



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

17 September 2019

**Interim Results for the six months ended 30 June 2019**

Newbury Racecourse plc, the racing, entertainment and events business, today announces its half year results for the six months ended 30 June 2019.

**Financial Highlights**

- Turnover increased 3% to £7.57m (2018: £7.33m)
- Operating loss of £0.30m (2018: £0.27m loss)
- Loss on ordinary activities after tax £0.22m (2018: £0.14m)

**Operational Highlights**

- 4% increase in media related revenues
- 86% increase Conference & Events revenues
- 1% growth in Rocking Horse Nursery revenues
- 31% growth in Lodge revenues

**Racing Highlights**

- The £750,000 Al Shaqab Lockinge Day was attended by over 11,200 racegoers, a 5% increase on last year. A further five-year extension to their sponsorship secured

**Property Development Highlights**

- The re-modelling of the main parade ring and improvements to the customer areas behind the stands completed
- Contractor appointed for the Royal Box works, which are expected to commence in the autumn and take approximately 6 months to complete at an estimated cost of £2.5m.
- David Wilson Homes continue to progress the final phase of residential development to the east of the site and sales of homes are steady

Dominic Burke, Chairman of Newbury Racecourse plc commented:

*"We are pleased with the continued progress made in the first six months of 2019. Total turnover growth was 3%, despite the loss of a race day to the equine influenza outbreak, with attendance during the period up 3% year on year. We have seen significant growth in our Conference & Events business, good growth in both the Lodge Hotel and the Nursery business.*

*Whilst David Wilson Homes continue to make steady progress on the residential development, we are delighted with the completion of the re-modelling of the main parade ring and improvements to the racegoer areas behind the stands.*

*We expect some challenges around LBO revenues in the second half of 2019, but with two incredibly strong music events and continued positive trends in our non-racing businesses, we remain confident in the financial outturn for the remainder of 2019, in line with our long term strategy."*

For further information please contact:

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## CHAIRMAN'S STATEMENT

In the first six months of 2019 the business has continued to grow its revenues across all of its operations.

Total turnover increased 3% on 2018 to £7.57m (2018: £7.33m). We have seen strong growth in our Conference & Events business, The Lodge hotel and the Rocking Horse Nursery.

Overall operating losses for the first six months were in line with our expectations at £0.30m (2018: £0.27m), due to an increase of £0.07m in administrative costs due to the continued investment in the quality of our management team, particularly in the areas of sales and marketing, given the increased scale of operations following the redevelopment of the site.

Exceptional items in the period were a charge of £0.05m (2018: profit £0.19m) being the fair value movement on the David Wilson Homes debtor.

Losses after tax for the period were £0.22m (2018: loss £0.14m).

Our racing in 2019 to date has been thrilling and as competitive as ever. February's Betfair Saturday was regrettably abandoned as a result of the equine influenza outbreak but it was an insured fixture so the financial loss was largely mitigated. We were delighted to host the retiring Noel Fehily at our finale meeting at the end of March which saw most of Lambourn descend on Newbury to wish him well. The 2019 flat season got underway with Dubai Duty Free Spring Trials Weekend and we saw competitive renewals of both the Watership Down Stud Greenham Stakes won by the Marcus Tregoning-trained, Mohaather. The £750,000 Al Shaqab Lockinge Day was attended by over 11,200 racegoers, a 5% increase on last year. A fantastic card, with a wide open Lockinge, made for competitive viewing, with the Sir Michael Stoute-trained, Mustashry, landing the spoils and narrowly beating the wonderful mare Laurens. Betting turnover was up on the day and strong viewing figures of over 700,000 on ITV's main channel is encouraging to see. We are delighted and grateful to Al Shaqab for their continued support of this race following a further five-year extension to their sponsorship announced at the end of July 2019.

Our non-racing businesses continue to be a significant focus for us and we have seen positive growth in these areas. Conference & Events revenues to June were 86% ahead of the first six months of 2018, reflecting our investment in the Sales team and marketing activity. The Lodge, has continued to deliver year on year growth in occupancy levels, with revenues being 31% ahead of the same period last year. Our nursery business continues to trade well with revenues being 1% ahead of the same period last year, reflecting in part that we now operating at near full occupancy.

### The Development

The re-modelling of the main parade ring and improvements to the racegoers areas behind the stands are now completed and we are delighted with the results and the positive feedback from patrons. The phased refurbishment of the Berkshire Stand and

improvements to the wider infrastructure have continued and have significantly enhanced the customer experience. Upgrading of the Annual Members' facilities is underway and the major refurbishment of the historic Royal Box is expected to commence shortly.

All of these important refurbishments collectively help underpin our confidence in delivering improved financial returns in the future.

David Wilson Homes continue to progress the final phase of residential development to the east of the site and sales of homes are steady. The expectation remains that it will take until 2022 for all properties to be sold.

### Outlook

Weatherbys Super Sprint Day featuring the second renewal of The Marsh Cup was once again well supported by horsemen with a strong field of 16. This meeting was also our first Party in the Paddock event of the year and we hosted Sir Tom Jones with a sell-out crowd of almost 23,000. August's Unibet Hungerford Day saw Madness take to the stage for their third visit to Newbury and was attended by more than 22,000 people. These two events collectively resulting in our biggest ever attendance for our Party in the Paddock events.

We now look ahead to the Autumn Flat programme and the return of the Jumps in November and the third renewal of the Ladbrokes Winter Carnival. Dubai Duty Free International weekend always attracts great intrigue and we are hosting a newcomer's area across both the Friday and Saturday this year with interactive 'behind the scenes' experiences for anyone new to racing. Worthington's Remember Together Raceday returns at the end of October and also draws the curtain on our Flat season before we turn our attention to the Jumps. The Ladbrokes Winter Carnival is already looking very competitive with talk of the Ladbrokes Trophy likely to attract some top names from last year including; Topofthegame, Santini and Lostintranslation. This year's two-day meeting will celebrate the countdown to Christmas and we look forward to welcoming many of you.

Whilst, in the first half of the year we did not see any material decline in our LBO revenues, post April's FOBT reform, this remains a significant risk as we move forwards. Betting shops have so far been closing at a slower rate than previously anticipated, however the Board expects this to accelerate in the second half of 2019 and into 2020. Because of this, the Board will be carefully reviewing its prizemoney investment over the coming period.

In spite of the anticipated challenges around LBO revenues, the Board remains confident in the financial outturn for the remainder of 2019, in line with our expectation and our long term stated strategy.

**DOMINIC J BURKE**  
Chairman  
16 September 2019

## CHIEF EXECUTIVE'S REPORT

### PERFORMANCE REVIEW

Turnover increased 3% to £7.57m (2018: £7.33m) in the first half of the year which included the abandonment of one race meeting in February. This included a 4% increase in media revenues, an 86% increase in Conference & Events (C&E) revenues, a 1% increase in Nursery income and a 31% increase in Lodge revenues year on year, attributable to increased occupancy levels in both of those businesses.

Cost of sales increased by £0.20m, 3%, reflecting both the increased turnover, together with an acceleration in budgeted maintenance spend ahead of the major summer race meetings. Administrative expenses of £1.35m (2018: £1.28m), being a 6% increase, attributable to the investment in the strengthened team towards the end of 2018, together with increased marketing spend.

Mid-year operating losses of £0.30m were broadly in line with the comparative period (2018: loss of £0.27m).

Exceptional items in the first six months of 2019 were a charge of £0.05m (2018: profit £0.19m) 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 £0.22m (2018: loss £0.14m).

### Racing

There was one abandoned race meeting in the period (2018: two) and attendances in the first six months were 53,219, 3% up on the same period in 2018 (51,593).

Total media related revenues of £2.39m, were c.4% up on the same period in 2018, this being attributable to increased LBO revenues versus the same 6 months in 2018, with the new LBO agreement only having come into effect in April 2018.

We are grateful to have received continued significant support from all of our sponsors, with particular thanks to Al Shaqab, Betfair, Bewiser, Compton Beauchamp Estates and Dubai Duty Free for their investment in the first half of the year.

### Catering, Hospitality and Retail

Revenues from the catering business in the first six months of 2019 were £1.37m, an increase of c.9% on 2018, largely attributable to the increase in Conference & Events related food and beverage sales.

The improvements we have continued to make in our public food and beverage offer and facilities has seen

an increase in average spend per head of 8% year on year.

### Conference and Events

Conference and Events revenues in the first six months of £0.65m were an improvement of 86% versus the same period in 2018.

Our significantly strengthened sales team continue to focus on driving forward the re-focused sales strategy for this part of the business, to maximise the utilisation of our facilities and outdoor space and have been successful in securing a number of exciting new high profile clients and industry sectors.

### The Lodge

Our 36 bedroom onsite hotel has continued to deliver good growth in occupancy levels and average room rates. Revenues of £0.4m in the first six months of 2019 were 31% up on the same period in 2018.

We are pleased to have recently secured permanent change of use planning consent for this facility, together with the option to extend to 80 bedrooms.

### Rocking Horse Nursery

The nursery business has continued to trade well with revenues in the first six months of 2019 of £0.75m, 1% up on the comparative period in 2018 and an occupancy increase of 2% versus the same period last year.

### The Development

There have been limited development works in the first 6 months of 2019, which has allowed us to focus our time and efforts on maximising the customer experience and driving forward our sales strategy.

Works on the Annual members facilities are underway, including an upgrade of the Carnarvon Room in the Berkshire Stand and the creation of a new members facility in the Hampshire Stand. We have also appointed a contractor for the Royal Box works, which are expected to commence in the autumn and take approximately 6 months to complete at an estimated cost of £2.5m. In addition to restoring this important building, the works will also include new racing integrity (camera) positions and enhanced public facilities on the ground floor.

### JULIAN THICK

Chief Executive

16 September 2019

## Consolidated Profit and Loss Account

Six months ended 30 June 2019

	Note	Unaudited 6 months 30/06/19 £'000	Unaudited 6 months 30/06/18 £'000
<b>Turnover</b>	6	7,573	7,332
Cost of sales		(6,525)	(6,325)
<b>Gross profit</b>	6	1,048	1,007
Administrative expenses		(1,348)	(1,278)
<b>Operating loss before exceptional items</b>		(300)	(271)
<b>Exceptional Items</b>	7	(46)	194
<b>Loss before interest and tax</b>		(346)	(77)
Interest receivable and similar income		4	3
Interest payable and similar charges		(21)	(149)
<b>Loss before taxation</b>		(363)	(223)
Tax credit/(charge)	8	142	88
<b>Loss after taxation</b>		(221)	(135)
Loss per share (basic and diluted) (Note 9)		(6.6p)	(4.0p)
All amounts derive from continuing operations			

## Consolidated Statement of Comprehensive Income

Six months ended 30 June 2019

	Unaudited 6 months 30/06/19 £'000	Unaudited 6 months 30/06/18 £'000
Total comprehensive loss for the period	(221)	(135)

## Consolidated Balance Sheet

Six months ended 30 June 2019

	Note	Unaudited 6 months 30/06/19 £'000	Audited 12 months 31/12/18 £'000
<b>Fixed assets</b>			
Tangible assets	10	39,038	38,490
Investments		117	117
Investment properties	11	1,112	1,112
		<b>40,267</b>	<b>39,719</b>
<b>Current assets</b>			
Stocks		297	250
Debtors (amounts falling due after more than one year £12,883 (2018: £13,403))		18,627	20,079
Cash at bank and in hand		3,429	2,223
		<b>22,353</b>	<b>22,552</b>
<b>Creditors: amounts falling due within one year</b>		<b>(5,737)</b>	<b>(5,110)</b>
<b>Net current assets</b>		<b>16,616</b>	<b>17,442</b>
<b>Total assets less current liabilities</b>		<b>56,883</b>	<b>57,161</b>
<b>Creditors: amounts falling due after more than one year</b>		<b>(2,472)</b>	<b>(2,471)</b>
<b>Provisions for liabilities</b>			
Provisions		(3,307)	(3,270)
Pension liability	13	(661)	(747)
<b>Net assets</b>		<b>50,443</b>	<b>50,673</b>
<b>Capital grants</b>			
Deferred capital grants		79	88
<b>Capital and reserves</b>			
Called up share capital	12	335	335
Share premium account		10,202	10,202
Revaluation reserve		75	75
Equity reserve		143	143
Profit and loss account surplus		39,609	39,830
<b>Shareholders' funds</b>		<b>50,364</b>	<b>50,585</b>
<b>Net assets</b>		<b>50,443</b>	<b>50,673</b>

The unaudited half year financial statements of Newbury Racecourse PLC, company registration 00080774, were approved by the Board of Directors on 16 September 2019 and signed on its behalf by:

D J Burke (Chairman)

J M Thick (Chief Executive)

## Consolidated Statement of Changes in Equity

At 30 June 2019

GROUP	Share Capital £'000	Share Premium £'000	Capital redemption Reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
<b>At 1 January 2018</b>	335	10,202	143	75	37,691	48,446
Loss for the period to 30 June 2018	-	-	-	-	(135)	(135)
Other comprehensive income	-	-	-	-	-	-
<b>At 30 June 2018</b>	335	10,202	143	75	37,556	48,311

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

## Consolidated Cash Flow Statement

Six months ended 30 June 2019

	Unaudited 6 months 30/06/19 £000	Unaudited 6 months 30/06/18 £000
<b>Cash flows from operating activities</b>		
Profit for the financial period	(221)	(135)
<b>Adjustments for:</b>		
Exceptional items	46	(194)
Amortisation of capital grants	(9)	(9)
Depreciation charges	514	746
Interest paid	21	134
Interest received	(4)	-
Tax credit	(142)	(166)
(Increase) in stocks	(47)	(61)
Decrease in debtors	879	2,683
Increase/(decrease) in creditors	790	(31)
Corporation tax paid	-	(78)
Other associated property receipts	12	9
Pension funding deficit payments	(100)	-
<b>Net cash generated from operating activities</b>	<b>1,739</b>	<b>2,895</b>
<b>Cash flows from investing activities</b>		
Receipts from exceptional sale of fixed assets	655	1,386
Purchase of fixed assets	(1,187)	(2,535)
Interest received	4	4
<b>Net cash from investing activities</b>	<b>(528)</b>	<b>(1,145)</b>
<b>Cash flows from financing activities</b>		
Loan finance issued*	-	(69)
Interest paid	(5)	(15)
<b>Net cash used in financing activities</b>	<b>(5)</b>	<b>(84)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,206</b>	<b>1,666</b>
Cash and cash equivalents at beginning of period	2,223	5,107
<b>Cash and cash equivalents at the end of period</b>	<b>3,429</b>	<b>6,773</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	3,429	6,773
	<b>3,429</b>	<b>6,773</b>

\*Loan to Britbet Racing LLP, formation of a new betting consortium.

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 2019

## 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 2019 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 2018 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. GOING CONCERN

The Board has undertaken a full and thorough review of the Group’s forecasts and associated risks and sensitivities. The extent of this review reflects the current economic climate, including Brexit, as well as the specific financial circumstances of the Group.

The Board identified 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.

The Board has reviewed the cash flow and working capital requirements in detail. At the balance sheet date, the Company has adequate cash reserves, together with

updated revolving credit facilities which are in place through to 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.

## 3. 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.

## 4. 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.

## 5. 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 2019

### 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

16 September 2019

C E Spencer  
Finance Director

16 September 2019

## Notes to the Interim Financial Statements

Six months ended 30 June 2019

### 6. SEGMENTAL ANALYSIS

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
<b>Total</b>	<b>7,573</b>	<b>1,048</b>	<b>(300)</b>	<b>(363)</b>	<b>50,443</b>

30 June 2018	Turnover £'000	Gross profit £'000	Profit/(loss) Before interest and exceptional items £'000	Profit/(loss) before tax £'000	*Net Assets £'000
Trading	6,248	657	(518)	(664)	28,882
Nursery	749	284	284	284	2,728
Lodge	306	37	37	37	1,131
Property	29	29	(74)	120	15,667
<b>Total</b>	<b>7,332</b>	<b>1,007</b>	<b>(271)</b>	<b>(223)</b>	<b>48,408</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.

### 7. EXCEPTIONAL ITEMS

	2019 £'000	2018 £'000
DWH debtor movement in fair value	(46)	194
<b>Total</b>	<b>(46)</b>	<b>194</b>

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

### 8. 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.

### 9. PROFIT PER SHARE

Basic and diluted loss per share of 6.6p is calculated by dividing the loss attributable to ordinary shareholders for the period ended 30 June 2019 of £221,000 (2018: loss £135,000) by the weighted average number of ordinary shares during the period of 3,348,326 (2018: 3,348,326).

## Notes to the Interim Financial Statements

Six months ended 30 June 2019

### 10. TANGIBLE FIXED ASSETS

GROUP	Freehold land, buildings and outdoor fixtures £'000	Fixtures fittings and equipment £'000	Tractors and motor vehicles £'000	Total £'000
<b>Cost or valuation</b>				
As at 1 January 2019	50,424	7,658	287	58,369
Additions	531	486	45	1,062
<b>As 30 June 2019</b>	<b>50,955</b>	<b>8,144</b>	<b>332</b>	<b>59,431</b>
<b>Depreciation</b>				
At 1 January 2019	15,528	4,157	194	19,879
Charge for year	308	201	5	514
<b>At 30 June 2019</b>	<b>15,836</b>	<b>4,358</b>	<b>199</b>	<b>20,393</b>
<b>Net book value at 30 June 2019</b>	<b>35,119</b>	<b>3,786</b>	<b>133</b>	<b>39,038</b>
Net book value at 31 December 2018	34,896	3,501	93	38,490

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 £35,043,000 (2018: £32,002,000).

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. This has resulted in a like for like reduction in the six monthly depreciation charge of £0.29m.

### 11. INVESTMENT PROPERTY

GROUP	2019 £'000	2018 £'000
At 1 January	1,112	1,112
<b>At 31 December</b>	<b>1,112</b>	<b>1,112</b>

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 2019, no further assessment of fair value had been undertaken.

### 12. SHARE CAPITAL

	2019 £'000	2018 £'000
<b>Authorised</b>		
Ordinary shares of 10p each	600	600
Total	600	600
	2019 £'000	2018 £'000
<b>Allotted and fully paid</b>		
Ordinary shares of 10p each	335	335
Total	335	335

## Notes to the Interim Financial Statements

Six months ended 30 June 2019

### 13. RETIREMENT BENEFIT OBLIGATIONS

The defined benefit obligation at 30 June 2019 has been determined with reference to the figures recorded at 31 December 2018, 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 £0.1m, net of interest charges accrued.

### 14. 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 2018 Annual Report and Accounts.