NEWBURY RACECOURSE PLC
(“the Racecourse” or “the Company”)

18 September 2020

Interim Results for the six months ended 30 June 2020

Newbury Racecourse plc, the racing, entertainment and events business, today announces its half year results for the six months ended 30 June 2020.

Financial and Business Update 2020

- 2020 trading has been severely impacted by the COVID-19 pandemic and the Government nationwide lockdown since March.
- The Company was required to cease all of it’s racing, hotel and conference & events trading activities on 17th March. After holding three racedays before the lockdown, racing subsequently resumed Behind Closed Doors (“BCD”) on 11th June and three racedays were held BCD in the first half of the year, bringing the total number of racedays for the reported period to six (compared to eleven in 2019).
- The nursery business has remained open to support key workers throughout lockdown, but with limited occupancy, until the Government advised that it was safe for all children to return in early June.
- Total turnover in the six months to 30th June 2020 was down 68% compared with the same period in 2019, to £2.45m (2019: £7.57m).
- Loss before interest, tax and exceptional items of £1.64m (2019: £0.30m loss). Exceptional profit of £0.03m (2019: £0.05m loss).
- Consolidated group loss on ordinary activities before tax of £1.69m (2019: £0.36m loss).
- In response to the COVID-19 pandemic, the business has taken specific actions to protect it’s financial position in both the short and long term. These have included making use of the Government Coronavirus Job Retention Scheme, completing a restructure and redundancy programme resulting in an 18% reduction of the permanent headcount and agreeing a deferred repayment of the final loan instalment to Compton Beauchamp Estates Limited.

Dominic Burke, Chairman of Newbury Racecourse plc commented:

“As mentioned in the 2019 Financial Statements announcement, the current situation we now find ourselves in, due to the COVID-19 pandemic, is very challenging and continually changing. We have implemented a number of positive actions to mitigate against the revenue shortfall created by the forced closure of trading activities since the March lockdown. Despite this we still expect to suffer significant losses and a depletion of our cash resources through 2020 and into the future whilst we continue to be impacted by the pandemic. We remain confident that the actions taken, some very difficult, will protect the business.

Beyond this, the redevelopment still provides a first class venue that will enable us to continue to host racing and other events of the highest quality in the future. We retain facilities that remain well placed to meet the increasing demands of our customers, from horsemen and racegoers, to conference and hotel guests, nursery patrons and local residents as and when we are able to welcome them back to the racecourse.”

For further information please contact:

Newbury Racecourse plc Julian Thick, Chief Executive Harriet Collins, Marcomms & Sponsorship Director	Tel: 01635 40015
Hudson Sandler Charlie Jack	Tel: 020 7796 4133

CHAIRMAN'S STATEMENT

2020 Trading

Following the suspension of horse racing in Britain on 17th March, and the subsequent Government 'lockdown', the Company was forced to cease all of its trading activities encompassing our racing, hotel and conference events, whilst the children's nursery was only able to remain open for a very small number of children of key workers. The consequence of these actions has had a material negative impact on our trading and financial performance since that date.

Throughout the shutdown period the Newbury team continued to work closely with all relevant parties and were ready to resume racing Behind Closed Doors ("BCD") on 11th June. To date we have now hosted 8 BCD racedays and have been pleased to see many betting shops reopen allowing much needed Licenced Betting Office and Media Rights revenue to resume.

The Rocking Horse Nursery reopened to a reduced number of children on 1st June and has latterly returned to more normal operating levels achieving 75% occupancy by the end of August. However, our other two businesses, The Lodge Hotel and our Conference and Events business remain closed and based on the current demand projections we are not expecting either of these to be able to generate positive cashflows until 2021, at the earliest.

We are proud to be have played our part in helping the local West Berkshire community at this difficult time, through our involvement supporting Age Concern with Meals on Wheels, preparing and delivering hot food for elderly people during the coronavirus crisis and also the NHS who we allowed to use, free of charge, our facilities as a local testing centre.

As a consequence of the above, in the first six months of 2020, total turnover has decreased by 68%, compared to the same period in 2019, to £2.45m (2019: £7.57m). Overall operating losses to 30th June were £1.64m (2019: £0.30m loss). Losses after tax for the period were £1.68m (2019: £0.22m loss).

The results reported were mitigated by a number of actions taken to reduce costs. In addition to carefully controlling discretionary spend and managing establishment overheads, staff costs were also reduced substantially. This was achieved through making use of the Government Coronavirus Job Retention Scheme, voluntary salary sacrifices by senior management and employees as well as the Non-Executive Directors waiving their remuneration.

During July the Company also took the difficult decision to enter into a redundancy programme to reduce the headcount by 19 employees (18% of the permanent headcount) in order to reduce further anticipated losses due to the on-going pandemic.

Financing and Liquidity

During the first half we fully drew down the revolving credit facility provided by National Westminster Bank plc in anticipation of our cash reserves being depleted during a period of reduced income. Whilst it has not been necessary to extend these bank facilities, we have agreed with the bank to remove the existing covenants and replace them with a single measure, based on minimum liquidity levels, tested through to April 2022, by which time we expect to receive £10.9m (being the final amount in relation to the residential development at the racecourse) from David Wilson Homes, a wholly owned subsidiary of Barratt Developments plc.

We have also secured an extension for the final repayment of the loan to Compton Beauchamp Estates Limited from November 2020 to April 2022, which coincides with the date when we expect the final payment from David Wilson Homes.

Outlook

Due to the uncertainty facing our trading activities, the outlook is very challenging and unpredictable. Whilst the Rocking Horse Nursery now looks set to return to pre-Covid levels by the end of the year, all other trading activities continue to be impacted by the pandemic.

Racing BCD enables us to generate some revenues, but the company needs spectators and hospitality to generate profits. The recent Government announcement on 9th September curtailing pilot events with spectators brings into question the previously anticipated return of crowds from 1st October 1st and casts further uncertainty on our financial performance from racing activities.

As a result of these uncertainties, as previously stated, it will be some time until we can return to offering the levels of prize-money to which the industry enjoyed pre-COVID. We are proud that we have achieved a near doubling of Executive Contribution over the past 6 years to 31 December 2019 and are committed to returning to providing substantial levels of prizemoney in the future, but there inevitably needs to be a correction in the short to medium term until the Company is able to return to profitability. Despite this, over the 9 racedays planned for the remainder of 2020 we are committed to delivering a total prize fund which will be 77% of the 2019 value.

The Board is confident that the Company has the financial resources to trade through this difficult period. The financial impact of the cessation in racing and the loss of racegoer attendance is substantial. In a normal year, admissions, catering and hospitality raceday revenues represents c50% of the Company's annual turnover. This will result in the business disappointingly reporting a substantial loss for 2020 and into the future whilst we continue to be impacted by the pandemic.

In conclusion, 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 these extraordinary challenging times.

DOMINIC J BURKE
Chairman
18 September 2020

CHIEF EXECUTIVE'S REPORT

Performance Review
Due to the impact of the COVID disruption we have experienced a 68% reduction in group turnover to £2.45m (2019: £7.57m) in the first half of the year.

Following a weather related abandonment in February, all Racing and Conference & Events activity ceased on 17th March, due to the Coronavirus pandemic, resulting in a 72% decrease in overall trading revenues. Likewise the closure of the Lodge has led to a 69% decrease in hotel revenues. The Nursery, however, was able to remain open to support key workers children and reopened from 1st June resulting in a 32% decrease in income, compared with last year.

As a consequence of these closures and disruption, mid-year operating losses before exceptional items were £1.64m which were significantly higher than the comparative period last year (2019: loss of £0.30m).

Exceptional items in the first six months of 2020 were a credit of £0.03m (2019: charge of £0.05m) 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 tax was £1.68m (2019: loss of £0.22m).

Racing
The racecourse has hosted 6 racedays to 30th June 2020, 3 of which were Behind Closed Doors ("BCD") during June. This compares to 11 staged during the same period in 2019.

Total media related revenues of £0.96m, were down 56% on the same period in 2019, due to the reduction in the volume of racedays due to COVID and the initial BCD racedays taking place before Licensed Betting Offices were able to reopen.

We are grateful to have received continued 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 Betfair, Mansionbet, Greatwood and West Berkshire Mencap for their ongoing support.

Catering, Hospitality and Conference & Events
Conference & Events which had a record year in 2019, started 2020 well, with strong sales on the books. Unfortunately, the COVID shutdown lead to the cancellation of much of this business in the key trading period and consequently revenues up to 30th June 2020 were £0.15m compared with £0.66m in 2019, resulting in an operating loss of £0.11m (2019: profit £0.10m).

With both racing and Conference & Events significantly reduced, the related revenues from our catering business in the first six months of 2020 were £0.31m, a decrease of 79% on 2019.

The Lodge
Prior to the lockdown our 36-bedroom onsite hotel was delivering good growth in occupancy levels and average room rates. However revenues of £0.13m in the first six months of 2020 were down 69% on the same period in 2019, resulting in an operating loss of £0.04m (2019: profit £0.07m).

Rocking Horse Nursery
The Rocking Horse Nursery has also been impacted, although being able to reopen in June has mitigated some of the loss of the revenues. Revenues in the first six months of 2020 were £0.51m, down 32% on the comparative period in 2019 with an occupancy of 50%, compared with 83% in the same period last year. This business unit reported an operating profit of £0.17m (2019: profit £0.29m).

The Development
The major development of the racecourse heartspace was largely completed last year, with the works on the Annual Members facilities including an upgrade of the Carnarvon Room in the Berkshire Stand and the creation of a new dedicated members facility in the Hampshire Stand both completed. The restoration and refurbishment of the Royal Box, including new racing integrity (camera) positions and enhanced public facilities on the ground floor, has been completed during 2020 at the estimated cost of £2.5m. All of this sets us up well to bounce back when crowds are able to return.

The David Wilson Homes (DWH) residential development continues to progress with the Central Area apartments now fully completed and 100% sold and construction is continuing in the Eastern Area. Approximately 1,000 homes out of the total c.1,500 are now built. The final date for the balance of the guaranteed minimum land value to be paid by DWH is April 2022 and as at 30 June 2020 the balance outstanding was £10.9m.

JULIAN THICK
Chief Executive
18 September 2020

Consolidated Profit and Loss Account
Six months ended 30 June 2020

	Note	**Unaudited 6 months 30/06/20 £'000**	Unaudited 6 months 30/06/19 £'000
Turnover	8	**2,453**	7,573
Cost of sales		**(3,117)**	(6,525)
Gross loss / profit	8	**(664)**	1,048
Administrative expenses		**(971)**	(1,348)
Operating loss before exceptional items		**(1,635)**	(300)
Exceptional Items	9	**34**	(46)
Loss before interest and tax		**(1,601)**	(346)
Interest receivable and similar income		**2**	4
Interest payable and similar charges		**(86)**	(21)
Loss before taxation		**(1,685)**	(363)
Tax credit	10	**9**	142
Loss after taxation		**(1,676)**	(221)
Loss per share (basic and diluted) (Note 9)		(50.1p)	(6.6p)

All amounts derive from continuing operations

Consolidated Statement of Comprehensive Income
Six months ended 30 June 2020

	Unaudited 6 months 30/06/20 £'000	Unaudited 6 months 30/06/20 £'000
Total comprehensive loss for the period	**(1,685)**	(221)

Consolidated Balance Sheet

Six months ended 30 June 2020

	Note	**Unaudited 6 months 30/06/20 £'000**	Audited 12 months 31/12/19 £'000
Fixed assets			
Tangible assets	12	**41,171**	40,218
Investments		**117**	117
Investment properties	13	**1,500**	1,500
		42,788	41,835
Current assets			
Stocks		**223**	272
Debtors: amounts falling due after more than one year		**13,607**	13,384
Debtors: amounts falling due within one year		**4,020**	4,655
Cash at bank and in hand		**4,140**	1,269
		21,990	19,580
Creditors: amounts falling due within one year		**(8,375)**	(5,884)
Net current assets		**13,615**	13,696
Total assets less current liabilities		**56,403**	55,531
Creditors: amounts falling due after more than one year		**(2,607)**	-
Provisions for liabilities			
Provisions		**(3,552)**	(3,561)
Pension liability	15	**(978)**	(1,019)
Net assets		**49,266**	50,951
Capital grants			
Deferred capital grants		**61**	70
Capital and reserves			
Called up share capital	14	**335**	335
Share premium account		**10,202**	10,202
Revaluation reserve		**75**	75
Equity reserve		**143**	143
Profit and loss account surplus		**38,450**	40,126
Shareholders' funds		**49,205**	50,881
Net assets		**49,266**	50,951

The unaudited half year financial statements of Newbury Racecourse PLC, company registration 00080774, were approved by the Board of Directors on 16 September 2020 and signed on its behalf by:

D J Burke (Chairman) J M Thick (Chief Executive)

Consolidated Statement of Changes in Equity

At 30 June 2020

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2019	**335**	**10,202**	**143**	**75**	**39,830**	**50,585**
Loss for the period to 30 June 2019	-	-	-	-	(221)	**(221)**
Other comprehensive income	-	-	-	-	-	**-**
At 30 June 2019	**335**	**10,202**	**143**	**75**	**39,609**	**50,364**

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2020	**335**	**10,202**	**143**	**75**	**40,126**	**50,881**
Loss for the period to 30 June 2020	-	-	-	-	(1,676)	**(1,676)**
Other comprehensive income	-	-	-	-	-	**-**
At 30 June 2020	**335**	**10,202**	**143**	**75**	**38,450**	**49,205**

Consolidated Cash Flow Statement

Six months ended 30 June 2020

	Unaudited 6 months 30/06/20 £000	Unaudited 6 months 30/06/19 £000
Cash flows from operating activities		
Profit for the financial period	**(1,676)**	(221)
Adjustments for:		
Exceptional items	**(34)**	46
Amortisation of capital grants	**(9)**	(9)
Depreciation charges	**602**	514
Interest paid	**86**	21
Interest received	**(2)**	(4)
Tax credit	**(9)**	(142)
Decrease/(Increase) in stocks	**49**	(47)
Decrease in debtors	**338**	879
(Decrease)/increase in creditors	**(398)**	790
Corporation tax paid	**-**	-
Other associated property receipts	**53**	12
Pension funding deficit payments	**(55)**	(100)
Net cash generated from operating activities	**(1,055)**	1,739
Cash flows from investing activities		
Receipts from David Wilson Homes	**84**	655
Purchase of fixed assets	**(1,621)**	(1,187)
Interest received	**2**	4
Net cash from investing activities	**(1,535)**	(528)
Cash flows from financing activities		
Receipt of new bank loan	**5,500**	-
Interest paid	**(39)**	(5)
Net cash used in financing activities	**5,461**	(5)
Net increase in cash and cash equivalents	**2,871**	1,206
Cash and cash equivalents at beginning of period	**1,269**	2,223
Cash and cash equivalents at the end of period	**4,140**	3,429
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**4,140**	3,429
	4,140	3,429

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 2020

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 2020 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 2019 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 2019.

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 2019. 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 and thorough review of the Group's cash flow forecasts and associated risks and sensitivities, over the next twelve months and through to the David Wilson Homes longstop receipt date in April 2022. The extent of this review reflects the current economic climate, particularly COVID-19, as well as specific financial circumstances of the Group.

Base Case Scenario

The Board reviews the cash flow and working capital requirements in detail on a frequent basis, whilst under the current COVID-19 circumstances the regularity of this scrutiny has increased. Key trading assumptions made within the cash flow projections base case scenario include:

• Racing taking place behind closed doors for the remainder of the 2020 flat season with capped attendance for the National Hunt racing season through to Spring 2021. Further capping is anticipated, but at a higher level, for the 2021 flat season, whilst we expect racing and crowds to return to their normal levels during the Summer. Newbury has already held three race days in June and will hold an additional three in July and two in August this year, all behind closed doors.

• The three planned 2020 Party in the Paddock concerts will not take place and one during 2021 is expected to be lost.

• Licenced Betting Offices have already re-opened on 15th June but will provide lower revenue streams than planned for the remainder of this year and into 2021.

• The Hotel and Conference & Events businesses will not generate any further revenue during 2020 and both areas will expect to trade at break-even in 2021.

• Following its provision for key workers only, the Nursery was able to re-open on 1st June at a lower capacity. However, the business has been able to charge a proportion of fees to allow others to retain their places. Within our scenario, full operation will return from 1st September 2020, on a phased basis, with full levels of profitability returning from the start of 2021.

Alongside these trading businesses the following additional actions have been taken:

• Since the March lockdown, overheads have been reduced to the minimum required to keep the respective sites functioning whilst all facilities, except the Nursery, remained closed.

• Newbury has taken advantage of the Government's Coronavirus Job Retention Scheme and furloughed two thirds of permanent salaried employees from late March as well as obtaining business rate relief through to March 2021.

• Many of those staff who have been retained to work agreed to accept voluntary pay cuts through to the end of September 2020.

• A restructuring of the organisation was implemented during July which will reduce the on-going overhead costs substantially and allow the business to flex the workforce as, and when, the trading position improves.

• Agreement has been confirmed with NatWest Bank on the waiving of existing financial covenants relating to the fully drawn £6m credit facility, and instead replacing them with a single minimum liquidity level covenant of £600,000.

• The final loan payment due to Compton Beauchamp Estates in November 2020 has been deferred until April 2022. The final minimum land payment of £10.9m due from David Wilson Homes (and guaranteed by Barratt Developments plc) is expected to be received by April 2022.

• Progression of the disposal of previously targeted non-core assets has continued.

• 2020 Capex has been restricted to only that already committed plus a contingency allowance. 2021 Capex reduced to £250,000 (currently uncommitted). All non-essential expenditure has been ceased.

Severe but plausible downside Scenario

The impact of COVID-19 is constantly being assessed and the situation (along with Government support) is subject to continual change. This makes it very difficult to assess with any certainty how the situation will evolve. However, the easing of the Government's lockdown has meant that the racing and hospitality businesses as well as our nursery operations have been able to plan accordingly. Whilst the board is confident that the assumptions used in the base case are reasonable, mitigating plans have been developed should there be any substantially adverse change to the anticipated liquidity over the period.

This severe but plausible downside scenario considers the potential of a 'second spike' of COVID-19. Under this scenario racing would remain behind closed doors for the remainder of 2020, with no crowds possible until the start of next year. If LBO's are required to close under specific circumstances, such as regionally, then we have modelled that this income reduces to c60% of current forecasts through to the end of 2020. We have also considered that the nursery will revert back to supporting key workers only for a period of 3 months. In addition to this, the sale of the previously identified non-core asset has also been removed from the downside scenario.

In the unlikely scenario that these events do all occur, additional mitigation plans have been put in place and will be implemented, if required, in order to ensure that sufficient headroom for liquidity and covenant can continue to be achieved.

These include:

• A further substantial reduction to 2020 and 2021 Capex to exclude all but committed Capex.

• Bonuses & LTIP payments being deferred until the cash position is deemed sufficient.

• Further salary and management structure contingencies being executed including the extension of voluntary wage reductions by the senior management team throughout 2021.

• A reduction to prize money and food & beverage facilities provided on race days (once resumption takes effect).

Other mitigation measures are possible but have not been included in the severe but plausible downside scenario.

The Company has the ability to draw on funding options provided by the racing industry and would accelerate the evaluation of a number of material non-core assets for potential disposal. If a second spike does occur, then it is assumed that the Government will extend financial support to businesses.

The Group has committed credit facilities, which are in place as an effective bridging facility through to April 2022, and the Board has concluded that it has a reasonable expectation that the Group and parent company has adequate resources, banking facilities and arrangements in place to continue in operational existence for the foreseeable future and therefore the going concern basis has been adopted in preparing the financial statements.

Nonetheless, as at the date of this report, the possible impact of COVID-19 provides a level of uncertainty as the situation for the racing industry and our other businesses continually changes. The Board continues to monitor this routinely and to develop detailed forecasts in response to the changing environment and through reviews of mitigation and contingency plans.

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.

7. NON FRS FINANCIAL INFORMATION

The consolidated profit and loss account includes measures which are not accounting measures under UK GAAP which are used to access the financial performance of the business. These measures which are termed ‘non-GAAP’ include reference to EBITDA within the Strategic Report.

Notes to the Interim Financial Statements

Six months ended 30 June 2020

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

M Leigh
Finance Director

18 September 2020

18 September 2020

Notes to the Interim Financial Statements

Six months ended 30 June 2020

8. SEGMENTAL ANALYSIS

30 June 2020	**Turnover £'000**	**Gross profit £'000**	**Profit/(loss) Before interest and exceptional items £'000**	**Profit/(loss) before tax £'000**	***Net Assets £'000**
Trading	**1,788**	**(826)**	**(1,787)**	**(1,876)**	**32,030**
Nursery	**514**	**170**	**170**	**170**	**2,674**
Lodge	**124**	**(35)**	**(35)**	**(35)**	**1,363**
Property	**27**	**27**	**17**	**56**	**13,190**
Total	**2,453**	**(664)**	**(1,635)**	**(1,685)**	**49,257**

30 June 2019	Turnover £'000	Gross profit £'000	Profit/(loss) Before interest and exceptional items £'000	Profit/(loss) before tax £'000	*Net Assets £'000
Trading	6,397	671	(633)	(650)	31,496
Nursery	754	285	285	285	2,700
Lodge	402	72	72	72	1,140
Property	20	20	(24)	(70)	15,107
Total	7,573	1,048	(300)	(363)	50,443

* 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.

9. EXCEPTIONAL ITEMS

	2020 £'000	2019 £'000
DWH debtor movement in fair value	**39**	(46)
Loss on sale of fixed assets	**(5)**	
Total	**34**	(46)

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

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 50.1p is calculated by dividing the loss attributable to ordinary shareholders for the period ended 30 June 2020 of £1,676,000 (2019: loss £221,000) by the weighted average number of ordinary shares during the period of 3,348,326 (2019: 3,348,326).

Notes to the Interim Financial Statements
Six months ended 30 June 2020

12. TANGIBLE FIXED ASSETS

GROUP	Freehold property £'000	Fixtures and fittings £'000	Tractors and motor vehicles £'000	Total £'000
Cost or valuation				
As at 1 January 2020	51,654	9,139	288	61,081
Additions	1,232	305	25	1,562
Disposals	-	(7)	-	(7)
As 30 June 2020	**52,886**	**9,437**	**313**	**62,636**
Depreciation				
At 1 January 2020	16,137	4,588	138	20,863
Charge for year	323	269	11	603
Disposals	-	(1)	-	(1)
At 30 June 2020	**16,460**	**4,856**	**149**	**21,465**
Net book value at 30 June 2020	**36,426**	**4,581**	**164**	**41,171**
Net book value at 31 December 2019	35,517	4,551	150	40,218

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 £36,350,000 (2019: £35,043,000).

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 2019.

13. INVESTMENT PROPERTY

GROUP	**2020** **£'000**	2019 £'000
At 30 June 2020	**1,500**	1,112
At 31 December 2019	**1,500**	1,112

Investment in property relates to freehold interests owned by the Group for the purpose of generating rental returns and is held at fair value. As at 30 June 2020, no further assessment of fair value had been undertaken.

14. SHARE CAPITAL

	2020 **£'000**	2019 £'000
Authorised		
Ordinary shares of 10p each	**600**	600
Total	**600**	600

	2020 **£'000**	2019 £'000
Allotted and fully paid		
Ordinary shares of 10p each	**335**	335
Total	**335**	335

Notes to the Interim Financial Statements

Six months ended 30 June 2020

15. RETIREMENT BENEFIT OBLIGATIONS

The defined benefit obligation at 30 June 2020 has been determined with reference to the figures recorded at 31 December 2019, 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 2019 of £0.05m, net of interest charges accrued.

16. 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 2019 Annual Report and Accounts.