Non-cancellable operating leases | |
| | 2021 | 2020 |
| | £'000 | £'000 |
| Within one year | 79 | 213 |
| Between one and five years | <u>95</u> | <u>254</u> |
| | <u>174</u> | <u>467</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £146,000 (2020 - £235,000).

18. SECURED DEBTS

A full fixed and floating charge is in place in favour of HSBC UK Bank PLC over the assets of the company.

19. PROVISIONS FOR LIABILITIES

| | 2021 | 2020 |
|--|---------------------|--------------------|
| | £'000 | £'000 |
| Other provisions | <u>-</u> | <u>100</u> |
| | | |
| | Deferred tax | Legal costs |
| | £'000 | £'000 |
| Balance at 1 January 2021 | (473) | 100 |
| Charge/(credit) to Statement of Comprehensive Income during year | <u>46</u> | <u>(100)</u> |
| | | |
| Balance at 31 December 2021 | <u>(427)</u> | <u>-</u> |

The balance sheet provision excluding deferred tax at the year-end is in place to cover any legal costs associated with the conclusion of legal proceedings involving the company's former catering partner.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2021 £'000 | 2020 £'000 |
|------------|----------|-------------------|---------------|---------------|
| 14,550,000 | Ordinary | £1000 000 | <u>1,000</u> | <u>1,000</u> |

21. RESERVES

| | Retained earnings £'000 | Revaluation reserve £'000 | Totals £'000 |
|---------------------|-------------------------------|---------------------------------|-----------------|
| At 1 January 2021 | (12,829) | 2,880 | (9,949) |
| Profit for the year | 6,921 | - | 6,921 |
| Transfer to BRDC | - | <u>(2,880)</u> | <u>(2,880)</u> |
| At 31 December 2021 | <u>(5,908)</u> | <u>-</u> | <u>(5,908)</u> |

The revaluation reserve related to the tangible fixed assets transferred to The British Racing Drivers' Club Limited and has been derecognised in 2021.

22. PENSION COMMITMENTS

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 £217,000 (2020 - £176,000).

Contributions totalling £47,000 (2020 - £28,000) were payable to the scheme at the end of the year and are included in creditors.

23. CONTINGENT LIABILITIES

The company has provided a guarantee to HSBC UK Bank PLC on any borrowings of up to £10m by The British Racing Drivers' Club Limited under the terms of a debenture dated 22 June 2020.

24. RELATED PARTY DISCLOSURES

The British Racing Drivers' Club Limited is regarded by the directors as being the company's ultimate parent company.