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Registrar.

REGISTERED NUMBER: 00553452 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
AUDITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
THE GOODWOOD ESTATE COMPANY LIMITED**

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THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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THE GOODWOOD ESTATE COMPANY LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS:

The Duke of Richmond and Gordon
Duchess of Richmond and Gordon
Mrs Tracey Greaves
Christopher Edward James Woodgate
Adrian Paul Sargent
Jeremy Robert Arthur Richardson
Terence David O'Rourke
Mrs Jane Cole
Christopher Paul Sullivan
Ian Edward Barlow
Ian Christopher West

SECRETARY: Mrs Katharine Anne Palka

REGISTERED OFFICE:

Goodwood House
Goodwood
Chichester
West Sussex
PO18 0PX

REGISTERED NUMBER: 00553452 (England and Wales)

SENIOR STATUTORY AUDITOR: P R Collins

AUDITORS:

Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
44 Springfield Road
Horsham
West Sussex
RH12 2PD

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report of the company and the group for the year ended 31 December 2018.

OUR OBJECTIVE AND MISSION

Our vision - to be the world's leading luxury experience brand and deliver consistently strong financial performance to enable continued investment in the fabric of the Goodwood Estate.

Our mission - to build a progressive customer focussed business and develop Goodwood as a global brand whilst preserving authenticity, creating unique moments and delivering sustainable commercial performance in an exciting and rewarding place.

BUSINESS MODEL

Goodwood is principally focused on the leisure market: we deliver three of the major sporting events of the English summer: the Festival of Speed; the Qatar Goodwood Festival and; the Goodwood Revival meeting. The Group also operates a high quality hotel, leisure club, two golf courses and our traditional estate operations include a property portfolio of residential estate properties and one of the UK's largest independent downland organic farms.

The Group derives the majority of its revenue from attendance income, hospitality and sponsorship. These income streams give the Group exposure to both the medium to high-end consumer market; the UK hospitality market and the international sponsorship market.

REVIEW OF BUSINESS

Group performance was positive with revenue growing by 6.4% to £104.4m in 2018 (£98.2m in 2017). The Gross profit decreased slightly to £21.3m (£22.8m in 2017), with the Gross margin softening slightly at 22% (23% 2017) which reflects the on-going commitment across the business to invest in customer experience initiatives; through either the creation and refurbishment of new and existing facilities or continued investment in enhancing event based experiential content.

The financial performance reflects positive trading from all parts of the business, the Festival of Speed celebrated its 25th anniversary and was again sold out in advance whilst the Goodwood Revival celebrated its 21st anniversary. Encouragingly, both of the flagship motor sports events exceeded 2017 profit levels. Now in its fifth year, the Members' Meeting was a pre event sell out but on event attendance was slightly down due to the adverse weather conditions experienced over the weekend itself. The highly selective international consulting business 'Kinrara' continued to grow through acquisition of a range of new clients. The Motor Circuit had another growth year whilst also successfully launching a new product the "Goodwood Off-Road Experience". The House enjoyed an extremely positive year with a high number of large event bookings with the Kennels delivering its best result in its 10-year history. Hound Lodge, the Group's newest and most premium accommodation offering continued to grow as a result of increased occupied nights and yield.

At the Operating profit level, the Group decreased to £4.9m (£7.6m 2017). However, underlying trading performance was in-line with management growth expectations once investment property revaluations and one-off non-trading adjustments are considered. Profit margins delivered are at expected levels of 6.3% (6.6% in 2017) a reflection of strong management focus on overhead control and best purchasing practices through procurement initiatives. Administration expenses have marginally reduced for the second year running, having been tightly controlled throughout 2018, absorbing the national minimum wage increase, apprenticeship levy as well as the Group's annual inflationary pay rise.

From a financing perspective, net interest costs (including investment income) decreased slightly to £0.49m (£0.58m 2017). Net Debt, which is calculated on Loans (excluding Family), Leases, Hire Purchase and Cash is £5.5m a marginal increase on 2017, caused primarily by the reduction in Cash in hand and at the bank of £0.8m, as a result of working capital timing.

During 2018, the decision was taken by the Board to impair the remaining 50% (£370k) of the DriveTribe investment, meaning that this investment is now fully impaired. The Group considers this to be a conservative view and remain confident that this investment project will be successful in the longer term.

Each year we are required to revalue the Group's property portfolio, during 2018 residential property prices have remained static where as both the Agricultural and Commercial properties have increased marginally. Following changes in the composition of the multi-employer defined benefit scheme of which the Group is a part, the Group obtains a full valuation of the pension scheme each year. Its share of the deficit has reduced slightly to £4.1m in 2018 from £4.3m in 2017, the fair value of the plan assets has reduced but this has been offset by a higher reduction in the defined benefit obligation.

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Group capital expenditure has been fairly significant in the year, with additions of £8.2m and disposals of (£1.1m). During 2018, significant investment was made into a new Champagne bar in the Richmond enclosure at the Racecourse, which opened in time for the Qatar Goodwood Festival and has proved an extremely popular investment. In addition, the Group was approaching completion of the new Aerodrome building, which subsequently was opened in April 2019. This is now home to Goodwood's Aviation business and includes an improved Aerodrome Café. Work was delayed due to a claim received from Tasker Catchpole, the original contractor. Following mediation between both parties the matter has now been resolved.

Looking ahead, 2019 has started positively and, against the backdrop of a challenging budget and economy, the Group is well placed to continue to grow financial performance and has already delivered a very successful Members Meeting event and Festival of Speed event. There are several exciting Capital projects in the pipeline with the Goodwood Hotel due to start a phased major refurbishment programme which will commence at the end of 2019.

GOODWOOD MODERN SLAVERY ACT STATEMENT

Goodwood welcomes the UK's Modern Slavery Act 2015 and the duty it places on businesses to disclose publicly the steps they are taking to tackle forced labour and human trafficking, and we are committed to improving our practices to combat these.

As part of this commitment we acknowledge our responsibility to ensure transparency within the Group and with our suppliers of goods and services. The standards outlined are applicable across the whole of the Goodwood Group and all our subsidiaries.

The Group is based at the 12,000-acre Goodwood Estate in Chichester, West Sussex, from which it operates a wide range of luxury leisure, sporting and events businesses. To run these various operations, we employ over 700 employees and casual workers at various points in our calendar. Due to the extremely varied nature of all our businesses we also deal with hundreds of suppliers across a very wide range of business types. We want our customers to be confident that both we and our business partners share the same standards, values and commitment to treat all employees fairly, with respect for human rights, and to ensure that they are not exposed to unsafe working conditions or in any way forced to work under slavery. We only use reputable employment agencies to source labour. Once employed by us, employees are clearly notified of the highest standards of employee conduct and ethical behaviour expected of them, including when operating and managing our supply chains. We will raise the general awareness of modern slavery issues among our employees by providing relevant information via briefings. We will only deal with organisations who also commit to the eradication of slavery and human trafficking. To work towards achieving this, our due diligence process will incorporate a review of the controls undertaken by our suppliers and we will require them to commit to the provisions set out in our Business Code. Key supply chain managers will have responsibility for developing and operating company procedures relevant to the issue. Further and wider training will follow as and when identified.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk type	Principle risks identified	Controls & mitigations
External development of land that adversely affects the Estate	Possibility of new bypass north of Chichester that impacts Estate businesses, or encroachment of land development north of Chichester up to the Estate boundary. Planning decisions by SDNP or CDC that constrain the Estate's business activities.	Monitor & Review by Estate Committee, and external planning consultant advice. Monitoring of CDC local plan & sites proposed through HELAA call for sites.
Brand Reputation / Damage	Damage to reputation as a consequence of mis-managing the brand or failing to respond properly to potentially damaging circumstances.	Brand guidelines for all key events exist. Closely monitoring IP trademarks, with IP steering group managing our trademarks. General PR and lobbying, with participation in industry groups. Regular customer research and monitoring of satisfaction KPIs.

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

IT and Data Protection	Interruption of service, corruption or data breaches as a result of cyber attacks or failure of the systems and infrastructure.	Full infrastructure resilience in all areas inc fibre, storage network, telephone lines, firewalls, data connectivity, network servers & core network switches. DP and PCI training for all staff, cyber attack prevention via Darktrace, int and ext penetration tests. Encrypted endpoints with antivirus, 2FA on VPN.
Operations (365 and events)	Major operational incident causing loss of life, serious injuries, significant long-term environmental impairment, serious damage to assets and/or extensive impairment to our commercial activities.	Major event planning is refined and tested through a multi-agency planning process that includes a Safety Advisory Group for each event. Regular liaison with statutory experts such as EHO, Fire Brigade, Police etc. Specialist single insurance policy covering the Group's business risks.
Terrorism	Threat of, or actual deliberate act, to damage the Estate's assets, interrupt a major event and/or damage the reputation of the Goodwood Estate through terrorist activity.	Dedicated 24/7 security team with access to co-ordinated multi-camera CCTV enabled control room. Strong relationship with local and national police agencies to identify specific threat level and risks to the Estate, Events and Family. Extensive on-event control measures and plans in place.
Failure within the Supply Chain or a Significant Customer	An operational or contractual failure within the supply chain that disrupts, financially impacts or stops a Goodwood business from operating on a daily or longer term basis. A significant customer presents a credit risk and therefore does not pay or withdraws from Goodwood.	Approved contracts & standard clauses covering mitigation and escalation. Contract training for employees, ensuring contract awareness & understanding of consequences. Credit Checks are performed in advance of customer contractual commitment, cash collection is proactively managed and key account relationship managers are in place.
Business Continuity	The inability for one or more business areas to keep operating after adversity.	Estate wide risk assessments to identify the potential issues in advance. Disaster plans in place, including IT and salvage as well as an extensive supply chain back up to provide temporary services. Skilled workforce used to coping with adversity. Ongoing advice from local emergency services. Size of estate allows for relocation of resources if one area off limits.
Family and Heritage Assets	Death, illness, accident of The Duke or Family. Fire, Flooding, explosion at Goodwood House. Kidnap, ransom of The Duke or Family. Burglary / Theft of artwork, furniture, jewellery etc	Physical and Operational security plans in place for protection The Duke and Family. Alarms, CCTV, Access Control, Driving. Salvage Plan in place for Goodwood House. Insurance of property and assets. Vetting of staff procedure. NDA, control of contractors procedures used. Specialist security consultants in place.

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

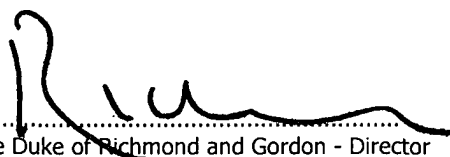
People and Development	Failure to comply with employment and GDPR law causing employee claims, government penalties and damage to the Goodwood brand. Failure to recruit, train and retain good staff, causing poor service and standards and high labour turnover, customer complaints & compensation, possibility of being unable to operate areas of the business causing loss of revenue.	Robust recruitment process, employment contracts, employee handbook and security checks, Mandatory and optional training programmes, regular individual employee monitoring processes, external audit on files, Succession planning. Regular Employment law updates for all P&D staff.
Macro-Economic and Legislative Threats to Commercial Activity	A change to legislation (such as Brexit or the Bribery Act) or a downturn in a key business sector (such as the motor industry) that adversely affects our business(es) commercially.	Comprehensive Group Bribery Act Policy is in place. Management focus to ensure corrective actions are taken in timely manner. Relationships with Sponsors and Clients.

FUTURE DEVELOPMENT

The Group's future development is centred around three key strands that continue to push the Goodwood Brand forward:

1. Continued drive and investment in the core physical (on Estate) business so that we can continue to deliver evolutionary and world leading customer experiences, maximise a range of opportunities the Group has committed to pursue and make the Estate increasingly self-sustaining.
2. Increased investment in the Group's digital and broadcast business so that Goodwood can continuously refine and grow its global year-round reach and offer our major customers attractive digital and broadcast opportunities.
3. Focus on long-term commercial relationships with key partners with an enhanced emphasis on developing a range of opportunities on an international horizon.

ON BEHALF OF THE BOARD:


.....
The Duke of Richmond and Gordon - Director

Date: 26 September 2019

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2018.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2018.

FUTURE DEVELOPMENTS

The future developments in the business of the group are discussed in the strategic report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

The Duke of Richmond and Gordon
Duchess of Richmond and Gordon
Mrs Tracey Greaves
Christopher Edward James Woodgate
Adrian Paul Sargent
Jeremy Robert Arthur Richardson
Terence David O'Rourke
Mrs Jane Cole
Christopher Paul Sullivan
Ian Edward Barlow

Other changes in directors holding office are as follows:

Ian Christopher West - appointed 3 December 2018

Professor Brian George Allison ceased to be a director after 31 December 2018 but prior to the date of this report.

EMPLOYEES

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. All employees are aware of the financial and economic performance of their business units and of the Group as a whole, and are rewarded according to the results of both through an annual bonus scheme. Communication with all employees continues through the in-house newspaper and newsletters, briefing groups and the distribution of the annual report.

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Goodwood Estate Company Limited complies with the UK's Modern Slavery Act 2015.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

There is a third-party indemnity provision in place for the benefit of all directors of the company.

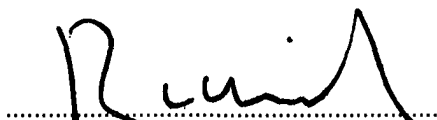
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Hartley Fowler LLP, have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be appointed as auditors in the absence of an Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
The Duke of Richmond and Gordon - Director

Date: 26 September 2019
.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GOODWOOD ESTATE COMPANY LIMITED

Opinion

We have audited the financial statements of The Goodwood Estate Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GOODWOOD ESTATE COMPANY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page eight, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

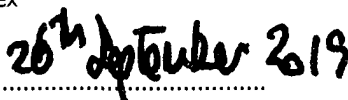
Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Collins (Senior Statutory Auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
44 Springfield Road
Horsham
West Sussex
RH12 2PD

Date:



THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018		2017 as restated	
	Notes	£	£	£	£
TURNOVER	3		104,445,136		98,163,410
Cost of sales			<u>83,161,478</u>		<u>75,345,866</u>
GROSS PROFIT			21,283,658		22,817,544
Administrative expenses			<u>16,218,319</u>		<u>16,304,569</u>
			5,065,339		6,512,975
(Loss)/Gain on investment property revaluation			(204,605)		1,068,463
Other operating income			<u>23,214</u>		<u>-</u>
OPERATING PROFIT	5		4,883,948		7,581,438
Income from fixed asset investments		106,079		48,839	
Interest receivable and similar income		<u>10,454</u>		<u>5,454</u>	
			<u>116,533</u>		<u>54,293</u>
			5,000,481		7,635,731
Amounts written off investments	6		<u>370,043</u>		<u>451,743</u>
			4,630,438		7,183,988
Interest payable and similar expenses	7		<u>601,653</u>		<u>630,699</u>
PROFIT BEFORE TAXATION			4,028,785		6,553,289
Tax on profit	8		<u>1,357,351</u>		<u>384,376</u>
PROFIT FOR THE FINANCIAL YEAR			2,671,434		6,168,913
OTHER COMPREHENSIVE INCOME					
Unrealised gains on property			(1,059,986)		1,667,877
Defined benefit pension scheme			187,000		2,212,000
Income tax relating to components of other comprehensive income			<u>107,624</u>		<u>2,827,576</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX			<u>(765,362)</u>		<u>6,707,453</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u><u>1,906,072</u></u>		<u><u>12,876,366</u></u>
Profit attributable to:					
Owners of the parent			<u><u>2,671,434</u></u>		<u><u>6,168,913</u></u>
Total comprehensive income attributable to:					
Owners of the parent			<u><u>1,906,072</u></u>		<u><u>12,876,366</u></u>

The notes form part of these financial statements

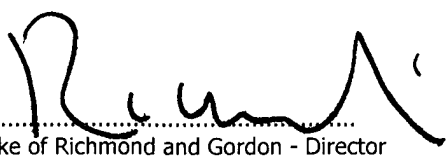
THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2018**

		2018		2017 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12		219,105,649		214,979,520
Investments	13		234,785		632,992
Investment property	14		<u>35,652,444</u>		<u>35,802,998</u>
			254,992,878		251,415,510
CURRENT ASSETS					
Stocks	15	2,103,069		2,147,433	
Debtors	16	11,780,690		10,439,278	
Cash at bank and in hand		<u>3,608,555</u>		<u>4,381,037</u>	
		17,492,314		16,967,748	
CREDITORS					
Amounts falling due within one year	17	<u>33,730,401</u>		<u>31,713,314</u>	
NET CURRENT LIABILITIES			<u>(16,238,087)</u>		<u>(14,745,566)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			238,754,791		236,669,944
CREDITORS					
Amounts falling due after more than one year	18		(9,105,276)		(8,599,231)
PROVISIONS FOR LIABILITIES	23		<u>(26,377,004)</u>		<u>(26,575,415)</u>
NET ASSETS			<u>203,272,511</u>		<u>201,495,298</u>
GRANT ACCOUNT	24		6,747,160		6,876,019
CAPITAL AND RESERVES					
Called up share capital	25		12,652		12,652
Revaluation reserve			129,935,283		130,864,255
Other capital reserves			490,000		490,000
Pension reserve			(3,017,000)		(3,180,610)
Fair value reserve			25,665,689		25,835,294
Retained earnings			<u>43,438,727</u>		<u>40,597,688</u>
SHAREHOLDERS' FUNDS			196,525,351		194,619,279
			<u>203,272,511</u>		<u>201,495,298</u>

The financial statements were approved by the Board of Directors on
on its behalf by:

26 September 2019... and were signed


The Duke of Richmond and Gordon - Director

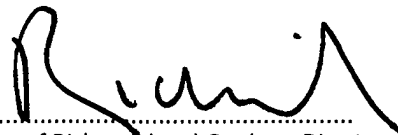
The notes form part of these financial statements

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

COMPANY BALANCE SHEET
31 DECEMBER 2018

		2018		2017 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12		91,712,998		92,358,190
Investments	13		8,552,139		8,922,365
Investment property	14		<u>35,652,444</u>		<u>35,802,998</u>
			135,917,581		137,083,553
CURRENT ASSETS					
Stocks	15	1,442,759		1,557,777	
Debtors	16	4,971,441		4,180,834	
Cash at bank		<u>24,009,474</u>		<u>24,634,814</u>	
		30,423,674		30,373,425	
CREDITORS					
Amounts falling due within one year	17	<u>8,675,158</u>		<u>12,079,897</u>	
NET CURRENT ASSETS			<u>21,748,516</u>		<u>18,293,528</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			157,666,097		155,377,081
CREDITORS					
Amounts falling due after more than one year	18		(7,330,847)		(6,333,158)
PROVISIONS FOR LIABILITIES	23		<u>(17,485,416)</u>		<u>(17,714,332)</u>
NET ASSETS			<u>132,849,834</u>		<u>131,329,591</u>
CAPITAL AND RESERVES					
Called up share capital	25		12,652		12,652
Revaluation reserve			74,035,176		74,457,618
Capital redemption reserve			134,220		134,220
Pension reserve			(3,017,000)		(3,180,610)
Fair value reserve			25,665,689		25,835,294
Retained earnings			<u>36,019,097</u>		<u>34,070,417</u>
SHAREHOLDERS' FUNDS			<u>132,849,834</u>		<u>131,329,591</u>
Company's profit for the financial year			<u>1,779,075</u>		<u>3,605,086</u>

The financial statements were approved by the Board of Directors on 26 September 2019 and were signed on its behalf by:


.....
The Duke of Richmond and Gordon - Director

The notes form part of these financial statements

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 January 2017	1,012,652	36,757,360	125,820,192
Changes in equity			
Issue of share capital	(1,000,000)	-	-
Dividends	-	(810,122)	-
Total comprehensive income	-	4,650,450	5,044,063
Balance at 31 December 2017	<u>12,652</u>	<u>40,597,688</u>	<u>130,864,255</u>
Changes in equity			
Total comprehensive income	-	2,841,039	(928,972)
Balance at 31 December 2018	<u>12,652</u>	<u>43,438,727</u>	<u>129,935,283</u>

	Other capital reserves £	Pension reserve £	Fair value reserve £	Total equity £
Balance at 1 January 2017	490,000	(4,844,000)	24,316,831	183,553,035
Changes in equity				
Issue of share capital	-	-	-	(1,000,000)
Dividends	-	-	-	(810,122)
Total comprehensive income	-	1,663,390	1,518,463	12,876,366
Balance at 31 December 2017	<u>490,000</u>	<u>(3,180,610)</u>	<u>25,835,294</u>	<u>194,619,279</u>
Changes in equity				
Total comprehensive income	-	163,610	(169,605)	1,906,072
Balance at 31 December 2018	<u>490,000</u>	<u>(3,017,000)</u>	<u>25,665,689</u>	<u>196,525,351</u>

The notes form part of these financial statements

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 January 2017	1,012,652	32,793,916	71,242,289
Changes in equity			
Issue of share capital	(1,000,000)	-	-
Dividends	-	(810,122)	-
Total comprehensive income	-	2,086,623	3,215,329
Balance at 31 December 2017	12,652	34,070,417	74,457,618
Changes in equity			
Total comprehensive income	-	1,948,680	(422,442)
Balance at 31 December 2018	12,652	36,019,097	74,035,176

	Capital redemption reserve £	Pension reserve £	Fair value reserve £	Total equity £
Balance at 1 January 2017	134,220	(4,844,000)	24,316,831	124,655,908
Changes in equity				
Issue of share capital	-	-	-	(1,000,000)
Dividends	-	-	-	(810,122)
Total comprehensive income	-	1,663,390	1,518,463	8,483,805
Balance at 31 December 2017	134,220	(3,180,610)	25,835,294	131,329,591
Changes in equity				
Total comprehensive income	-	163,610	(169,605)	1,520,243
Balance at 31 December 2018	134,220	(3,017,000)	25,665,689	132,849,834

The notes form part of these financial statements

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018	2017
		£	as restated £
Cash flows from operating activities	Notes		
Cash generated from operations	1	10,536,243	8,156,342
Interest paid		(562,124)	(592,024)
Interest element of hire purchase payments paid		(39,529)	(38,675)
Tax paid		<u>(1,448,512)</u>	<u>(954,495)</u>
Net cash from operating activities		<u>8,486,078</u>	<u>6,571,148</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(8,097,391)	(4,266,108)
Purchase of fixed asset investments		-	(10,348)
Purchase of investment property		(54,051)	-
Sale of tangible fixed assets		107,993	500,523
Sale of fixed asset investments		27,981	-
Interest received		10,454	5,454
Dividends received		<u>106,079</u>	<u>48,839</u>
Net cash from investing activities		<u>(7,898,935)</u>	<u>(3,721,640)</u>
Cash flows from financing activities			
Loans - received/(repaid) in		(566,385)	2,095,612
Capital repayments in year		(793,240)	(840,561)
Return of share capital to shareholders		-	(1,000,000)
Equity dividends paid		<u>-</u>	<u>(810,122)</u>
Net cash from financing activities		<u>(1,359,625)</u>	<u>(555,071)</u>
(Decrease)/increase in cash and cash equivalents		<u>(772,482)</u>	<u>2,294,437</u>
Cash and cash equivalents at beginning of year	2	<u>4,381,037</u>	<u>2,086,600</u>
Cash and cash equivalents at end of year	2	<u><u>3,608,555</u></u>	<u><u>4,381,037</u></u>

The notes form part of these financial statements

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017 as restated
	£	£
Profit before taxation	4,028,785	6,553,289
Depreciation charges	2,796,864	2,564,256
Loss/(profit) on disposal of fixed assets	6,602	(413,270)
Loss/(gain) on revaluation of fixed assets	204,605	(1,068,463)
Defined benefit pension scheme costs	52,000	110,000
Amortisation of capital grants	(128,859)	(128,859)
Amounts written off investments	370,043	451,743
Finance costs	601,653	630,699
Finance income	(116,533)	(54,293)
	<u>7,815,160</u>	<u>8,645,102</u>
Decrease in stocks	44,364	87,853
(Increase)/decrease in trade and other debtors	(804,592)	(412,081)
Increase/(decrease) in trade and other creditors	<u>3,481,311</u>	<u>(164,532)</u>
Cash generated from operations	<u><u>10,536,243</u></u>	<u><u>8,156,342</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	<u><u>3,608,555</u></u>	<u><u>4,381,037</u></u>

Year ended 31 December 2017

	31/12/17	1/1/17
	as restated	
	£	£
Cash and cash equivalents	<u><u>4,381,037</u></u>	<u><u>2,086,600</u></u>

The notes form part of these financial statements

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. STATUTORY INFORMATION

The Goodwood Estate Company Limited is a private company, limited by shares, registered in England and Wales, registration number 00553452. The registered office and principal place of business is Goodwood House, Goodwood, Chichester, West Sussex, PO18 0PX.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated. The financial statements are presented in sterling which is also the functional currency of the Company.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The consolidated financial statements combine the financial statements of The Goodwood Estate Company Limited and all of its subsidiaries.

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006, including the provisions of the large and medium-sized companies and Groups (Accounts and Reports) Regulations 2015. There were no material departures from that standard.

The financial statements have been prepared under the historical cost convention and modified by the revaluation at fair value of the freehold land and buildings and investment properties.

The Company's and the Group's principal activities and nature of operations are disclosed under the Strategic Report.

Related party exemption

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

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have been considered.

The areas for which estimation and assumptions has been applied are considered to be in calculating depreciation and the useful economic lives of assets, determining the fair values of freehold property and investment property, bad debt provision, stock provision, deferred tax, accrued and prepaid expenditure and measuring the fair value of the pension schemes' assets and liabilities.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are determining the fair value of freehold property and investment property. Freehold property and investment property have been valued at fair value by the directors, taking into account a previous valuation undertaken by Savills (UK) Limited, Chartered Surveyors, and subsequent additions and disposals. The valuation considered the agricultural, residential or commercial nature of the properties, and was partly based on a number of widely used property indices.

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents the value of the sale of goods and services provided by the group excluding VAT. Group activities include rental and other Estate income, including the public opening of Goodwood House, farming and forestry income, facility fees for the use of venues, motor racing and horse racing events, the operation of an aerodrome, a hotel and a golf club.

All income is recognised on an accruals basis except for golf club credits which are recognised when received as these are not refundable.

Grant income within Farm and Forestry is recognised when the money is receivable. All other Farm income is recognised at the point of billing. Property revenue is recognised in the period to which it relates to. Retail revenue is recognised at the point of sale.

Tangible fixed assets

Property consists of freehold land and buildings. Property is now stated at fair value at the balance sheet date. The impact of this change (previously accounted for at depreciated historical cost) on opening equity and profit for the comparative period are explained in the statement of changes in equity.

An in-depth valuation was carried out by Savills as at 31st December 2014 and this will be done every five years. In the intervening years, an internal review of the property portfolio is carried out by reference to published valuation indices and any resulting adjustments reflected in fair values at the balance sheet date.

For the residential portfolio, including garden land, access roads and farm buildings, a 0% change for 2018 in residential portfolio was applied.

For farmland and forestry, the RICS/RAU Rural Land Market Survey & Land Prices 2018 was used. This specifically details farmland in the south east over 2018 at -2.7%.

For the four larger value properties below, the valuations have been increased by the cost of additions:
Racecourse, Road Racing Company, Club and Hotel

Plant and equipment are stated at cost less accumulated depreciation. Annual reviews are made of estimated useful lives and material residual values. Depreciation rates used to write off cost less residual value on a straight-line basis are:

Antiques, works of art, and classic cars	- No depreciation
Plant and equipment	- Over 4 to 20 years
Aircraft	- Over 20 years
Motor vehicles	- Cars over 4 years, Tractors over 20 years

The classic vehicles have been reviewed by the directors at 31st December 2018. Where, in their opinion, these vehicles have an anticipated residual value below cost provision has been made to write down the value of the vehicles to the estimated residual value. No depreciation is otherwise provided on these vehicles as in the opinion of the directors the residual value of these vehicles is expected to exceed cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company and its subsidiaries operate a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit and loss account in the period to which they relate. The assets of this scheme are held separately in independent administered funds.

The company is also a member of the Goodwood Pension Scheme, which is a defined benefit scheme. The scheme was closed to new entrants on 31 December 2008. For the company's defined benefit scheme, the full-service cost of pension provision for the year, together with the cost of any benefits relating to past service is charged to the profit and loss account. The expected increase in the present value of scheme liabilities and the long term expected return on assets based on the market value of the scheme assets at the start of the year, are also included in the profit and loss account. The difference between the market value of the scheme assets and the present value of the accrued pension liabilities is shown as a liability on the face of the balance sheet. Any difference between the expected return on assets and that achieved is recognised in comprehensive income together with the difference from experience and assumption changes.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds completely independently of the company's finances. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis and discounted. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The resulting defined benefit liability is presented separately after other net assets on the balance sheet.

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued

Capital grants

Capital grants are received from the Horserace Betting Levy Board in respect of capital expenditure. Capital grants received are taken to the grant account. Credits are made to the profit and loss account by equal instalments over a period of 50-100 years which, on average, matches the lives of the relevant fixed assets.

Revenue grants and subsidies

Revenue grants and subsidies are recognised in the profit and loss account when receivable.

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

3. TURNOVER

	Turnover		Pre-tax profit	
	2018	2017 as restated	2018	2017 as restated
ACTIVITIES	£	£	£	£
Management and letting of properties	2,599,030	2,562,611	(3,335,165)	(590,499)
Leisure activities	99,718,586	93,639,711	24,324,527	24,478,362
Farming	2,127,520	1,961,088	112,905	(1,856)
Administrative costs	-	-	(16,218,319)	(16,304,569)
Amounts written off investments	-	-	(370,043)	(451,743)
Investment income	-	-	116,533	54,293
Interest payable	-	-	(601,653)	(630,699)
Group turnover and pre-tax profit	104,445,136	98,163,410	4,028,785	6,553,289

All activities were carried out in the UK except for the following:

	2018	2017 as restated
Rest of the world	637,482	613,500
Europe	527,724	738,205

4. EMPLOYEES AND DIRECTORS

	2018	2017 as restated
	£	£
Wages and salaries	24,520,368	22,458,010
Social security costs	2,179,515	2,062,173
Pension costs	1,156,597	1,004,176
	<u>27,856,480</u>	<u>25,524,359</u>
	2018	2017
The average monthly number of employees during the year	<u>1,207</u>	<u>1,163</u>

Due to the diverse nature of the group it is not possible to give a meaningful breakdown by category.

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	As restated £
Directors' emoluments	<u>1,912,781</u>	<u>1,682,614</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit scheme	1	1
Group personal pension scheme	3	4
Auto-enrolment pension scheme	2	2
Information regarding the highest paid director is as follows:		
Remuneration	<u>675,888</u>	<u>431,443</u>

5. OPERATING PROFIT

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

	2018	2017
	£	as restated £
Depreciation - owned assets	2,215,693	2,116,651
Depreciation -assets on hire purchase contracts	581,171	447,605
(Surplus)/Loss on disposal of fixed assets	6,419	(413,270)
Defined benefit pension scheme costs	52,000	110,000
Auditors' remuneration	64,476	73,248
Auditors' other services	5,375	5,300
Hire of equipment	12,964,366	12,925,830
Other venue rent	1,315	6,000
Legal claim against pension advisers - settlement received	(549,320)	(552,000)
Loss/(Gain) on foreign currency transactions	2,656	(2,422)
Amortisation of capital grant	(128,859)	(128,859)
EC subsidies - area payments	(444,349)	(413,025)
Loss/(Gain) on fair value of investment properties	<u>204,605</u>	<u>(1,068,463)</u>

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2018	2017
	£	as restated £
Amounts written off investments	<u>370,043</u>	<u>451,743</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	as restated £
Bank loan interest	562,124	592,024
Hire purchase	35,802	34,888
Other interest	<u>3,727</u>	<u>3,787</u>
	<u>601,653</u>	<u>630,699</u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018	2017 as restated
	£	£
Current tax:		
UK corporation tax	1,290,130	1,305,698
Prior year adjustment	<u>23,008</u>	<u>956</u>
Total current tax	1,313,138	1,306,654
Deferred tax	<u>44,213</u>	<u>(922,278)</u>
Tax on profit	<u><u>1,357,351</u></u>	<u><u>384,376</u></u>

Reconciliation of total tax charge included in profit and loss

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

	2018	2017 as restated
	£	£
Profit before tax	<u>4,028,785</u>	<u>6,553,289</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	765,469	1,261,508
Effects of:		
Expenses not deductible for tax purposes	174,780	201,588
Capital allowances in excess of depreciation	(293,976)	(54,794)
Adjustments to tax charge in respect of previous periods	23,008	956
Capital gains/grants	534,664	49,901
Investments provision	70,308	86,960
Tax losses	-	(33,793)
Other differences	10	7
Deferred tax	44,213	(922,278)
Investment property revaluation	<u>38,875</u>	<u>(205,679)</u>
Total tax charge	<u><u>1,357,351</u></u>	<u><u>384,376</u></u>

Tax effects relating to effects of other comprehensive income

	Gross	2018 Tax	Net
	£	£	£
Unrealised losses on property	(1,059,986)	131,014	(928,972)
Defined benefit pension scheme	<u>187,000</u>	<u>(23,390)</u>	<u>163,610</u>
	<u><u>(872,986)</u></u>	<u><u>107,624</u></u>	<u><u>(765,362)</u></u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2018

8. TAXATION - continued

	Gross £	2017 as restated Tax £	Net £
Unrealised gains on property	1,667,877	3,376,186	5,044,063
Defined benefit pension scheme	<u>2,212,000</u>	<u>(548,610)</u>	<u>1,663,390</u>
	<u>3,879,877</u>	<u>2,827,576</u>	<u>6,707,453</u>

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	2018 £	2017 as restated £
Ordinary shares of £1 each		
Final	<u>-</u>	<u>810,122</u>

11. PRIOR YEAR ADJUSTMENT

The Estate's management have undertaken a thorough review process of the use of the company's many properties. The properties, which fall within the geographical boundaries of the Goodwood Estate, are varied in nature, encompassing residential, commercial and agricultural land and buildings. On the basis of that review, management have concluded that a number of the properties more accurately meet the defining criteria of investment properties, rather than freehold property within tangible fixed assets. Those properties have been reclassified within the financial statements, and a fair value reserve, net of deferred tax, has been recognised within capital and reserves. The impact on the financial statements is shown below.

Group

	2017 as restated	2017 prior to restatement
Tangible assets	214,979,520	250,782,518
Investment property	35,802,998	-
Revaluation reserve	130,864,255	156,984,549
Fair value reserve	25,835,294	-
Provisions for liabilities	26,575,415	22,023,415
Other operating income	1,068,463	-
Unrealised gain on property revaluation	1,667,877	2,736,340

Company

	2017 as restated	2017 prior to restatement
Tangible assets	92,358,190	128,161,188
Investment property	35,802,998	-
Revaluation reserve	74,457,618	100,577,912
Fair value reserve	25,835,294	-
Provisions for liabilities	17,714,332	17,429,332
Other operating income	1,068,463	-
Unrealised gain on property revaluation	1,574,329	2,642,792

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Aircraft £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2018	199,960,359	953,902	28,187,727	1,901,160	231,003,148
Additions	3,806,430	-	3,724,351	566,610	8,097,391
Disposals	-	-	(867,223)	(262,030)	(1,129,253)
Revaluations	(1,059,986)	-	-	-	(1,059,986)
At 31 December 2018	<u>202,706,803</u>	<u>953,902</u>	<u>31,044,855</u>	<u>2,205,740</u>	<u>236,911,300</u>
DEPRECIATION					
At 1 January 2018	-	316,710	14,858,651	848,267	16,023,628
Charge for year	-	38,397	2,566,229	192,238	2,796,864
Eliminated on disposal	-	-	(767,970)	(246,871)	(1,014,841)
At 31 December 2018	-	<u>355,107</u>	<u>16,656,910</u>	<u>793,634</u>	<u>17,805,651</u>
NET BOOK VALUE					
At 31 December 2018	<u>202,706,803</u>	<u>598,795</u>	<u>14,387,945</u>	<u>1,412,106</u>	<u>219,105,649</u>
At 31 December 2017	<u>199,960,359</u>	<u>637,192</u>	<u>13,329,076</u>	<u>1,052,893</u>	<u>214,979,520</u>

The freehold land and buildings were formally valued by Savills (UK) Limited, Chartered Surveyors at fair value at 31 December 2014. Further annual valuations have been provided by Savills (UK) Limited, based on residential, commercial and agricultural property prices and various other factors. The directors reviewed the fair value at 31 December 2018 and taking into account the additions in the years 1 January 2015 to 31 December 2018 and applying appropriate index multiple on the valuation, considered this to be £202,706,803 (2017 £199,960,359).

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Aircraft £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2013	3,286,941	-	-	-	3,286,941
Valuation in 2014	55,996,656	-	-	-	55,996,656
Valuation in 2015	2,183,858	-	-	-	2,183,858
Valuation in 2016	82,735,895	-	-	-	82,735,895
Valuation in 2017	1,667,877	-	-	-	1,667,877
Valuation in 2018	(1,059,986)	-	-	-	(1,059,986)
Cost	<u>57,895,562</u>	<u>953,902</u>	<u>31,044,855</u>	<u>2,205,740</u>	<u>92,100,059</u>
	<u>202,706,803</u>	<u>953,902</u>	<u>31,044,855</u>	<u>2,205,740</u>	<u>236,911,300</u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2018

12. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2018	2,643,878	614,161	3,258,039
Additions	359,025	426,459	785,484
Disposals	(49,365)	(85,400)	(134,765)
At 31 December 2018	<u>2,953,538</u>	<u>955,220</u>	<u>3,908,758</u>
DEPRECIATION			
At 1 January 2018	705,641	177,531	883,172
Charge for year	432,466	148,705	581,171
Eliminated on disposal	(21,410)	(47,168)	(68,578)
At 31 December 2018	<u>1,116,697</u>	<u>279,068</u>	<u>1,395,765</u>
NET BOOK VALUE			
At 31 December 2018	<u>1,836,841</u>	<u>676,152</u>	<u>2,512,993</u>
At 31 December 2017	<u>1,938,237</u>	<u>436,630</u>	<u>2,374,867</u>

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2018	88,225,359	6,671,930	943,702	95,840,991
Additions	4,886	430,688	215,908	651,482
Disposals	-	(447,035)	(158,060)	(605,095)
Revaluations	(508,442)	-	-	(508,442)
At 31 December 2018	<u>87,721,803</u>	<u>6,655,583</u>	<u>1,001,550</u>	<u>95,378,936</u>
DEPRECIATION				
At 1 January 2018	-	2,990,478	492,323	3,482,801
Charge for year	-	581,677	128,215	709,892
Eliminated on disposal	-	(383,854)	(142,901)	(526,755)
At 31 December 2018	<u>-</u>	<u>3,188,301</u>	<u>477,637</u>	<u>3,665,938</u>
NET BOOK VALUE				
At 31 December 2018	<u>87,721,803</u>	<u>3,467,282</u>	<u>523,913</u>	<u>91,712,998</u>
At 31 December 2017	<u>88,225,359</u>	<u>3,681,452</u>	<u>451,379</u>	<u>92,358,190</u>

The freehold land and buildings were formally valued by Savills (UK) Limited, Chartered Surveyors at fair value at 31 December 2014. Further annual valuations have been provided by Savills (UK) Limited, based on residential, commercial and agricultural property prices and various other factors. The directors reviewed the fair value at 31 December 2018 and taking into account the additions in the years 1 January 2015 to 31 December 2018 and applying an appropriate index multiple on the valuation, considered this to be £87,721,803 (2017 £88,225,359).

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

12. TANGIBLE FIXED ASSETS - continued

Company

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2016	82,567,289	-	-	82,567,289
Valuation in 2017	1,574,329	-	-	1,574,329
Valuation in 2018	(508,442)	-	-	(508,442)
Cost	<u>4,088,627</u>	<u>6,655,583</u>	<u>1,001,550</u>	<u>11,745,760</u>
	<u>87,721,803</u>	<u>6,655,583</u>	<u>1,001,550</u>	<u>95,378,936</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2018	939,809	502,758	1,442,567
Additions	35,647	255,658	291,305
Disposals	<u>(49,365)</u>	<u>(85,400)</u>	<u>(134,765)</u>
At 31 December 2018	<u>926,091</u>	<u>673,016</u>	<u>1,599,107</u>
DEPRECIATION			
At 1 January 2018	233,081	146,515	379,596
Charge for year	144,312	110,234	254,546
Eliminated on disposal	<u>(21,410)</u>	<u>(47,168)</u>	<u>(68,578)</u>
At 31 December 2018	<u>355,983</u>	<u>209,581</u>	<u>565,564</u>
NET BOOK VALUE			
At 31 December 2018	<u>570,108</u>	<u>463,435</u>	<u>1,033,543</u>
At 31 December 2017	<u>706,728</u>	<u>356,243</u>	<u>1,062,971</u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2018

13. FIXED ASSET INVESTMENTS

The following undertakings' equity are wholly owned by The Goodwood Estate Company Limited. All subsidiaries were incorporated in England and Wales and have the same registered office (Goodwood House, Goodwood, Chichester, West Sussex PO18 0PX). All subsidiaries have been included in the consolidation.

Name Subsidiary Undertakings	Class of Shares	Proportion Held	Nature of Business
Goodwood Racecourse Limited	£1 Ordinary	100%	Racecourse
Goodwood Road Racing Company Limited	£1 Ordinary	100%	Aerodrome and
The Goodwood Club Limited	£1 Ordinary	100%	Motor Circuit
The Goodwood Hotel Limited	£1 Ordinary	100%	Golf Club
Goodwood Events Company Limited	£1 Ordinary	100%	Hotel
Goodwood Group Limited	£1 Ordinary	100%	Organisers of
Goodwood Farms Limited	£1 Ordinary	100%	events
Goodwood Hotel Property Company	£1 Ordinary	100%	Dormant
Goodwood Speedweek Limited	£1 Ordinary	100%	Dormant
Kapstone Limited	£1 Ordinary	100%	Dormant

14. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 January 2018	35,802,998
Additions	54,051
Revaluations	(204,605)
At 31 December 2018	<u>35,652,444</u>
NET BOOK VALUE	
At 31 December 2018	<u>35,652,444</u>
At 31 December 2017	<u>35,802,998</u>

The investment properties were formally valued by Savills (UK) Limited, Chartered Surveyors at fair value at 31 December 2014. Further annual valuations have been provided by Savills (UK) Limited, based on residential, commercial and agricultural property prices and various other factors. The directors reviewed the fair value at 31 December 2018 and taking into account the additions in the years 1 January 2015 to 31 December 2018 and applying appropriate index multiple on the valuation, considered this to be £35,652,444 (2017 £35,802,998).

Fair value at 31 December 2018 is represented by:

	£
Valuation in 2016	27,692,830
Valuation in 2017	1,068,463
Valuation in 2018	(204,605)
Cost	<u>7,095,756</u>
	<u>35,652,444</u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2018

14. INVESTMENT PROPERTY - continued

Company

	Total £
FAIR VALUE	
At 1 January 2018	35,802,998
Additions	54,051
Revaluations	(204,605)
	<u>35,652,444</u>
At 31 December 2018	<u>35,652,444</u>
NET BOOK VALUE	
At 31 December 2018	<u>35,652,444</u>
At 31 December 2017	<u>35,802,998</u>

The investment properties were formally valued by Savills (UK) Limited, Chartered Surveyors at fair value at 31 December 2014. Further annual valuations have been provided by Savills (UK) Limited, based on residential, commercial and agricultural property prices and various other factors. The directors reviewed the fair value at 31 December 2018 and taking into account the additions in the years 1 January 2015 to 31 December 2018 and applying appropriate index multiple on the valuation, considered this to be £35,652,444 (2017 £35,802,998).

Fair value at 31 December 2018 is represented by:

	£
Valuation in 2016	27,692,830
Valuation in 2017	1,068,463
Valuation in 2018	(204,605)
Cost	<u>7,095,756</u>
	<u>35,652,444</u>

15. STOCKS

	Group		Company	
	2018	2017 as restated	2018	2017 as restated
	£	£	£	£
Farm stocks and valuation	884,904	834,975	884,904	834,975
Work in progress	70,194	76,056	-	-
Goods for resale	812,944	896,480	422,952	601,662
Consumable stores	<u>335,027</u>	<u>339,922</u>	<u>134,903</u>	<u>121,140</u>
	<u>2,103,069</u>	<u>2,147,433</u>	<u>1,442,759</u>	<u>1,557,777</u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017 as restated	2018	2017 as restated
	£	£	£	£
Trade debtors	7,673,602	5,978,470	1,147,235	790,650
Amounts owed by group undertakings	-	-	1,492,978	494,129
Other debtors	905,486	767,008	1,318,676	1,793,367
Tax	-	-	498,000	647,500
Prepayments and accrued income	<u>3,201,602</u>	<u>3,693,800</u>	<u>514,552</u>	<u>455,188</u>
	<u>11,780,690</u>	<u>10,439,278</u>	<u>4,971,441</u>	<u>4,180,834</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017 as restated	2018	2017 as restated
	£	£	£	£
Bank loans and overdrafts (see note 19)	348,000	332,000	348,000	332,000
Other loans (see note 19)	3,779,180	4,725,291	2,867,930	3,814,041
Hire purchase contracts (see note 20)	847,232	725,158	728,888	591,355
Trade creditors	4,737,997	5,857,399	1,373,787	1,621,121
Amounts owed to group undertakings	-	-	110,038	3,387,031
Tax	670,324	805,698	-	-
Social security and other taxes	2,372,189	1,154,662	197,405	188,994
Other creditors	2,097,954	1,604,394	1,067,585	723,839
Accruals and deferred income	<u>18,877,525</u>	<u>16,508,712</u>	<u>1,981,525</u>	<u>1,421,516</u>
	<u>33,730,401</u>	<u>31,713,314</u>	<u>8,675,158</u>	<u>12,079,897</u>

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

	Group		Company	
	2018	2017 as restated	2018	2017 as restated
	£	£	£	£
Bank loans (see note 19)	5,072,092	5,420,366	5,072,092	5,420,366
Other loans (see note 19)	5,990	8,986	5,990	8,986
Hire purchase contracts (see note 20)	943,265	1,146,579	818,836	903,806
Trade creditors	-	98,300	-	-
Other creditors	1,433,929	-	1,433,929	-
Accruals and deferred income	<u>1,650,000</u>	<u>1,925,000</u>	<u>-</u>	<u>-</u>
	<u>9,105,276</u>	<u>8,599,231</u>	<u>7,330,847</u>	<u>6,333,158</u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

	Group		Company	
	2018 £	2017as restated £	2018 £	2017as restated £
Deferred income due:				
Between two and five years	1,100,000	1,100,000	-	-
After five years	<u>550,000</u>	<u>825,000</u>	<u>-</u>	<u>-</u>
Total	<u>1,650,000</u>	<u>1,925,000</u>	<u>-</u>	<u>-</u>
Other creditors due:				
Between two and five years	171,428	-	171,428	-
After 5 years	<u>1,262,501</u>	<u>-</u>	<u>1,262,501</u>	<u>-</u>
	<u>1,433,929</u>	<u>-</u>	<u>1,433,929</u>	<u>-</u>

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018 £	2017 as restated £	2018 £	2017 as restated £
Amounts falling due within one year or on demand:				
Bank loans	348,000	332,000	348,000	332,000
Other loans	<u>3,779,180</u>	<u>4,725,291</u>	<u>2,867,930</u>	<u>3,814,041</u>
	<u>4,127,180</u>	<u>5,057,291</u>	<u>3,215,930</u>	<u>4,146,041</u>
Amounts falling due between one and two years:				
Bank loans	<u>348,000</u>	<u>332,000</u>	<u>348,000</u>	<u>332,000</u>
Amounts falling due between two and five years:				
Bank loans	1,044,000	996,000	1,044,000	996,000
Other loans	<u>5,990</u>	<u>8,986</u>	<u>5,990</u>	<u>8,986</u>
	<u>1,049,990</u>	<u>1,004,986</u>	<u>1,049,990</u>	<u>1,004,986</u>
Amounts falling due in more than five years:				
Bank loans	<u>3,680,092</u>	<u>4,092,366</u>	<u>3,680,092</u>	<u>4,092,366</u>
Total loans due after more than one year:				
Bank loans (Note 18)	5,072,092	5,420,366	5,072,092	5,420,366
Other loans (Note 18)	<u>5,990</u>	<u>8,986</u>	<u>5,990</u>	<u>8,986</u>

The bank loans repayable in part after five years are repayable in equal monthly instalments - £5.42m is at fixed interest rates of 5.84%, other loans are at fixed interest rate of 3% - 6%.

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts 2018 £	2017 as restated £
Gross obligations repayable:		
Within one year	898,507	767,855
Between one and five years	<u>998,151</u>	<u>1,209,183</u>
	<u>1,896,658</u>	<u>1,977,038</u>
Finance charges repayable:		
Within one year	51,275	42,697
Between one and five years	<u>54,886</u>	<u>62,604</u>
	<u>106,161</u>	<u>105,301</u>
Net obligations repayable:		
Within one year	847,232	725,158
Between one and five years	<u>943,265</u>	<u>1,146,579</u>
	<u>1,790,497</u>	<u>1,871,737</u>

Company

	Hire purchase contracts 2018 £	2017 as restated £
Gross obligations repayable:		
Within one year	778,090	631,168
Between one and five years	<u>873,722</u>	<u>964,337</u>
	<u>1,651,812</u>	<u>1,595,505</u>
Finance charges repayable:		
Within one year	49,202	39,813
Between one and five years	<u>54,886</u>	<u>60,531</u>
	<u>104,088</u>	<u>100,344</u>
Net obligations repayable:		
Within one year	728,888	591,355
Between one and five years	<u>818,836</u>	<u>903,806</u>
	<u>1,547,724</u>	<u>1,495,161</u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

20. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2018	2017 as restated
	£	£
Within one year	387,924	419,837
Between one and five years	<u>590,090</u>	<u>743,170</u>
	<u>978,014</u>	<u>1,163,007</u>

Company

	Non-cancellable operating leases	
	2018	2017 as restated
	£	£
Within one year	197,877	217,867
Between one and five years	<u>487,682</u>	<u>550,221</u>
	<u>685,559</u>	<u>768,088</u>

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2018	2017 as restated	2018	2017 as restated
	£	£	£	£
Bank loans	5,420,092	5,752,366	5,420,092	5,752,366
Hire purchase contracts	<u>1,790,497</u>	<u>1,871,737</u>	<u>1,547,724</u>	<u>1,495,161</u>
	<u>7,210,589</u>	<u>7,624,103</u>	<u>6,967,816</u>	<u>7,247,527</u>

The bank loans are secured by a fixed charge over the freehold property.

Assets held under hire purchase are secured on the assets concerned.

22. FINANCIAL INSTRUMENTS

	Group		Company	
	2018	2017as restated	2018	2017as restated
	£	£	£	£
Carrying amount of financial assets				
Measured at amortised cost	7,860,227	6,077,325	2,646,681	1,284,779
Carrying amount of financial liabilities				
Measured at amortised cost	43,858,317	48,716,224	13,585,972	17,708,674

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

23. PROVISIONS FOR LIABILITIES

	Group		Company	
	2018	2017 as restated	2018	2017 as restated
	£	£	£	£
Deferred tax	<u>22,245,004</u>	<u>22,308,415</u>	<u>13,353,416</u>	<u>13,447,332</u>
Defined benefit pension liability	<u>4,132,000</u>	<u>4,267,000</u>	<u>4,132,000</u>	<u>4,267,000</u>
Aggregate amounts	<u>26,377,004</u>	<u>26,575,415</u>	<u>17,485,416</u>	<u>17,714,332</u>

Group

	Deferred tax £
Balance at 1 January 2018	
As previously reported	22,023,415
Prior year adjustment	<u>285,000</u>
As restated	22,308,415
Unrealised property gains	(166,014)
Defined benefit pension scheme	23,390
Accelerated capital allowances	<u>79,213</u>
Balance at 31 December 2018	<u>22,245,004</u>

Company

	Deferred tax £
Balance at 1 January 2018	
As previously reported	13,162,332
Prior year adjustment	<u>285,000</u>
As restated	13,447,332
Unrealised property gains	(121,000)
Defined benefit pension scheme	23,390
Provided during year	<u>3,694</u>
Balance at 31 December 2018	<u>13,353,416</u>

24. GRANT ACCOUNT

	Group		Company	
	2018	2017 as restated	2018	2017 as restated
	£	£	£	£
Balance at 1 st January 2018	6,876,019	7,004,878	-	-
Transfer to profit and loss account	<u>(128,859)</u>	<u>(128,859)</u>	-	-
	<u>6,747,160</u>	<u>6,876,019</u>	-	-

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2018

25. CALLED UP SHARE CAPITAL AND OTHER EQUITY

Allotted, issued and fully paid:		Nominal value:	2018	2017
Number:	Class:		£	as restated £
	Ordinary	£1		
12,652 at 1 January 2018			12,652	1,012,652
1,000,000 returned to shareholders by way of capital redemption			-	(1,000,000)
12,652 at 31 December 2018			<u>12,652</u>	<u>12,652</u>

During the year 2017, the company returned share capital of £1,000,000 to shareholders by way of capital redemption.

Ordinary share rights

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Revaluation reserve

Cumulative revaluation gains and losses in respect of freehold property, except revaluation gains and losses recognised in profit or loss.

Other capital reserve

Capital contributions in The Goodwood Events Company Limited as additional funding arose from the deed of assignment of debts in August 2011.

Pension reserve

The cumulative actuarial gains and losses on the defined benefit pension scheme.

Fair value reserve

Cumulative revaluation gains and losses in respect of investment properties, net of deferred tax.

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018****26. PENSION COMMITMENTS**

The group operates a defined contribution pension scheme on behalf of current employees. Contributions of 6 - 10% are payable by each participating company and 4% by the employee and are charged to profit and loss account in the period to which they relate. For the year ended 31 December 2018 the group made total employer contributions £897,772. There were outstanding contributions of £79,739 as at 31 December 2018 (2017: £56,891).

The group (apart from The Goodwood Hotel Ltd and Goodwood Events Company Ltd) were participating employers in the Goodwood Pension Scheme, a defined benefit scheme in the UK, which was closed to members on 31 December 2008. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. The scheme structure requires that the scheme assets and liabilities are segregated on the cessation of any participating employer. Therefore, the company is only responsible for its share of the deficit.

The most recent actuarial valuation as at 31 March 2017 showed an overall deficit of £4,187,000. The Goodwood Estate Company Limited and Dexam International Limited are responsible for eliminating the deficit in the Scheme and have agreed to do so over a period of up to 31 March 2026 by the payment of contributions (including expenses) as detailed in the Schedule of Contributions actuarially certified on 29 March 2018 and noted below. The Pension Protection Fund levies are met by The Company in addition.

Year commencing	Contributions (£000s)
31 March 2019	345
31 March 2020	349
31 March 2021	353
31 March 2022	359
31 March 2023	366
31 March 2024	273
31 March 2025	280
31 March 2026	159

The company's share of the scheme liabilities was calculated as part of the full actuarial valuation as at 31 March 2017. The company's liabilities have been updated at 31 December 2018 by a qualified actuary, independent of the scheme's sponsoring employers. The major assumptions used by the actuary are shown below. The assets of the scheme are allocated to the employers in line with their share of the assets at each balance sheet date.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 December 2018 (£000s)	31 December 2017 (£000s)	31 December 2016 (£000s)
Fair value of plan assets	24,240	26,395	25,805
Present value of defined benefit obligation	<u>(28,372)</u>	<u>(30,662)</u>	<u>(32,174)</u>
Deficit in plan to be recognised	<u>(4,132)</u>	<u>(4,267)</u>	<u>(6,369)</u>
Deferred tax	<u>702</u>	<u>725</u>	<u>1,274</u>
Net Defined liability to be recognised	<u>3,430</u>	<u>(3,542)</u>	<u>(5,095)</u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 December 2018 (£000s)	31 December 2017 (£000s)
Defined benefit obligation at start of period	30,662	32,174
Current service cost	-	-
Expenses	191	230
Interest expense	746	828
Contributions by plan participants	-	-
Actuarial losses (gains)	(1,392)	(490)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Benefits paid & expenses	(1,835)	(2,080)
Defined benefit obligation at end of period	<u>28,372</u>	<u>30,662</u>

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	31 December 2018 (£000s)	31 December 2017 (£000s)
Fair value of plan assets at start of period	26,395	25,805
Interest income	640	660
Actuarial gains/(losses)	(1,205)	1,722
Contributions by the company	245	288
Contributions by plan participants	-	-
Benefits paid & expenses	(1,835)	(2,080)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Fair value of plan assets at end of period	<u>24,240</u>	<u>26,395</u>

The actual return on the plan assets over the period ended 31 December 2018 was (£565,000) (Actuarial losses plus Interest income).

DEFINED BENEFIT COSTS RECOGNISED IN PROFIT OR LOSS

	31 December 2018 (£000s)	31 December 2017 (£000s)
Current service cost	-	-
Expense	191	230
Net interest cost	106	168
Losses/(gains) on business combinations	-	-
Losses/(gains) on settlements	-	-
Losses/(gains) on curtailments	-	-
Losses/(gains) due to benefit changers	-	-
Defined benefit costs recognised in profit and loss account	<u>297</u>	<u>398</u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2018

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	31 December 2018 (£000s)	31 December 2017 (£000s)
Return on plan assets (excluding amounts included in net interest cost) - gain (loss)	(1,205)	1,722
Experience gains and losses arising on the plan liabilities - gain (loss)	(210)	264
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities - gain (loss)	1,602	226
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	<u>187</u>	<u>2,212</u>

ASSETS

	31 December 2018 (£000s)	31 December 2017 (£000s)	31 December 2016 (£000s)
UK Equities	2,365	3,236	3,021
Overseas Equities	4,696	6,496	6,150
Corporate Bonds	1,133	3,449	3,775
Government Bonds	970	944	873
Index Linked Bonds	8,241	7,766	7,248
Property	-	51	47
Cash	2,855	219	317
Diversified Growth Fund	3,980	4,234	4,374
Total Assets	<u>24,240</u>	<u>26,395</u>	<u>25,805</u>

None of the fair values of the assets shown above include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, the company.

ASSUMPTIONS

	31 December 2018% per annum	31 December 2017% per annum	31 December 2016% per annum
Discount rate	2.80	2.50	2.65
Inflation (RPI)	3.25	3.25	3.35
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.25	3.25	3.35
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.10	3.10	3.20
Allowance for pension in payment increases of RPI or 5% p.a. if less, minimum 3% p.a.	3.70	3.70	3.00
Allowance for commutation of pension for cash at retirement	100% of Post A Day	100% of Post A Day	100% of Post A Day

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

The mortality assumptions adopted at 31 December 2017 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2018	21.9
Female retiring in 2018	23.8
Male retiring in 2038	23.3
Female retiring in 2038	25.4

27. CONTINGENT LIABILITIES

The group's activities include motor sport and aviation, both of which may be seen as dangerous. The Directors and officers of the company seek to take all reasonable measures to limit danger to the public, participants and those involved in organising the staging of these activities.

Guarantees and Financial commitments

The group has given an unlimited cross guarantee to the group's bankers in respect of the revolving credit and overdraft facilities. The group has a credit facility of £9,000,000 and an overdraft limit of £5,000,000. The group's overall potential liability at 31st December 2018 and 31st December 2017 was £nil.

28. CAPITAL COMMITMENTS

	Group		Company	
	2018	2017 as restated	2018	2017 as restated
	£	£	£	£
Contracted but not provided for in the Financial statements	<u>820,000</u>	<u>3,948,000</u>	<u>-</u>	<u>-</u>

THE GOODWOOD ESTATE COMPANY LIMITED (REGISTERED NUMBER: 00553452)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2018

29. RELATED PARTY DISCLOSURES

The group has undertaken the following transactions with Related Parties as defined by Financial Reporting Standard 102 during the year:

i) Certain Directors and their family members have provided loans of £684,691 and the Trustees acting for the family Trusts of the Gordon-Lennox family have provided loans of £2,183,838 to The Goodwood Estate Company Limited at 31st December 2018. Interest is payable on the loans at a rate of 6% p.a.

ii) During the year, the 11th Duke of Richmond purchased services from companies in the Group which in total amounted to £26,822. During the year, The Goodwood Estate Company Limited paid donations of £24,936 to The Goodwood Education Trust of which The Duke of Richmond is a Trustee and £5,000 to The Friends of The Priory Park of which The Duke of Richmond is a Patron.

iii) The Goodwood Group has receivable income of £990,346 and capital receipts of £1,500,000 from Rolls Royce Motor Cars Limited of which the Duke of Richmond is a director.

iv) The Goodwood Group has received income of £9,600 from Professor Brian George Allison, a non-executive director of the Goodwood Estate Company Ltd.

v) Mrs J Cole, a non-executive director of The Goodwood Estate Company Limited is Chairman of Mediacom Sport & Entertainment. Mediacom Sport & Entertainment received £10,000 for Festival of Speed report from the group during the year.

vi) Chris Sullivan, a non-executive director of The Goodwood Estate Company Ltd is chief executive of Corporate banking in Santander UK Plc. In 2018 the Goodwood Group has received assets finance facility from Santander of £712,000 and the total amount owed to Santander at 31st December 2018 was £1,532,356. The Group has also received interest income of £715 in the year from the surplus funds invested from time to time with Santander.

vii) Ms Patricia Dickie, a member of the key management team rented a cottage from the group at the market rental of £9,700 per annum. Her partner has undertaken contract general maintenance work for the group which totalled £333,269 during the year ended 31st December 2018.

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total remuneration including benefits in kind paid to key management personnel for services provided to the group was £3,711,068 (2017: £3,036,798).

30. ULTIMATE CONTROLLING PARTY

The directors regard the Trustees acting on behalf of Trusts for the Gordon-Lennox family to be the ultimate controlling party of the group.