



The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

15 September 2021

**NEWBURY RACECOURSE PLC**  
**(the "Racecourse" or the "Company")**

**Interim results for the 6 months ended 30 June 2021**

Newbury Racecourse plc, the racing, entertainment and events business, today announces its half year results for the six months ended 30 June 2021.

**2021 Financial and Business Update**

- Statutory turnover increased by 72% to £5.37m (2020: £3.12m).
- Loss before interest, tax and exceptional items reduced to £0.38m (2020: Loss of £1.64m)
- Consolidated group loss on ordinary activities before tax of £0.32m (2020: Loss of £1.6m).
- Raceday attendances of 4,400 (2020: 10,900). Twelve meetings (two with a paying attendance) compared with six (three with paying attendance) in 2020.
- In 2021 the Company has continued to be severely impacted by the COVID-19 pandemic alongside the decision by the UK Government to implement national lockdowns which subsequently placed restrictions on our business's ability to operate normally.
- The Company has operated all its 2021 racing fixtures, with, for the majority, the only income coming from our betting and media rights agreements. The nursery is trading as normal and the conference & events business has re-opened to a cautious market. The Hotel has remained closed since 17 March last year.
- In June 2021, the Company announced a joint-venture partnership agreement with Levy Restaurants (a division of Compass Group) to provide all raceday, events, hotel and nursery catering. The Board is confident that this relationship, which became effective from 1 June 2021, will provide the racecourse with access to innovative technology solutions, new restaurant, bar and food outlet concepts and improved commercial benefits for many years to come.
- On 7 July 2021, the Company announced that it had signed an all media rights agreement with Arena Leisure Racing Ltd & At The Races Ltd (Sky Sports Racing) to replace the existing contract with Racecourse Media Group Ltd. This existing agreement expires in respect of retail rights on 31 March 2023 and in respect of all other rights on 31 December 2023. It is anticipated that the new agreement will provide the Racecourse with both financial and strategic benefits and will run until the end of 2028.

**Outlook Update**

- The UK Government's lifting of all legal restrictions on public life from 19 July 2021 means the Company is now in a position to plan accordingly. Paying attendance with unlimited crowds is now permitted, our raceday hospitality businesses have reopened and our nursery remains fully open to all children.
- Providing that no new restrictions are implemented then the outlook for the remainder of the year looks positive, but we remain cautious of the fact that the UK Government guidance could change this situation at any time. The business continues to manage and mitigate the risks associated with COVID-19.
- The Company is confident that it has the resources to trade through until receipt of the David Wilson Homes final payment which is due in March 2022, within its current banking facilities. The Board anticipates being in a position to provide a further update on capital returns to shareholders and future prize money when our 2021 results are announced in spring next year.

**Dominic Burke, Chairman of Newbury Racecourse plc commented:**

*"Following the challenges that 2020 presented for both the horseracing industry and our business it is pleasing to see that in 2021 we may finally have turned a corner. Up to 30 June we welcomed a crowd to two of our racedays and have subsequently been able to host a paying attendance, with certain elements of restrictions, at a subsequent eight race meetings. Whilst we were able to generate income during the behind closed doors meetings through our media and betting rights agreements, we lost the significant benefit of being able to generate key revenues through catering and hospitality*

*but this will now be possible. Likewise, our Conference & Events business relaunched following suspension in March last year but unfortunately the Lodge Hotel remains closed whilst we identify the most appropriate opportunity to relaunch. We have continued to keep our Nursery business open during the year. During the period when the site was partially closed in the early part of this year we are proud to have provided support to the NHS by offering our facilities as a vaccination centre.*

*The Step 4 final lifting of the UK Government's restrictions means that we are now in a position to be able to plan ahead for the remainder of 2021 and beyond. We hosted Olly Murs at our August Party in The Paddock and look forward to welcoming another sizeable crowd in September for Rick Astley. Likewise, we still have some exciting National Hunt meetings this year at the racecourse including the Ladbrokes Winter Carnival in November.*

*However, the Board remains fully aware that the effects of the pandemic and its potential impact could remain with us for some while to come, so we are prepared for this and have proven that we can adapt the business accordingly. The impact of the financial operating losses from 2020 and the first half of 2021 remain substantial.*

*Recently we have signed two major strategic agreements, with Levy Restaurants becoming our Catering partner with effect from 1 June 2021 and all our media rights transferring to Arena Leisure Racing (Sky Sports Racing) in two separate stages starting with retail rights from 1 April 2023 followed by all other rights from 1 January 2024. We anticipate that both of these changes will influence our ability to improve the financial performance of the Company. I also remain confident that the redevelopment of the racecourse has provided us with an exceptional venue which, following a particularly challenging 18 months, will continue to enable us to host racing and other events of the highest quality in the future.*

*Unfortunately, I end this update on a very sad note. Long-standing supporter of Newbury Racecourse and former Chairman, Christopher Spence, has sadly passed away this week aged 84. Christopher was a special man and great friend to many at Newbury and within the horseracing industry. He will be sadly missed. Our thoughts go out to everyone who knew him and to his family at this difficult time."*

For further information please contact:

Newbury Racecourse plc Julian Thick, Chief Executive Harriet Collins, Marcomms & Sponsorship Director	Tel: 01635 40015
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## CHAIRMAN'S STATEMENT

### 2021 Trading

The Company was initially forced to cease all of its trading activities in March 2020 but has subsequently adapted to changes in restrictions during the different lockdown stages through to mid-2021. After a year of behind closed doors racing, and with the exception of a restricted raceday in December, our first meeting with a limited paying crowd in attendance took place on 10 June 2021. In the first half of 2021 we held a total of 12 racedays with only two being able to host a paying public attendance and both with limited hospitality. Licenced Betting Shops, which when fully operational are an important factor in our income generation, have also been closed in various forms and only became fully open with no restrictions from 17 May 2021.

Whilst the Rocking Horse Nursery has remained opened throughout this year, our Conference and Events business only re-opened during April when restriction easing permitted whereas The Lodge Hotel remains closed and we continue to monitor the market to identify the most appropriate time to relaunch.

In the meantime, we are proud to have played our part in helping the local West Berkshire community at this difficult time by allowing the NHS use of our facilities as a local vaccine centre from January. During the period of occupation they administered 66,500 COVID-19 vaccinations.

In the first six months of 2021, total turnover has increased by 72%, compared to the same period in 2020, to £5.37m (2020: £3.12m). Overall operating losses to 30 June 2021 were £0.38m (2020: loss of £1.64m). Losses after tax for the period were £0.06m (2020: loss of £1.6m). There were 12 racedays in the first half of 2021 compared with six in 2020.

These results were mitigated by a number of actions to manage overheads. Last year the Company undertook the difficult decision to reduce headcount by 30%, which has helped to control fixed overheads, whilst we have also carefully managed establishment and discretionary costs. The Company has made limited use of the Government Coronavirus Job Retention Scheme in 2021, has accepted the Business Rates discount but made no other use of any direct Government support package.

### Financing and Liquidity

During the first half of 2021 we repaid £1.5m of the previously fully drawn revolving credit facility to National Westminster Bank plc ("NWB") as a result of our improved cash position and outlook given the easing of restrictions on the business. During 2020 we agreed with NWB to replace the covenants in place with a single measure, based on minimum liquidity levels, which continue to be tested through to April 2022, by which time we expect to receive £10.7m (being the final payment in relation to the residential development at the racecourse) from David Wilson Homes, a wholly owned subsidiary of Barratt Developments plc.

The final repayment of the loan to Compton Beauchamp Estates Limited remains set for April 2022.

### Outlook

Following the UK Government's lifting of all legal restrictions from 19 July 2021, the Company is now in a position to plan accordingly for the remainder of this year and beyond. Paying attendance with unlimited crowds is now permitted, our raceday hospitality businesses have reopened and our nursery continues to operate normally. However, the Lodge Hotel remains closed whilst we regularly monitor the market for the appropriate time to relaunch. Licenced Betting Shops are now able to fully open back to pre-COVID levels. Despite the easing of restrictions the Company responsibly ensures that a safe environment for racegoers and other attendees to our site is maintained.

We hosted Olly Murs at our August Party in The Paddock and look forward to welcoming another sizeable crowd in September for Rick Astley. Likewise, we still have some exciting National Hunt meetings this year at the racecourse including the Ladbrokes Winter Carnival in November and December's Challow Hurdle. However, the Board remains fully aware that the effects of the pandemic and its potential impact could remain with us for some while to come, so we are prepared for this and have proved during the past 18 months that we can adapt the business accordingly.

Recently we have signed two major strategic agreements. Firstly, Levy Restaurants have become our Catering partner with effect from 1 June 2021 and we look forward to working with them and developing this important segment of the business. Secondly, all our media rights will transfer to Arena Leisure Racing (broadcast on Sky Sports Racing) in two separate stages starting with retail rights from 1 April 2023, with all other rights from 1 January 2024. We anticipate that both of these changes will influence our ability to improve the financial performance of the company. The Board anticipates being in a position to provide a further update on capital returns to shareholders and future prize money when our 2021 results are announced in spring next year.

The impact of the financial losses from 2020 and the first half of 2021 remains substantial. The Board remains confident that the Company has the financial resources in place to trade through the period until the loans are due for repayment which coincides with the final receipt from David Wilson Homes in spring 2022.

On behalf of the Board, I would like to thank all the staff for their continued hard work, resolve and commitment to the business during this extraordinary and challenging period.

**DOMINIC J BURKE**

Chairman

15 September 2021

## CHIEF EXECUTIVE'S REPORT

### Performance Review

Due to the UK Government's restrictions affecting our ability to operate as normal since spring 2020, the business remains substantially behind 2019 levels. However, in the first half of 2021 we have experienced a 72% increase in group turnover to £5.37m (2020: £3.12m) compared to last year, which also demonstrates the significant impact that the initial lockdown had during the early part of 2020 once all trading was ceased on 17<sup>th</sup> March.

Revenues across all our businesses were higher than 2020 but that in no way represents a positive position for the business compared with expectations under normal circumstances. Racing with a paying crowd resumed on 10 June 2021, which along with Licenced Betting Shops fully re-opening, has resulted in revenue being up 44% on 2020. Our Conference & Events business re-opened on 12 April 2021 with income down 22% and the Nursery has seen a 56% increase in income compared with the same period last year.

Despite these revenue improvements, the Company is reporting mid-year operating losses before exceptional items of £0.38m (2020: loss of £1.64m).

Exceptional items in the first six months of 2021 were a credit of £0.06m (2020: credit of £0.03m) being the fair value movement on the David Wilson Homes debtor, based upon the expected timing and value of future receipts.

The loss on ordinary activities after interest and tax was £0.06m (2020: loss £1.6m).

### Racing

The racecourse has hosted 12 racedays to 30<sup>th</sup> June 2021, ten of which were Behind Closed Doors ("BCD"). This compares to six staged during the same period in 2020, of which three were BCD.

Total media related revenues of £2.12m, were up 120% on the same period in 2020, as a direct consequence of the higher number of racedays being hosted.

We are grateful for the continued and significant support from all of our sponsors for the racedays that we were able to host in the first half of the year, with particular thanks to Al Shaqab, Dubai Duty Free, Belfair, Mansionbet, Greatwood and West Berkshire Mencap for their ongoing support.

### Catering, Hospitality and Conference & Events

Conference & Events started well in 2020 until the March COVID shutdown resulted in the cancellation of much of this business in a key trading period. 2021 has seen the opposite with the business re-opening in April following almost a year of enforced closure. Consequently, revenues up to 30 June 2021 were £0.12m compared with £0.5m in 2020, resulting in an operating loss of £0.03m (2020: loss £0.26m).

Our Catering business transferred to a joint venture partnership with Levy Restaurants on 1 June 2021 which will result in the Company receiving royalty income from the shared arrangement rather than reporting the full income and costs. Prior to that date there was minimal trading whilst the business remained closed, although we have continued with the outdoor pop-up Pub concept that we introduced last year in order to generate income within restriction guidelines.

### The Lodge

Our 36 bedroom onsite hotel has remained closed to the public since March 2020. Now that UK Government restrictions have been lifted on accommodation stays we continue to monitor the market for the most appropriate opportunity to re-open and relaunch this business, which was previously delivering good growth in occupancy levels and average room rates.

### Rocking Horse Nursery

The Rocking Horse Nursery has traded at normal levels throughout 2021, returning to those experienced in 2019. Revenues in the first six months of 2021 were £0.8m, up 56% on the comparative period in 2020. This business unit reported an operating profit of £0.31m (2020: loss of £0.17m).

### The Development

The 2020 restoration and refurbishment of the Royal Box completed the final stage of the racecourse heartspace redevelopment. Under the circumstances all other investment projects remain on hold until the trading and cash position of the business permits.

The David Wilson Homes ("DWH") residential development continues to progress with the Central Area apartments now fully completed and sold, with the Company now owning the freeholds of a further ten apartment blocks. DWH is continuing with construction in the Eastern Area of the site. Approximately 1,000 homes out of the planned total of c.1,500 are now built. The final date for the balance of the guaranteed minimum land value due from DWH is March 2022 and as at 30 June 2021 the balance outstanding was £10.8m.

### JULIAN THICK

Chief Executive

15 September 2021

## Consolidated Profit and Loss Account

Six months ended 30 June 2021

	Note	Unaudited 6 months 30/06/21 £'000	Restated* Unaudited 6 months 30/06/20 £'000
<b>Turnover</b>	7	<b>5,365</b>	3,124
Cost of sales		<b>(4,662)</b>	(4,103)
<b>Gross (loss) / profit</b>	7	<b>703</b>	(979)
Administrative expenses		<b>(1,152)</b>	(1,150)
Other operating income	8	<b>66</b>	494
<b>Operating loss before exceptional items</b>		<b>(383)</b>	(1,635)
<b>Exceptional Items</b>	9	<b>62</b>	34
<b>Loss before interest and tax</b>		<b>(321)</b>	(1,601)
Interest receivable and similar income		<b>85</b>	85
Interest payable and similar charges		<b>(100)</b>	(86)
<b>Loss before taxation</b>		<b>(336)</b>	(1,602)
Tax credit	10	<b>280</b>	9
<b>Loss after taxation</b>		<b>(56)</b>	(1,593)
Loss per share (basic and diluted) (See Note 11)		(1.67p)	(47.6p)

All amounts derived from continuing operations

\*Refer to Note 16.

## Consolidated Statement of Comprehensive Income

Six months ended 30 June 2021

	Unaudited 6 months 30/06/21 £'000	Restated* Unaudited 6 months 30/06/20 £'000
Total comprehensive loss for the period	<b>(56)</b>	(1,593)

\*Refer to Note 16.

## Consolidated Balance Sheet

As at 30 June 2021

	Note	Unaudited 30/06/21 £'000	Audited 31/12/20 £'000
<b>Fixed assets</b>			
Tangible assets	12	41,213	41,549
Investments		117	117
		<b>41,330</b>	<b>41,666</b>
<b>Current assets</b>			
Stocks		27	177
Debtors: amounts falling due after more than one year		3,675	14,046
Debtors: amounts falling due within one year		15,006	4,130
Cash at bank and in hand		4,932	5,529
		<b>23,640</b>	<b>23,882</b>
<b>Creditors: amounts falling due within one year</b>		<b>(10,434)</b>	<b>(2,304)</b>
<b>Net current assets</b>		<b>13,206</b>	<b>21,578</b>
<b>Total assets less current liabilities</b>		<b>54,536</b>	<b>63,244</b>
<b>Creditors: amounts falling due after more than one year</b>		<b>-</b>	<b>(8,611)</b>
<b>Provisions for liabilities</b>			
Provisions		(4,178)	(4,169)
Pension liability	14	(1,497)	(1,538)
<b>Net assets</b>		<b>48,861</b>	<b>48,926</b>
<b>Capital grants</b>			
Deferred capital grants		43	52
<b>Capital and reserves</b>			
Called up share capital	13	335	335
Share premium account		10,202	10,202
Revaluation reserve		75	75
Equity reserve		143	143
Profit and loss account surplus		38,063	38,119
<b>Shareholders' funds</b>		<b>48,818</b>	<b>48,874</b>
<b>Net assets</b>		<b>48,861</b>	<b>48,926</b>

The unaudited half year financial statements of Newbury Racecourse PLC, company registration 00080774, were approved by the Board of Directors on 15 September 2021 and signed on its behalf by:

D J Burke (Chairman)

J M Thick (Chief Executive)

## Consolidated Statement of Changes in Equity

At 30 June 2021

	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
GROUP						
<b>At 1 January 2020</b>	<b>335</b>	<b>10,202</b>	<b>143</b>	<b>75</b>	<b>40,640</b>	<b>51,395</b>
Loss for the period to 30 June 2020	-	-	-	-	(1,593)	(1,593)
Other comprehensive income	-	-	-	-	-	-
<b>At 30 June 2020</b>	<b>335</b>	<b>10,202</b>	<b>143</b>	<b>75</b>	<b>39,047</b>	<b>49,802</b>

	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
GROUP						
<b>At 1 January 2021</b>	<b>335</b>	<b>10,202</b>	<b>143</b>	<b>75</b>	<b>38,119</b>	<b>48,874</b>
Loss for the period to 30 June 2021	-	-	-	-	(56)	(56)
Other comprehensive income	-	-	-	-	-	-
<b>At 30 June 2021</b>	<b>335</b>	<b>10,202</b>	<b>143</b>	<b>75</b>	<b>38,063</b>	<b>48,818</b>

## Consolidated Cash Flow Statement

Six months ended 30 June 2021

	<b>Unaudited 6 months 30/06/21 £000</b>	Restated Unaudited 6 months 30/06/20 £000
<b>Cash flows from operating activities</b>		
Loss for the financial period	(56)	(1,593)
<b>Adjustments for:</b>		
Exceptional items	(62)	(34)
Amortisation of capital grants	(9)	(9)
Depreciation charges	625	602
Interest paid	100	86
Interest received	(85)	(85)
Tax credit	(280)	(9)
Decrease in stocks	151	49
(Increase)/decrease in debtors	(190)	338
Increase/(decrease) in creditors	989	(398)
Corporation tax paid	-	-
Other associated property receipts	7	53
Pension funding deficit payments	(55)	(55)
<b>Net cash generated from operating activities</b>	<b>1,135</b>	<b>(1,055)</b>
<b>Cash flows from investing activities</b>		
Receipts from David Wilson Homes	112	84
Purchase of fixed assets	(299)	(1,621)
Interest received	-	2
<b>Net cash from investing activities</b>	<b>(187)</b>	<b>(1,535)</b>
<b>Cash flows from financing activities</b>		
Repayment of bank loan	(1,500)	5,500
Interest paid	(45)	(39)
<b>Net cash used in financing activities</b>	<b>(1,545)</b>	5,461
<b>Net (Decrease)/increase in cash and cash equivalents</b>	<b>(597)</b>	2,871
Cash and cash equivalents at beginning of period	5,529	1,269
<b>Cash and cash equivalents at the end of period</b>	<b>4,932</b>	<b>4,140</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	4,932	4,140
	<b>4,932</b>	<b>4,140</b>

Advantage has been taken of the exemption under FRS102 not to disclose the individual cash flow statements of the company and of its subsidiaries.



## Notes to the Interim Financial Statements

Six months ended 30 June 2021

### 1. BASIS OF PREPARATION

Newbury Racecourse PLC (the "Company") is a public company incorporated, domiciled and registered in England in the UK. The registered number is 00080774 and the registered address is The Racecourse, Newbury, Berkshire, RG14 7NZ.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

These interim financial statements do not include all of the notes and disclosures required to comply with FRS102, as they have been prepared in accordance with the content, recognition and measurement principles for interim financial reports, Financial Reporting Standard 104 (FRS 104).

The abridged results for the six months ended 30 June 2021 do not constitute statutory accounts within the meaning of S434 of the Companies Act 2006. The auditor's report on the accounts of Newbury Racecourse plc for the 12 months to 31 December 2020 was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under S498 (2) or (3) of the Companies Act 2006 and has been delivered to the Registrar of Companies.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 December 2020 and those expected to be applied for the year ending 31 December 2021.

### 3. ESTIMATES

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2020. The only exceptions are the estimate of income tax liabilities which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

### 4. GOING CONCERN

The Board has undertaken a full, thorough and continual review of the Group's forecasts and associated risks and sensitivities, over the next twelve months. The extent of this review reflects the 19<sup>th</sup> July 2021 easing of lockdown

guidance from the Government as well as specific financial circumstances of the Group.

The Board reviews the cash flow and working capital requirements in detail on a frequent basis, whilst during the past eighteen months under the current COVID 19 circumstances the regularity of this scrutiny has increased

The Board also identifies that the Group's cash flow forecasts are sensitive to fluctuating revenue streams from ticket sales, corporate hospitality, conference and event income and the timing of receipts and payments in respect of the property redevelopment. A system of regular reviews of forecast business and expected property receipts has been implemented to ensure all variable costs are flexed to match anticipated revenues. In addition, a number of race meetings have been insured for adverse weather conditions, reducing the levels of risk carried by the Group.

At the balance sheet date, the Company has adequate cash reserves, together with banking facilities which are in place through to the end of March 2022 to support trading requirements and committed loan repayments and covenants.

Following this review the Board has concluded that it has a reasonable expectation that the Group has adequate resources and banking facilities in place to continue in operational existence for the foreseeable future and on that basis the going concern basis has been adopted in preparing the financial statements.

### 5. REVENUE RECOGNITION

Services rendered, raceday income including admissions, catering revenues, sponsorship and licence fee income is recognised on the relevant raceday. Annual membership income and box rental is recognised over the period to which they relate.

Other income streams are also recognised over the period to which they relate, for example, conference income is recognised on the day of the conference, the Lodge hotel income is recognised over the duration of the guests stay and nursery income is recognised as the child attends the nursery.

Sale of goods revenue is recognised for the sale of food and liquor when the transaction occurs.

### 6. PROPERTY RECEIPTS

Property receipts are recognised in accordance with the nature of the transaction being that of an exceptional sale of land. The minimum guaranteed sum, as set out in the agreement with David Wilson Homes, is recognised at the point of sale. In accordance with FRS102, at each reporting date, the sum receivable is re-estimated based upon currently projected land value with the difference between this value and the discounted net present value recorded in the profit and loss account.

## Notes to the Interim Financial Statements

Six months ended 30 June 2021

### RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- (a) The condensed set of financial statements has been prepared in accordance with FRS 104 'Interim Financial Reporting' giving a true and fair value of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation as a whole as required by DTR 4.2.4R.
- (b) The interim report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

J M Thick  
Chief Executive

15 September 2021

M Leigh  
Finance Director

15 September 2021

## Notes to the Interim Financial Statements

Six months ended 30 June 2021

### 7. SEGMENTAL ANALYSIS

30 June 2021	Turnover £'000	Gross Profit/(Loss) £'000	Operating (Loss)/profit before exceptional items £'000	(Loss)/profit before tax £'000	*Net Assets £'000
Trading	4,527	368	(655)	(670)	31,610
Nursery	800	314	314	314	2,637
Lodge	8	(9)	(9)	(9)	1,543
Property	30	30	(33)	29	13,071
<b>Total</b>	<b>5,365</b>	<b>703</b>	<b>(383)</b>	<b>(336)</b>	<b>48,861</b>

30 June 2020 - restated	Turnover £'000	Gross Profit/(Loss) £'000	Operating (Loss)/profit before exceptional items £'000	(Loss)/profit before tax £'000	*Net Assets £'000
Trading	2,458	(1,141)	(1,787)	(1,793)	33,139
Nursery	514	170	170	170	2,674
Lodge	125	(35)	(35)	(35)	1,363
Property	27	27	17	56	12,687
<b>Total</b>	<b>3,124</b>	<b>(979)</b>	<b>(1,635)</b>	<b>(1,602)</b>	<b>49,863</b>

\* Net assets represents fixed assets less deferred income and term loans for property, nursery and lodge; all working capital is included within the 'Trading' segment.

### 8. OTHER OPERATING INCOME

	6 months 30/06/21 £'000	6 months 30/06/20 £'000
Other Operating Income	66	494
<b>Total</b>	<b>66</b>	<b>494</b>

Other operating income is attributable to government grants received from the Coronavirus Job Retention Scheme.

### 9. EXCEPTIONAL ITEMS

	6 months 30/06/21 £'000	6 months 30/06/20 £'000
DWH debtor movement in fair value	62	39
Loss on sale of fixed assets	-	(5)
<b>Total</b>	<b>62</b>	<b>34</b>

In accordance with the audited financial statements, accounting transactions related to the DWH agreement are considered outside the ordinary course of business.

## Notes to the Interim Financial Statements

Six months ended 30 June 2021

### 10. TAXATION

The tax has been computed in accordance with FRS 104 Interim Financial Reporting. This requires the company to apply the estimated annual effective tax rate to the loss for the interim period and recognise a tax credit only to the extent that the resulting tax asset is more likely than not to reverse.

### 11. PROFIT PER SHARE

Basic and diluted loss per share of 1.7p (2020: 47.6p) is calculated by dividing the loss attributable to ordinary shareholders for the period ended 30 June 2021 of £56,000 (2020 restated: loss £1,593,000) by the weighted average number of ordinary shares during the period of 3,348,326 (2020: 3,348,326).

### 12. TANGIBLE FIXED ASSETS

GROUP	Freehold property £'000	Fixtures and fittings £'000	Tractors and motor vehicles £'000	Total £'000
<b>Cost or valuation</b>				
As at 1 January 2021	53,795	9,497	313	63,605
Additions	9	280	-	289
Disposals	-	-	-	-
<b>At 30 June 2021</b>	<b>53,804</b>	<b>9,777</b>	<b>313</b>	<b>63,894</b>
<b>Depreciation</b>				
At 1 January 2021	16,777	5,120	159	22,056
Charge for year	342	272	11	625
Disposals	-	-	-	-
<b>At 30 June 2021</b>	<b>17,119</b>	<b>5,392</b>	<b>170</b>	<b>22,680</b>
<b>Net book value at 30 June 2021</b>	<b>36,685</b>	<b>4,385</b>	<b>143</b>	<b>41,213</b>
Net book value at 31 December 2020	37,018	4,377	154	41,549

In 1959 a revaluation of part of the freehold land at £117,864 gave rise to an excess of £75,486 over its cost and this sum is included in the total value of this asset. The excess on revaluation is credited to the Revaluation Reserve. The net book value of freehold land and buildings (and excluding outdoor fixtures) determined by the historical cost convention is £36,609,000 (2019: £36,350,000).

In 2018 the board revisited the residual values and useful economic lives of the land enhancements and major buildings on the site. Savills were instructed to provide an estimate of the residual values and these were applied in re estimating the depreciation charge for those assets. There was no further change in the residual values or useful economic lives during 2021.

## Notes to the Interim Financial Statements

Six months ended 30 June 2021

### 13. SHARE CAPITAL

	<b>30/06/21</b>	30/06/20
	<b>£'000</b>	£'000
<b>Authorised</b>		
Ordinary shares of 10p each	<b>600</b>	600
Total	<b>600</b>	600
<hr/>		
	<b>30/06/21</b>	30/06/20
	<b>£'000</b>	£'000
<b>Allotted and fully paid</b>		
Ordinary shares of 10p each	<b>335</b>	335
Total	<b>335</b>	335

### 14. RETIREMENT BENEFIT OBLIGATIONS

The defined benefit obligation at 30 June 2021 has been determined with reference to the figures recorded at 31 December 2020, which were calculated in accordance with FRS102 s.28, as in the Directors' opinion there have not been any significant fluctuations in the key assumptions. The movement in the defined benefit deficit relates to the top-up payment made during the period ended 30 June 2021 of £0.05m, net of interest charges accrued.

### 15. RELATED PARTY TRANSACTIONS

There are no significant changes to the nature and treatment of related party transactions for the period to those reported in the 2020 Annual Report and Accounts.

### 16. EXPLANATION OF PRIOR YEAR ADJUSTMENTS

As at 31 December 2020 the group restated comparative financial information in order to bring the accounting treatment of the leasehold asset receivable in line with the requirements of FRS 102.

In 2012, under the terms of the David Wilson Homes land sale agreement, part of the consideration arising from David Wilson Homes was an option to purchase, at a substantial discount to market value, the interest in the ground rents of the new residential apartment buildings. This had been recognised in the financial statements as a lease receivable of £3.56m for the present value of all expected future rentals is recognised at 31 December 2016, with any ground rents received being netted off against the debtor.

On further consideration, the accounting of the present value of the lease receivable has been updated to reflect the length of the leasehold period of 125 years, and to split out the value of the exercised freehold option that has been purchased, to be held as freehold property.

The impact on 2020 profit for the period to 30 June 2020 is to increase the profit by £0.08m, which is the amount applicable to the effective interest on the unwinding of the discount applied to lease receivable.