Financial statements
Williams Grand Prix Holdings PLC

For the year ended 31 December 2011

Company No. 07475805

Company information

Company registration number	07475805
Registered office	Grove Wantage Oxfordshire OX12 0DQ
Directors	Sir FOG Williams CBE M Biddle AM Burns LM Evans AS Parr E Charlton M O'Driscoll N Rose TC Wolff
Secretary	M Biddle
Bankers	Barclays Bank plc PO Box 42 Abingdon Oxfordshire OX14 1GU
Auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 3140 Rowan Place, John Smith Drive Oxford Business Park South Oxford OX4 2WB

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Group Overview

Williams Grand Prix Holdings PLC ("the Company") is the holding company of the Williams group of companies ("Group") which includes Williams Grand Prix Engineering Limited ("WGPE") and Williams Hybrid Power Limited ("WHP"). The Group has established the Williams Technology Centre in Qatar ("WTCQ") as a branch of Williams Grand Prix Engineering Limited.

Williams Grand Prix Holdings PLC
The Company was formed on 21 December 2010 and on 7 February 2011 the Company became the parent of the Group as part of a group reorganisation. On 2 March 2011, the Company was admitted to the Open Market (Entry Standard segment) of the Frankfurt Stock Exchange following a public offering of 21% of its existing ordinary shares.

The Group specialises in high performance engineering and employs over 550 people worldwide. Across the Group there is considerable integration in staff development and training and engineering expertise.

The dedication that has driven the Williams Formula One Team to 16 FIA Formula One World Championship titles in the past thirty-four years remains. The Group is committed to excellence - in engineering, on the track, as an employer, for investors and in corporate governance.

Williams Grand Prix Engineering Limited
WGPE was formed in 1977 by Sir Frank Williams CBE and Patrick Head. WGPE is engaged in the design and manufacture of Formula One race cars and the deployment of this expertise in running the team's entries in each season's Grands Prix. WGPE is one of the most vertically-integrated Formula One teams and uses its first-class design and manufacturing facilities, intellectual property, rapid development skills and brand to generate revenues from projects beyond on-track racing.

Williams Hybrid Power Limited
WHP is engaged in engineering research and development with particular emphasis on flywheel energy storage for application in hybrid power trains in the motorsport, automotive and public transport sectors.

Williams Technology Centre, Qatar
WTCQ was established as a branch of WGPE in 2009 and is developing large, magnetically-loaded composite flywheels for use in trains or static applications such as grid stabilisation. WTCQ is also drawing on the Group's experience of developing technology to train some of the world's best drivers by identifying commercial opportunities for its 'driver in the loop' simulators.

WGP Trustees Limited
WGP Trustees Limited was formed in 2011 to act as the corporate trustee for the WGP Trust, an Employee Benefit Trust whose current potential beneficiaries are certain Directors of Williams Grand Prix Holdings PLC.

Chairman's Statement

I am pleased to report that the Group concluded 2011 in line with expectations. We therefore enter a new year with a stable financial base from which to grow and move the Group forward.

Although we enjoyed stable economic performance in 2011, we were unable to achieve our aspirations on the race track. It became clear early on in the season that the FW33 was not going to meet its targets and that we needed to make changes accordingly. As a result the team's Technical Director and Chief Aerodynamicist resigned in May. We were unable to make a step-change in the FW33's performance and finished the season in ninth place in the FIA Formula One World Constructors' Championship.

We were, however, able to identify and recruit a new technical leadership team who took up their posts progressively during 2011. This year's car is also 'new'. The FW34 is a step away from its predecessor and incorporates the new technical team's design philosophy. In addition, we have revived what was a very successful partnership in the 1990s with Renault for the supply of their championship-winning engine, the RS27. Brazilian Bruno Senna joins Pastor Maldonado as Race Driver while Valtteri Bottas steps up from Test to Reserve Driver.

To support the team in their efforts this year, we have created two unique new partnerships. Olympic Gold medal winner, Michael Johnson, and his Performance Centre are working with our pitstop crew to improve their performance on race days, while seasoned former F1 driver Alex Wurz is working with our drivers as mentor.

Our racing activities would not be possible without the support of our partners. In the past year we have welcomed a total of nine new companies to the team and renewed long-standing partnerships with Randstad, Thomson Reuters and Oris. We also have partnerships with two major car manufacturers: Renault in Formula One and Jaguar outside Formula One.

The Williams Advanced Engineering business continues to make solid progress. The most significant development of 2011 was the announcement of the project with Jaguar to build the C-X75 supercar. The C-X75 will be Jaguar's most technically advanced and exclusive model to date and one which will incorporate a range of Williams F1 technologies making it the most sustainable supercar ever created.

This year will see WHP continue to supply Porsche with flywheel technology for its GT3R competition model while also supplying Audi's R18-H endurance race car, an important new contract announced on 1 March 2012. The Williams Technology Centre in Qatar, where we are developing our flywheel technology for medium and large scale applications as well as driver-in-the-loop simulators, has also secured new agreements with some high profile, local companies including Mowasalat to investigate driver training to improve road safety and energy efficiency of its fleet.

The Group's investment in clean tech received recognition in 2011 in a number of ways. Chief Executive Officer Alex Burns was appointed an Industry Champion for the Make it in Great Britain Campaign (which aims to change the perception of British Manufacturing and raise awareness of its importance to the economy), while we were also the keynote speaker at the World Future Energy Summit to talk about our work in flywheel technologies.

The Board of Williams Grand Prix Holdings PLC has undergone some change over the past year. Director of Engineering Patrick Head, who co-founded Williams Grand Prix Engineering Ltd with Frank Williams in 1977, stepped down from the Board on 31 December 2011. Patrick has relinquished his involvement in the racing team but remains a member of the Board of WHP. Sam Michael also stepped down from the Board in May following his resignation as Technical Director.

Head of Finance, Louise Evans, was appointed to the position of Finance Director and member of the Board in November.

It was announced on 2 March 2012 that Claire Williams will join the Board as Director of Marketing and Communications on 1 April 2012.

At the same time, Frank Williams announced his intention to step down from the Board of Williams Grand Prix Holdings PLC on 31 March 2012. Frank turns 70 in April and has decided to focus on his role as Team Principal, and his two passions: racing and sponsorship. Frank will continue to attend Board meetings as observer and will play as active a role as ever in the life of the Williams F1 Team.

In accordance with good corporate governance, and demonstrating our continued commitment to voluntarily adhering to the UK's Corporate Governance Code (June 2010), we now have four Non-Executive Directors following the recruitment of Nick Rose, Eddie Charlton and Mike O'Driscoll to join Toto Wolff. Our Non-Executives bring a breadth of experience across a variety of industries and their contribution to the Board has already been significant.

Financially, the Group has enjoyed a strong performance over the last 12 months, in spite of continuing difficulties in the global economy. Our 2011 Annual Report shows a 28% increase in profit before tax to £7.4m and growth in earnings per share of 35% to 81.1p. Our net current assets position at the year end has grown from £0.9m to £9.5m during the year although our net funds position was distorted by the timing of sponsorship receipts around the balance sheet date. As at 29 February 2012, the Group held net cash of £29.2 million.

As we enter into our 35th year competing in Formula One, and as the Williams Advanced Engineering business grows, I would like to thank the 550 members of the Group. Each and every one dedicates themselves tirelessly to our only purpose: winning. We are also grateful to our partners, our new group of shareholders and our fans for their support in our efforts. Our objective for 2012 is to reward everyone's investment with progress on and off the race track.

Adam Parr

Adam Parr
Chairman
8 March 2012

Board of Directors

The Board of Directors of Williams Grand Prix Holdings PLC is responsible for managing the business and has both supervisory and executive functions, including formulating, reviewing and approving the Group's strategy, budgets and corporate actions.

During the year Williams Grand Prix Holdings PLC appointed a Finance Director and three additional Non-Executive Directors.

Biographies

Sir Frank Williams CBE, Team Principal (69)
After a brief career as a driver and mechanic, Frank Williams founded Frank Williams Racing Cars in 1966. In 1977 Frank established Williams Grand Prix Engineering Limited with Patrick Head. A road car accident near the Paul Ricard circuit in March 1986 resulted in Frank sustaining a spinal cord injury and rendered him unable to walk. In 1987, the Queen awarded Frank the title of CBE and he was knighted in 1999. He is also one of only a few non-Frenchmen to have been made a Chevalier of France's Legion d'honneur, accorded for his work with Renault. In 2008, Frank was awarded the Wheatcroft trophy for his contribution to the motorsport industry. On 19 December 2010, he was awarded the Helen Rollason Award for "outstanding achievement in the face of adversity" at the BBC Sports Personality of the Year Awards. On 2 March 2012 Frank announced his intention to step down from the Board of Williams Grand Prix Holdings PLC to focus on his role as Team Principal of the Williams F1 Team.

Adam Parr, Chairman (46)

After graduating from Cambridge University, Adam Parr began his career with Barclays' investment bank, Barclays de Zoete Wedd in London and Tokyo. Adam was seconded to Rio Tinto by BZW to help with mergers and acquisitions. He then joined Rio Tinto full time, working there for 11 years between 1989 and 2006 in senior positions in the UK, South Africa and Australia. In between his two stints with Rio Tinto, Adam took time out to study law. He practised public law at the Bar for five years. In November 2006 Adam was appointed Chief Executive Officer of Williams Grand Prix Engineering Limited and in July 2010 he was promoted to Chairman. On the reorganisation of the Group in February 2011, Adam became the Chairman of Williams Grand Prix Holdings PLC.

Alex Burns, Chief Executive Officer (48)

Alex Burns joined Westland Helicopters in 1982 as a sponsored undergraduate and obtained a degree in Mechanical Engineering from Imperial College, London in 1987. Alex subsequently joined Meggitt plc, where he held a number of positions including Engineering Director of Meggitt Aerospace Components and Project Director of Meggitt Mobrey. He gained an MBA at Cranfield University in 2000 and then became Managing Director of Meggitt Electronic Components, working in the automotive and medical industries. Alex joined Williams F1 as General Manager in January 2002, managing all aspects of the test facilities, factory and the car production process. In May 2005, Alex was promoted to Chief Operating Officer of Williams Grand Prix Engineering Limited and, in March 2010, to Chief Executive Officer. On the reorganisation of the Group in February 2011, Alex became the Chief Executive Officer of Williams Grand Prix Holdings PLC.

Mark Biddle, General Counsel and Company Secretary (45)
After graduating from Cambridge University with a Masters in Law, Mark Biddle spent seven years working at Slaughter and May in London and then in Hong Kong, before taking a legal advisory role with Deutsche Bank. Eight years later in 2004 Mark became the General Counsel of RAC plc, remaining in this role for a year, until Aviva completed a successful takeover of the RAC. Following a nine-month contract as Senior Corporate Lawyer with Aviva, Mark spent several years as General Counsel to marketing company, Aegis Group PLC. Mark then took on the role of General Counsel for Williams F1 at the start of 2009. In addition to his directorship, Mark is Company Secretary of each of the Group companies.

Louise Evans, Finance Director (38)
With a First Class degree in Management Science from the University of Wales (Swansea), Louise Evans joined Ernst & Young upon graduation. After three years as a trainee she moved to Reynard Motorsport Ltd as Financial Project Manager. A brief spell as Financial Controller for Paradigm Technology plc preceded Louise's move to the RPS Group plc as Divisional Finance Director. Louise joined Williams F1 in 2004 as Financial Controller and a year later was appointed Head of Finance, responsible for all aspects of operational and structural finance for the Group. She stepped up to Finance Director of Williams Grand Prix Holdings PLC in November 2011.

Claire Williams, Director of Marketing and Communications (35)
After graduating from Newcastle University with a degree in Politics, Claire Williams joined Silverstone Circuit as a press officer. Claire joined Williams F1 in 2002 and was promoted to Head of Communications in 2010, responsible for all internal and external communications. This role was extended to include Head of Investor Relations following Williams Grand Prix Holdings PLC's admission to the Open Market (Entry Standard Segment) of the Frankfurt Stock Exchange in March 2011. Claire will join the Board of Williams Grand Prix Holdings PLC on 1 April 2012.

Torger Christian Wolff, Non-Executive Director (40)
After a brief period as an amateur racer, Toto Wolff joined a steel manufacturing company in Vienna. In 1998 Toto founded the investment company Marchfifteen and has been involved in numerous private equity and corporate finance transactions, including the initial public offering of HWA AG. HWA AG develops and races Mercedes touring cars in the German Touring Car Championship for Daimler AG and produces Mercedes Formula 3 engines and customised vehicles. Toto joined the board of HWA AG in 2007. Since 2002, Toto has been involved in the management of upcoming racing drivers and co-owns a management company with Mika Häkkinen. At the end of 2009, Toto bought shares in Williams Grand Prix Engineering Limited and became a Non-Executive Director of Williams Grand Prix Engineering Limited. On the reorganisation of the Group in February 2011, Toto became a Non-Executive Director of Williams Grand Prix Holdings PLC.

Mike O'Driscoll, Independent Non-Executive Director (55)

Mike O'Driscoll is Chairman of Jaguar Heritage, and serves on the Global Advisory Board of JMI, a Motorsport marketing company. Mike retired as Managing Director of Jaguar Cars in March 2011, a position he had held since 2007. Mike started his career in the UK with Jaguar Rover Triumph as a business student. He held various positions in Finance, Product Development and Marketing, prior to his move to North America as Marketing & Product Planning Manager for Jaguar Cars in 1987. In 1992 he was appointed U.S. Sales Manager, a position he held until 1995. During the next four years Mike held a number of senior management positions at Ford Motor Company in the U.S., prior to his appointment as President of Jaguar Cars North America. He was President of Aston Martin, Jaguar Land Rover's North American subsidiary from 2001 until 2007.

Edward Charlton, Independent Non-Executive Director (63)
Edward Charlton is a Senior Advisor at Citibank International, a position he has held since 2010. Prior to joining Citigroup Edward was a Director at HSBC Private Bank for five years. Edward qualified as a lawyer in the City of London before choosing a career in banking. He started his career at Hambros Bank and subsequently held directorships at Banque Paribas, Henry Ansbacher, and HSBC - he was also CEO of Banque Internationale a Luxembourg in London for 14 years. During his career he has held a wide range of outside directorships, trusteeships and consultancies in the media, leisure, sports, property, IT, health and hedge fund sectors. Edward currently is a Non-Executive Director of Sportfolio Europe Ltd, Strabens Hall Ltd and Ocean Sport Management Ltd and the Master of a City Livery Company.

Nick Rose, Independent Non-Executive Director (54)
Nick Rose was educated at Oxford University, from where he has a Masters in Chemistry. He started his career with Ford Motor Company. In 1992, Nick joined Grand Metropolitan plc as Group Treasurer before promotion to Group Controller and Chief Finance Officer of the drinks division. Nick played a key part in the merger with Guinness to create Diageo plc and the company's subsequent manoeuvre into a focussed drinks business. In 1999, Nick was appointed CFO of Diageo. Nick retired from Diageo at the end of December 2010. Nick today serves on three Boards, including BAE Systems plc and BT Group plc, where he chairs the respective Audit Committees, and Edwards Group plc, where he is Chairman. Nick is also Founding Patron of SITraN (Sheffield Institute for Translational Neuroscience), involved in raising funds to build a leading research institute to find a cure for Motor Neurone disease.

Board meetings

The attendance of Directors at the 11 Board meetings during the year was as follows:

Director	Meetings attended	Meetings eligible to attend	Notes
Sir FOG Williams CBE	11	11	Appointed 7 February 2011 at reorganisation. Resigned with effect from 31 March 2012
PM Head	11	11	Resigned 31 December 2011
M Biddle	11	11	-
AM Burns	11	11	-
LM Evans	2	2	Appointed 1 November 2011
SD Michael	3	3	Resigned 6 May 2011
AS Parr	11	11	-
E Charlton	4	4	Appointed 7 September 2011
M O'Driscoll	4	4	Appointed 7 September 2011
N Rose	2	2	Appointed 1 November 2011
TC Wolff	9	11	Appointed 7 February 2011 at reorganisation.

CV Williams will be appointed to the Board with effect from 1 April 2012.

Committees

During the year the Board established an Audit Committee and a Remuneration and Nominations Committee. Terms of reference for each committee have been published on the Group's website.

The members of the committees are as follows:
Audit Committee: N Rose (Chairman), M O'Driscoll, and TC Wolff
Remuneration and Nominations Committee: TC Wolff (Chairman), E Charlton, M O'Driscoll and N Rose.

Following the appointment of the Group's fourth Non-Executive Director in November 2011, the first meeting of the Audit Committee took place on 8 March 2012. Three meetings of the Audit Committee will be held each year.

The first meeting of the Remuneration and Nominations Committee took place on 13 December 2011. Meetings of the Remuneration and Nominations Committee will be held as required.

Corporate Governance

Following the public offering of ordinary shares in the Company, the Group has implemented a formal corporate governance regime based on the UK Corporate Governance Code (June 2010) ("the Code") issued by the Financial Reporting Council. Details of the corporate governance regime were included in the prospectus relating to the listing and public offering of the shares of the Company, which is available on the Williams website at www.williamsf1.com/investors.

Corporate Governance (continued)

As the shares of the Company are not admitted to trading on the main market of London Stock Exchange plc with a Premium Listing, the Group is not required to comply with the Code. However, the Group uses the Code as a guide in its aim of implanting the highest standards of corporate governance. The following illustrates the progress made by the Group during the year in implementing the requirements of the Code:

Principle	**Requirements applied by the Group**	**Application**
Leadership	The Code requires that every company should be headed by an effective board which is collectively responsible for the long term success of the company and that no one individual should have unfettered powers of decision.	During this transitional year for the Group three additional Non-Executive Directors were appointed. The new appointees have backgrounds in the financial and high-performance engineering sectors. As such they scrutinise the goals set by the Board and are expected to ensure that management performance and the Group's financial reporting meet the highest standards. The Group has in addition retained the split between the roles of Chairman and Chief Executive Officer. A formal division of responsibilities between the Chairman and Chief Executive Officer has been agreed by the Board.
Effectiveness	The Code requires that the board comprise an appropriate balance of skills, experience, independence and knowledge.	During the year a Finance Director role was created and three additional Non-Executive Directors were appointed. The Company has ensured that new appointees bring a range of skills and experiences, whilst ensuring they have sufficient time to discharge their duties effectively. The appointments complement the Board's existing engineering and management expertise. Non-Executive Directors have been appointed for an initial period of three years, helping ensure that an objective, independent viewpoint is retained. The addition of three independent Non-Executive roles to the Board means the Company exceeds the Code's guidance that a company of this size should have at least two independent non-executives.
	A formal, rigorous and transparent procedure is required for the appointment of new directors.	The Company appointed a leading executive search firm in relation to the appointment of the additional Non-Executive Director roles, and members of the management team interviewed numerous candidates prior to the appointment of the new Non-Executive Directors.
	All Board members should receive timely information to allow them to discharge their duties.	The Group ensures the ongoing Board effectiveness by providing members with relevant information in advance of Board meetings and at other relevant times. The format of this information continues to be monitored to ensure it remains fit for purpose.

Principle	Requirements applied by the Group	Application
Accountability	The Code requires that the Board maintain sound risk management and internal control systems.	The Board takes seriously its responsibility to determine the nature and extent of the risks it is willing to take in achieving its strategic objectives. As such it regularly reviews and monitors the effectiveness of the Group's risk management and internal control systems. To ensure the skills of the Directors are focused effectively, the responsibility for this review will pass to the Company's Audit Committee, which will then report any conclusions to the Board.
Remuneration	The Code requires that remuneration be sufficient to attract, retain and motivate a company's directors.	The Company continues to ensure that Directors' remuneration is commensurate with the time commitment and responsibilities associated with the respective roles. Full details of Directors' emoluments and compensation are set out below.
Relations with shareholders	The Code requires that there be satisfactory and ongoing dialogue with a company's shareholders.	The Company continues to provide updates on its website of any significant corporate or operational activities. The AGM provides an opportunity for all shareholders to give their views on the running of the Group. The Chairman of both the Audit Committee and the Remuneration and Nominations Committee will be available at the 2012 AGM to answer questions concerning the work of each committee. Executive Directors continue to make themselves available to shareholders and potential investors from time to time.

Although the Company has voluntarily complied with many aspects of the Code, there remain some areas in which the Company is non-compliant. The Board is confident that the Company's stage of development and the expertise of the Board's members means that good corporate governance has been achieved by means other than those proposed by the Code and will be further enhanced in the future.

The Code states that the Chairman should be independent on appointment and that the Chief Executive should not go on to be Chairman of the same company. Neither of these was the case with the appointment of AS Parr as Executive Chairman. The Board of Directors considers that AS Parr's extensive knowledge and experience of the Group's business and his familiarity with the concerns of the Company's key shareholders are uniquely valuable assets. In addition, AS Parr's significant experience outside the Formula One industry will enhance the Board's decision-making and understanding of strategic issues. The Board has nevertheless recognised the need for senior independent oversight by appointing N Rose as the Senior Independent Director. In this capacity N Rose will play a significant role in leading a review of corporate governance matters, conducting reviews of the effectiveness of the Board and the performance of individual Directors, including the Chairman. In his role as Senior Independent Director, N Rose will also provide an effective communication channel between the Chairman, the Chief Executive Officer and the other Non-Executive Directors and investors on all matters including Directors' remuneration.

Corporate Governance (continued)

The Board of Directors considers that it would be disproportionate for the Company to set up two distinct committees to deal with remuneration and nomination-related matters and accordingly has set up a combined Remuneration and Nominations Committee. The Code recommends that a remuneration committee should be composed exclusively of independent non-executive directors. TC Wolff will sit on the Remuneration and Nominations Committee and, although he is not independent, the Board believes that his extensive experience as a director and investor in private equity-backed and public companies will allow him to contribute meaningfully to the committee's work. TC Wolff will not sit on the committee when it is considering matters relating to his own appointment or remuneration.

Similarly, although the Code recommends that the Audit Committee be exclusively composed of independent non-executive directors, TC Wolff will also sit on the Audit Committee. The Board believes that TC Wolff's extensive experience as director and investor in private equity-backed and public companies will enable him to contribute meaningfully to the work of the Audit Committee.

The Code requires that a significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance. Performance related uplifts through a Joint Share Ownership Plan ("JSOP") arrangement have been focussed on AS Parr and AM Burns as the Directors with most influence over the commercial performance of the Group. This influence is also evidenced in the reduction in core remuneration volunteered by AS Parr and AM Burns during 2011. This arrangement allows these Directors to receive payments once the Company's share price is 20% above the weighted average price at which they traded on admission. The Board believes that the JSOP is a suitable incentive arrangement because the plan is simple and transparent for participants, the Group and shareholders and the plan does not dilute the equity interest of existing shareholders if the performance targets are met and the rights are exercised. As for the other executive Directors, Sir FOG Williams' remuneration reflects his importance to the Group as its founder and eponymous Team Principal. As the Company's majority shareholder, Sir FOG Williams' interests are already closely aligned with those of the Company and he is therefore not covered by the JSOP arrangement. The Remuneration and Nominations Committee will continue to set Sir FOG Williams' remuneration following his resignation from the Board of the Company due to his controlling beneficial interest in its ordinary share capital. M Biddle, LM Evans and CV Williams' core remuneration is in line with the market rate for their respective professional experience. Full details of Directors' interests in, and the accounting treatment of, the JSOP are set out below and in note 22 of the accounts respectively.

The appointment of the three additional Non-Executive Directors in 2011 and the establishment of the Remuneration and Nominations Committee and Audit Committee creates a structure whereby the Board can identify the best way to meet the various requirements of the Code. These include establishing a mechanism for the Chairman to review the development needs of the Non-Executive Directors and for the Remuneration and Nominations Committee and Audit Committee to develop their roles. The Remuneration and Nominations Committee will monitor the level and structure of remuneration for senior management, and the Audit Committee will monitor the independence the Group's auditors and determine whether or not it will be necessary for the Group to have an internal audit function.

Directors' emoluments and compensation

The table below sets out the details of the emoluments and compensation received by each Director during the year.

Director	Basic salary	Bonus	Benefits	2011 total excluding pension	2011 pension	2010 total excluding pension	2010 pension
	£	£	£	**£**	£	£	£
Sir FOG Williams[1]	207,188	-	22,607	**229,795**	-	1,002,581	-
PM Head[1]	106,250	-	5,197	**111,447**	-	503,713	-
AM Burns[2]	242,750	25	5,288	**248,063**	14,567	291,103	17,121
M Biddle	140,000	7,525	4,409	**151,934**	6,061	144,345	5,774
LM Evans[3]	18,333	-	-	**18,333**	1,100	-	-
SD Michael[4]	133,333	-	1,742	**135,075**	-	477,396	-
AS Parr[2]	212,500	-	409	**212,909**	10,625	475,269	16,458
M O'Driscoll[5]	12,727	-	-	**12,727**	-	-	-
E Charlton[5]	12,727	-	-	**12,727**	-	-	-
N Rose[3]	7,500	-	-	**7,500**	-	-	-
TC Wolff	35,000	-	-	**35,000**	-	110,000	-
Total	**1,128,308**	**7,550**	**39,652**	**1,175,510**	**32,353**	**3,004,407**	**39,353**

1 Sir FOG Williams and PM Head waived their salary entitlements between April and December 2011.
2 AM Burns and AS Parr each took a temporary salary reduction of approximately 15% during 2011, with their full salaries reinstated from 1 January 2012.
3 LM Evans and N Rose joined the Board on 1 November 2011.
4 Remuneration for SD Michael in 2011 is that up to his resignation from the Board on 6 May 2011.
5 E Charlton and M O'Driscoll joined the Board on 7 September 2011.

Share-based payment

The WGP Trust is an employee benefit trust whose current potential beneficiaries are AS Parr and AM Burns. The WGP Trust acquired 350,000 shares in the Company from the then shareholders. The Trustee of the WGP Trust is WGP Trustees Limited, a wholly-owned subsidiary of the Company. The Trustee has established a joint share ownership plan ("JSOP") with each of AS Parr and AM Burns by which such individuals will be able to participate in any future growth in the value of the Group. The terms of the WGP Trust include the prohibition of a resale of those shares by the trustees for a period of 18 months from the commencement of trading in the Company's shares on the Open Market (Entry Standard segment) of the Frankfurt Stock Exchange. Subject to certain conditions of the JSOP, AS Parr's interest is 125,000 shares and AM Burns' interest is 100,000 shares.

During the year SD Michael resigned as a Director of the Company and waived his beneficial interest in 125,000 shares in the JSOP. These shares remain held in trust.

Directors' interests and dealings

The table below shows the Directors' beneficial interests in the ordinary share capital of the Company, excluding interests in the JSOP, as at 31 December 2011.

Director	**Shares in which beneficial interests held at 31 December 2011**
Sir FOG Williams CBE	5,150,000
PM Head	933,132
AM Burns	-
M Biddle	-
LM Evans	-
AS Parr	-
E Charlton	-
M O'Driscoll	-
N Rose	4,208
TC Wolff	1,544,950

Report of the Directors

The Directors present their report and the financial statements of the Group for the year ended 31 December 2011.

Principal activities and business review

On 7 February 2011, the Company became the parent of the Group as part of a group reorganisation. On 2 March 2011, the Company was admitted to the Open Market (Entry Standard segment) of the Frankfurt Stock Exchange following a public offering of 21% of its existing ordinary shares.

The principal activities of the Group during the year remained design and construction of racing cars, participation in motor racing events throughout the world, engineering consultancy and the supply of precision engineered components to third parties.

During 2011, the Group suffered a poor season on-track as the Williams F1 Team finished 9th in the FIA Formula One World Constructors' Championship. The team completed a technical restructuring during the year to reposition itself for the 2012 season. The team has revitalised the senior technical management team and concluded a supply agreement with Renault Sport for the World Championship-winning RS27 V8 engine as well as entering into new partner agreements.

The Group has entered into an association with Jaguar Cars Limited to design and produce a limited number of C-X75 supercars. This car will be Jaguar's most technically advanced car to date and will make use of the Group's motorsport expertise and feature a carbon-fibre chassis, hybrid technology and a highly innovative powertrain.

The Group continues to supply components and services to Caterham F1 and the HRT Formula 1 Team within the limits of the commercial and sporting regulations.

The Group progressed its flywheel programme through its Williams Hybrid Power Limited subsidiary, developing applications in the motorsport, automotive and public transport sectors. These programmes have attracted a number of clients, including Porsche and the UK Ministry of Defence.

The Williams Technology Centre in Qatar (WTCQ), a branch of Williams Grand Prix Engineering Limited which is co-funded by the Qatar Foundation, continues to work on two major projects:

- Development and commercialisation of large flywheel technology
- Commercialisation of Driver in Loop simulation technology.

Financially, 2011 was a successful year for the Group, with profit before taxation increasing to £7.4 million (2010: £5.8 million).

The Group held net cash of £24.8 million on 31 December 2010 due to pre year end receipts of approximately £28.6 million relating to 2011. This timing difference was not repeated prior to the 2001 balance sheet date so the Group has a net debt position of £0.5 million at 31 December 2011.

Results and dividends

The profit for the year amounted to £7,826,492 (2010: £6,026,009). The Directors have not recommended a dividend (2010: £nil).

Principal risks and uncertainties

The key risks to the Group continue to be:

- Revenue generation
- Expenditure control
- Cash management.

These risks will continue to be monitored by the Group in 2012 and beyond.

In common with all participants in Formula One, the Group's ability to generate revenue depends largely on its ability to secure income from sponsorship and commercial rights. In the long term this depends upon the continuing popularity of the Formula One World Championship.

The Group mitigates the risks associated with revenue generation by identifying and retaining key sponsorship partners and by maximising income from the sport's commercial rights. The Board believes that the expansion of Formula One into new markets, such as India in 2011 and its return to the USA in 2012, should offer opportunity for revenue growth. In addition the Group continues to diversify by using existing background intellectual property derived from motorsport in new commercial applications with blue chip partners.

The Group recognises that there are considerable costs associated with remaining competitive in Formula One. The Group's intention to maintain its position at the forefront of high performance engineering also requires ongoing expenditure on research, development, materials and production activity. The Board targets the application of its available financial resources to the most cost effective areas of the business, based on its long term strategic goals for growth. The business is monitored against budgets and forecasts driven by this strategic analysis. Any significant variances are reviewed and targets adjusted to accommodate them.

The Group is a signatory to the Resource Restriction Agreement, which ensures that expenditure by Formula One teams remains capped at comparable levels. The Group monitors its expenditure levels to ensure that it remains compliant with this agreement.

As in any business, working capital management and cash flow management are critical to meet the requirements of all members of the Group. The Group exercises strong cash management, with performance against cash flow budgets and forecasts reviewed on a regular basis. The Group has a strong cash position and maintains sufficient short term borrowing facilities to meet its fluctuating working capital requirements.

The Directors are of the opinion that a thorough risk management process is adopted which involves the formal review of financial performance on a regular basis. Where possible, processes are in place to monitor and mitigate financial risks.

Financial risk management objectives and policies

The Group uses various financial instruments including overdrafts, loans, cash, equity reserves and various items, such as trade debtors and trade creditors, which arise directly in the course of its business. The main purpose of these financial instruments is to raise finance for the Group's ongoing operations.

These financial instruments expose the Group to a number of risks, principally translation and transaction exchange risk, liquidity risk, interest rate risk and credit risk.

Financial risk management objectives and policies (continued)

Translation and transaction exchange risk
In order to manage this, the Group seeks to match foreign currency assets and expenditure to income and appropriate levels of borrowings. In addition the Group can enter into derivative contracts, including forward foreign currency contracts, to achieve an economic hedge. While the Group aims to achieve an economic currency hedge position it does not adopt an accounting policy of hedge accounting for these financial statements.

Liquidity risk
The Group seeks to manage this risk by ensuring that sufficient liquidity is available to meet foreseeable needs. The Group's policy throughout the period has been to achieve this objective through management's day-to-day involvement in the business decisions rather than setting maximum or minimum liquidity ratios.

Interest rate risk
The Group sought to manage this risk by entering into interest rate swap agreements. In June 2007 the Group entered into an interest rate swap arrangement for the period of a term loan which provided maximum interest payable of 6.40% and minimum interest payable of 5.65% during the life of the facility. This arrangement expired in March 2011.

Credit risk
The Group's principal financial assets are cash and trade debtors. The Group assesses the credit quality of each commercial partner before accepting any contract arrangement. The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality credit ratings.

Capital management

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern
- To provide an adequate return to shareholders.

The Group monitors capital on the basis of the carrying amount of equity plus fixed term loans, less cash, as presented on the balance sheet. The Group's goal in capital management is to maintain an appropriate level of gearing.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Creditors' payments terms

The Group's policy is to pay suppliers 30 days following the end of the month in which an invoice is received. Actual creditor days in 2011 were, on average, 37 days (2010: 42 days).

Research and development

The Group has sought to manage expenditure wherever possible but continues to invest in developing its people and in specifically identified research and development programmes in order to be competitive in the future.

The total charge in the profit and loss account for research and development expenditure during the year was £48.1 million (2010: £45.0 million).

Fixed assets

In the opinion of the Directors the market value of the freehold properties is in excess of the current carrying amount.

Directors

The Directors who served the Company during the period were as follows:

Sir FOG Williams	(resigned with effect from 31 March 2012)
PM Head	(resigned 31 December 2011)
M Biddle	
AM Burns	
LM Evans	(appointed 1 November 2011)
SD Michael	(resigned 6 May 2011)
AS Parr	
E Charlton	(appointed 7 September 2011)
M O'Driscoll	(appointed 7 September 2011)
N Rose	(appointed 1 November 2011)
TC Wolff	

Insurance

The Group purchases liability insurance covering its Directors and officers.

Directors' responsibilities

The Directors are responsible for preparing 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 and profit or loss of the Company and Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibilities (continued)

In so far as each of the Directors are aware:
- there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

The Group made charitable donations in the period of £2,250 (2010: £2,718) and no political contributions (2010: £nil).

Disabled employees

It is the Group's policy to offer equal opportunities to all persons, including disabled persons, applying for vacancies having regard to their aptitudes and abilities in relation to the jobs for which they apply.

Employee involvement

The Group's policy is to consult and discuss with employees, through meetings, on matters likely to affect employees' interests.

Information on matters of concern to employees is given through a staff forum, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with section 489 of the Companies Act 2006. A resolution to reappoint Grant Thornton UK LLP will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

AS Parr
Director

GrantThornton

Report of the independent auditor to the members of Williams Grand Prix Holdings PLC

We have audited the financial statements of Williams Grand Prix Holdings plc for the year ended 31 December 2011 which comprise the consolidated profit and loss account, the consolidated and Company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an auditor's report 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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 18, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Grant Thornton

Report of the independent auditor to the members of Williams Grand Prix Holdings PLC

Matters on which we are required to report by exception

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.

Grant Thornton UK LLP.

Nicholas Watson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford

8 March 2012.

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The Directors believe that the Group retains its position as a leader in high performance engineering. The Group's global profile, together with its ability to innovate and diversify, provide it with firm foundations for ongoing success, even in an adverse economic climate.

The Group's revenue from its Formula One activities is derived from sponsorship and commercial rights income. It has a strong contracted position for the 2012 season and continues to engage with potential new partners for 2012 and beyond. The Board believes that the expansion of Formula One into new markets, such as India in 2011 and its return to the USA in 2012, should offer opportunity for further revenue growth. At the time of approving the financial statements the Group has sufficient contracted income to meet its expenditure and debt service commitments for the foreseeable future.

The Group continues to diversify its commercial activities in order to realise value from its intellectual property. The Group enters 2012 having established successful relationships with a number of third parties, while continuing to maintain a controllable cost base. The Directors intend to develop such activities and are actively identifying future opportunities.

The Group has a strong cash position and maintains sufficient short term borrowing facilities to meet its fluctuating working capital requirements. The Directors have also considered the Group's ability to provide ongoing support to those companies in the Group which may require it and have concluded that the Group has sufficient resources to provide the support required.

The Directors review the Group's performance against budgets and forecasts on a regular basis and are satisfied that the Group is performing as expected.

The Directors have determined that it is appropriate for the financial statements to be prepared on the going concern basis.

The principal accounting policies of the Group are set out below.

Basis of Preparation

On 7 February 2011, the Company became the parent company of Williams Grand Prix Engineering Limited through a group reorganisation undertaken in connection with the Company's admission to the Open Market (Entry Standard segment) of the Frankfurt Stock Exchange. The Company has presented consolidated financial information prepared under the merger accounting principles of FRS 6 *Acquisitions and mergers* for the year to 31 December 2011 in recognition of the continuity of the Group's activity. The comparative financial information relates to Williams Grand Prix Engineering Limited and its subsidiaries only.

The consolidated financial statements are adjusted, where appropriate, to conform to Group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent is omitted from the Group consolidated financial statements by virtue of section 408 of the Companies Act 2006.

Minority interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes the cumulative profits or losses and net assets of subsidiaries between owners of the parent and minority interests based on their respective ownership interests.

Turnover

Turnover represents the amount receivable from sponsorship income and for the value of goods and services sold, the amount receivable with respect to prize monies, commercial rights income and the commission receivable from sponsors on media deals negotiated on their behalf. Turnover from the sale of goods is recognised on despatch and turnover from services is recognised in the period to which it relates. All turnover excludes value added tax.

Where sponsorship is paid by the provision of goods and services, turnover and costs are recognised in the financial statements where the market value of the goods or services may be readily ascertained. Where a value cannot be readily ascertained, neither turnover nor costs are recognised.

Grant income

Grant income is recognised when receivable and included within other operating income.

Research and development

The Group is heavily committed to research and development activities so as to maintain its position as a world leader in motor sport and high performance engineering. All expenditure on research and development is written off to the profit and loss account as incurred.

Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of 4 years.

Purchased goodwill

Purchased goodwill, representing the excess of fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life of 10 years.

Fixed assets and depreciation

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery	- 20% reducing balance
Wind tunnel	- 8 years straight line
Leasehold property	- 6 years straight line
Fixtures, fittings & equipment	- 20% reducing balance
Vehicles & pit equipment	- 20-25% straight line

A nil depreciation rate is provided in respect of the freehold property, which is shown at cost, on the basis that the residual value of the freehold property would render any annual and accumulated charge immaterial.

Useful economic lives

The Group has reviewed the residual useful economic lives of tangible assets used in the wind tunnels. In accordance with FRS 15 *Tangible fixed assets*, the net book value of these assets at the date on which their useful economic lives was reviewed will be depreciated over their remaining useful economic lives on a straight line basis. The remaining useful economic lives of these assets was assessed as 8 years.

Stocks and work in progress

Stock is valued at the lower of cost and net realisable value. Work in progress compromises costs incurred for goods which were not ready for despatch at the balance sheet date.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange prevailing at the transaction date. All profits and losses on exchange are dealt with in the profit and loss account.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual agreements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to the reserves.

The Group has not adopted FRS 26 *Financial Instruments: recognition and measurement* and therefore the disclosure requirements of FRS 29 *Financial Instruments: disclosures* are not applicable. The disclosure requirements of FRS 13 *Derivatives and other financial instruments* have been applied.

Derivatives

The Group uses derivative financial instruments, primarily to manage exposures to fluctuations in foreign currency exchange rates and interest rates. Interest rate swaps and foreign exchange contracts entered into are not revalued to fair value or recognised in the balance sheet at the year end, as they are not designated as hedging instruments and are not held for trading purposes.

Investments

Investments are recorded at cost less amounts written off.

Pension costs

The Group operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the Group during the period. The Group does not operate any defined benefit retirement arrangements.

Share based payments

In accordance with FRS 20 *Share based payment*, the fair value of equity settled share based payments to Directors is determined at the date of grant and is recognised on a straight line basis over the vesting period based on the Group's estimate of the rights that will eventually vest. Estimates are subsequently revised if there is an indication that the number of rights expected to vest differs from previous estimates, for example in the event of a forfeiture. Any cumulative adjustment prior to vesting is recognised in the current period.

All share based payments are recognised as an expense in the profit and loss account. Upon exercise, the proceeds received net of any directly attributable transaction costs, up to the nominal value of the shares issued, are allocated to share capital with any excess being recorded as share premium.

Employee Benefit Trust

The Group recognises assets and liabilities of the Trust as its own and, in accordance with UITF 38 *Accounting for ESOP trusts*, shares held by the Trust are deducted in arriving at shareholders' funds and included in reserves.

Consolidated profit and loss account

	Note	**Year to 31 Dec 2011 £**	Year to 31 Dec 2010 £
Turnover	1	**104,535,384**	91,029,693
Cost of sales		**(33,925,175)**	(18,477,496)
Gross profit		**70,610,209**	72,552,197
Other operating income	2	**2,261,185**	647,837
Other operating charges	2	**(65,258,335)**	(66,906,208)
Operating profit	3	**7,613,059**	6,293,826
Interest receivable		**41,329**	18,065
Interest payable and similar charges	5	**(252,331)**	(525,312)
Profit on ordinary activities before taxation		**7,402,057**	5,786,579
Tax on profit on ordinary activities	6	**-**	-
Minority interests		**424,435**	239,430
Profit for the financial period		**7,826,492**	6,026,009

Earnings per share

	Note		
Basic and diluted earnings per share	7	81.10p	60.26p

All of the activities of the Group are classed as continuing.

The Group has no recognised gains or losses other than the results for the period as set out above.

Consolidated balance sheet

	Note	**31 Dec 2011 £**	31 Dec 2010 £
Fixed assets			
Intangible assets	9	**570,360**	641,665
Tangible assets	10	**37,039,935**	35,647,686
		37,610,295	36,289,351
Current assets			
Stocks	12	**421,730**	12,779
Debtors	13	**47,508,964**	16,696,519
Cash at bank and in hand		**4,410,023**	27,249,978
		52,340,717	43,959,276
Creditors: amounts falling due within one year	14	**(42,802,114)**	(43,012,211)
Net current assets		**9,538,603**	947,065
Total assets less current liabilities		**47,148,898**	37,236,416
Creditors: amounts falling due after more than one year	15	**(4,860,346)**	(2,423,420)
		42,288,552	34,812,996
Capital and reserves			
Called-up equity share capital	22	**500,000**	100,000
Profit and loss account	22	**42,525,661**	34,699,169
Other reserves	22	**(326,501)**	-
Minority interests	22	**(410,608)**	13,827
Shareholders' funds	22	**42,288,552**	34,812,996

These financial statements were approved by the Directors and authorised for issue on 8 March 2012 and are signed on their behalf by:

Adam Parr.

AS Parr
Director

Company Registration Number: 07475805

Company balance sheet

	Note	31 Dec 2011 £
Fixed assets		
Investments	11	**500,001**
		500,001
Creditors: amounts falling due within one year	14	**(101)**
		499,900
Capital and reserves		
Called-up equity share capital	23	**500,000**
Profit and loss account		**(73,599)**
Other reserve		**73,499**
Shareholders' funds	23	**499,900**

The period to 31 December 2011 is the first period for which financial statements have been prepared for the Company.

These financial statements were approved by the Directors and authorised for issue on 8 March 2012, and are signed on their behalf by:

AS Parr
Director

Company Registration Number: 07475805

Consolidated cash flow statement

	Note	Year to 31 Dec 2011 £	Year to 31 Dec 2010 £
Net cash (outflow) / inflow from operating activities	24	**(21,116,068)**	23,825,133
Returns on investments and servicing of finance			
Interest received		**41,329**	18,065
Interest paid		**(173,476)**	(499,229)
Net cash outflow from returns on investments and servicing of finance		**(132,147)**	(481,164)
Taxation			
Taxation		**(48,069)**	-
Net cash outflow for taxation		**(48,069)**	-
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		**(4,028,206)**	(1,859,651)
Receipts from sale of fixed assets		**78,395**	31,500
Net cash outflow for capital expenditure and financial investment		**(3,949,811)**	(1,828,151)
Acquisitions and Disposals			
Payments to acquire existing shares in subsidiary undertaking		**-**	(330,000)
Net debt acquired in subsidiary undertaking		**-**	(156,473)
Net cash outflow for acquisitions and disposals		**-**	(486,473)
Cash (outflow) / inflow before financing		**(25,246,095)**	21,029,345
Financing			
New loans / (repayment of bank loans)		**2,348,594**	(6,985,299)
Net cash inflow / (outflow) from financing		**2,348,594**	(6,985,299)
(Decrease)/ increase in cash	24	**(22,897,501)**	14,044,046

Notes to the Financial Statements

1 Turnover

An analysis of turnover by geographical market has not been included as the Directors believe that the Group operates in a single global market and that the allocation to geographical markets is neither practical nor possible.

The activities of the Group relate principally to high-performance engineering and motorsport.

2 Other operating income and charges

	Year ended 31 Dec 2011 £	Year ended 31 Dec 2010 £
Grant income in respect of WTCQ	**2,261,185**	647,837
Total other income	**2,261,185**	647,837

	Year ended 31 Dec 2011 £	Year ended 31 Dec 2010 £
Distribution costs	**49,722,174**	50,947,282
Administrative expenses	**15,536,161**	15,958,926
Total other operating charges	**65,258,335**	66,906,208

3 Operating profit

Operating profit is stated after charging /(crediting):

	Year ended 31 Dec 2011 £	Year ended 31 Dec 2010 £
Depreciation of owned fixed assets	**2,575,807**	3,783,307
Profit on disposal of fixed assets	**(18,244)**	(23,443)
Operating lease costs:		
- Plant and equipment	**133,369**	864,620
Amortisation of intangible assets	**71,305**	48,050
Net profit on foreign currency translation	**(366,303)**	(385,611)
Auditor's remuneration - audit of parent company and Group financial statements	**8,500**	38,000
Auditor's remuneration - audit of subsidiaries pursuant to legislation	**41,000**	7,000
Auditor's remuneration - other fees	**259,475**	199,504

3 Operating profit (continued)

	Year ended 31 Dec 2011 £	Year ended 31 Dec 2010 £
Auditor's remuneration - other fees:		
- Taxation services	**30,253**	35,064
- VAT advice	**54,450**	87,436
- Other assurance services	**6,500**	7,000
- Corporate finance services	**55,432**	-
- Other advice	**112,840**	70,004
	259,475	199,504

4 Employees and Directors

The average number of staff employed by the Group during the financial year amounted to:

	Year ended 31 Dec 2011 No	Year ended 31 Dec 2010 No
Number of management and administrative staff	**71**	61
Number of research & production staff	**429**	443
Number of marketing staff	**15**	17
	515	521

The aggregate payroll costs of the above were:

	Year ended 31 Dec 2011 £	Year ended 31 Dec 2010 £
Wages and salaries	**27,832,052**	28,146,890
Social security costs	**3,055,221**	3,222,624
Other pension costs	**1,167,031**	1,258,185
	32,054,304	32,627,699

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately to those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds.

5 Interest payable and similar charges

	Year ended 31 Dec 2011 £	Year ended 31 Dec 2010 £
Interest payable on bank borrowing	**143,172**	446,816
Other interest paid	**20,827**	1,789
Foreign exchange loss on borrowing	**88,332**	76,707
	252,331	525,312

6 Taxation on ordinary activities

The Group has estimated losses of approximately £91,235,634 (2010: £84,672,214) available to carry forward against future trading profits. As the Group expects to be able to benefit from research and development tax credits for the foreseeable future no deferred tax asset has been recognised in respect of the available losses.

Factors affecting current tax charge

	Year ended 31 Dec 2011 £	Year ended 31 Dec 2010 £
Profit on ordinary activities before taxation	**7,402,057**	5,786,579
Profit on ordinary activities by rate of tax at 26.5% (2010: 28%)	**1,961,546**	1,620,244
Expenditure not deductible for tax purposes	**56,781**	165,615
Depreciation in excess of capital allowances	**27,488**	792,323
Research and development adjustment	**(3,822,707)**	(3,783,559)
Tax losses carried forward	**1,739,334**	1,192,642
Consolidation adjustment not deductible for tax purposes	**37,558**	12,735
Total current tax	**-**	-

7 Earnings per share

The calculation of earnings per share (EPS) is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares outstanding during the period.

As a result of the Group restructuring explained in note 21, the number of outstanding Williams Grand Prix Holdings PLC shares has been used as the denominator in calculating the EPS.

Reconciliation of weighted average number of ordinary shares:

	Year ended 31 Dec 2011	Year ended 31 Dec 2010
Ordinary shares in issue	**10,000,000**	10,000,000
Weighted average number of shares held by WGP Trust (see note 22)	**350,000**	-
Weighted average number of shares outstanding	**9,650,000**	10,000,000

During 2011 the Group increased the number of shares in issue to 10,000,000. The number of shares stated as being in issue as at 31 December 2010 in this note reflects the number of shares in issue as at 31 December 2011. Further details in the changes to the share capital are provided in note 22.

8 Loss attributable to the parent Company

The loss for the period 21 December 2010 to 31 December 2011 dealt with in the accounts of the parent Company (Williams Grand Prix Holdings PLC) was £73,599. The period from 21 December 2010 to 31 December 2011 is the first period for which financial statements have been prepared by the Company.

9 Intangible fixed assets

Group

	Goodwill	**Patents**	**Total**
	£	**£**	**£**
Cost			
At 31 December 2010	682,287	7,428	689,715
At 31 December 2011	682,287	7,428	689,715
Amortisation			
At 31 December 2010	45,486	2,564	48,050
Charge for the year	68,229	3,076	71,305
At 31 December 2011	113,715	5,640	119,355
Net book value			
At 31 December 2011	**568,572**	**1,788**	**570,360**
At 31 December 2010	636,801	4,864	641,665

Goodwill relates to the increase in shareholding to 78% of Williams Hybrid Power Limited by Williams Grand Prix Engineering Limited in April 2010 and represents the excess of the consideration paid over the fair value of the assets acquired.

10 Tangible fixed assets

Group

	Freehold property £	Leasehold property £	Plant & machinery £	Fixtures, fittings & equipment £	Vehicles & pit equipment £	Total £
Cost						
At 31 December 2010	20,968,304	334,937	45,481,744	4,875,804	3,645,225	75,306,014
Additions	303,329	339,193	3,240,869	144,816	–	4,028,207
Disposals	–	–	(746,695)	–	–	(746,695)
At 31 December 2011	21,271,633	674,130	47,975,918	5,020,620	3,645,225	78,587,526
Depreciation						
At 31 December 2010	–	17,499	32,063,525	4,271,427	3,305,877	39,658,328
Charge for the year	–	84,399	2,280,954	142,584	67,870	2,575,807
On disposals	–	–	(686,544)	–	–	(686,544)
At 31 December 2011	–	101,898	33,657,935	4,414,011	3,373,747	41,547,591
Net book value						
At 31 December 2011	21,271,633	572,232	14,317,983	606,609	271,478	37,039,935
At 31 December 2010	20,968,304	317,438	13,418,219	604,377	339,348	35,647,686

During the year the Directors reassessed the useful economic lives of certain tangible fixed assets recorded in plant & machinery. The remaining useful economic lives of these assets was assessed as 8 years, thereby reducing the annual deprecation charge for these assets by £1.2m.

11 Investments

Company

	£
Additions in the period 21 December 2010 to 31 December 2011	**500,001**
Cost and net book value at 31 December 2011	**500,001**

The period to 31 December 2011 is the first period for which financial statements have been prepared by the Company.

On 7 February 2011 the Company acquired 100% of the share capital of Williams Grand Prix Engineering Limited, a company incorporated in England and Wales, at a cost of £500,000. On 21 January 2011 the Company acquired 100% of the share capital of WGP Trustees Limited, a company incorporated in England and Wales, at a cost of £1.

The Group Overview on page 4 provides an overview of each company. Williams Grand Prix Engineering Limited increased its shareholding to 78% of the share capital of Williams Hybrid Power Limited in 2010.

12 Stocks

Group

	2011	2010
	£	£
Team merchandise	**459**	12,779
Work in progress	**421,271**	-
	421,730	12,779

13 Debtors

Group

	2011	2010
	£	£
Trade debtors	**33,463,704**	3,405,166
Other debtors	**153,151**	607,060
Prepayments and accrued income	**13,982,109**	12,684,293
	47,508,964	16,696,519

14 Creditors: amounts falling due within one year

	Group		**Company**
	2011	2010	**2011**
	£	£	**£**
Trade creditors	**6,542,538**	6,164,192	**-**
Social security and other taxes	**969,484**	1,095,020	**-**
Other creditors	**10,682**	10,409	**101**
Accruals and deferred income	**35,279,410**	35,742,590	**-**
	42,802,114	43,012,211	**101**

The period to 31 December 2011 is the first period for which financial statements have been prepared by the Company.

15 Creditors: amounts falling due after more than one year

Group

	2011	2010
	£	£
Bank loans	**4,860,346**	2,423,420

All bank loans are secured by a legal charge over the freehold property owned by the Group. A fixed and floating charge in favour of the bank is held over all assets, present and future.

16 Bank borrowings

Group

Bank borrowings are repayable as follows:

	2011	2010
	£	£
Amounts repayable:		
In more than one year but not more than two years	**1,620,115**	**-**
In more than two years but not more than five years	**3,240,231**	2,423,420
	4,860,346	2,423,420

17 Financial Instruments

Objectives, policies and strategies for managing risks relating to financial instruments are disclosed within the Report of the Directors.

The fair value of cash is considered to be equal to its book value. The fair value of bank borrowings is equal to its book value. The fair value is calculated by discounting future cash flows using a rate based on the borrowing rate.

The Group's bank borrowings comprise a term loan facility of USD 7.50 million (2010: USD 3.75 million); this loan was agreed in August 2010 and is repayable in three instalments of USD 2,500,000 in each of June 2013, June 2014 and June 2015. This facility carries interest at 3.5% over US LIBOR. Accrued interest on the loan is recognised in liabilities.

18 Derivatives

The fair value of derivatives held by the Group at 31 December 2011, not recognised in the financial statements, is as set out below.

Current Liabilities	**2011 Book value**	**2011 Fair Value**	2010 Book Value	2010 Fair Value
	£	**£**	£	£
Interest rate swaps	**-**	**-**	-	(21,340)
	-	**-**	-	(21,340)

Market values have been used to determine fair values. Interest rate swaps were held to mitigate interest rate risks. The swap held at 31 December 2010 expired in March 2011.

19 Commitments under operating leases

Group

At 31 December 2011 the Group had annual commitments under non-cancellable operating leases as set out below.

	2011	2010
	£	£
Assets other than land and buildings		
Within 1 year	**478,018**	429,939
Within 2 to 5 years	**345,129**	90,252
	823,147	520,191

20 Contingencies

The Group and Company had no contingent liabilities as at 31 December 2011 or as at 31 December 2010.

21 Related party transactions

Company

With 100% of its issued shares held by the Company, WGP Trustees Limited ("WGPT") is a related party of the Company. During the year ended 31 December 2011 the Company subscribed for £1 of share capital in WGPT and committed to transfer £100 to WGPT. As at 31 December 2011 neither of these balances had been paid and there is a balance owed by the Company to WGPT of £101 included in creditors.

Directors of WGPT, who are also Directors of the Company, do not receive remuneration from WGPT.

Group

On 7 February 2011 the Company became the parent company of Williams Grand Prix Engineering Limited through a group reorganisation undertaken in connection with the Company's admission to the Open Market (Entry Standard segment) of the Frankfurt Stock Exchange. The Company has presented consolidated financial information prepared under merger accounting principles for the year to 31 December 2011 in recognition of the continuity of the Group's activity.

With 78% of its issued shares held by the Group, Williams Hybrid Power Limited ("WHP") is a related party of the Group. During the year ended 31 December 2011 a company within the Group made purchases of £7,450 (2010: £1,950) from WHP and sales of £847,824 (2010: £268,520) to WHP. At 31 December 2011 there was a balance owed to a company within the Group by WHP of £75,282 (2010: £62,302) included in debtors.

During the year ended 31 December 2011 a company within the Group made a loan of £2,369,775 to WHP (2010: £91,422). At 31 December 2011 the outstanding loan due to a company within the Group was £2,465,197 (2010: £95,422). No provision or write offs have been made against this loan during the year or after the balance sheet date.

AS Parr, for himself personally and as trustee for a group of investors including Directors of the Company is an investor in Ingenie Limited. Ingenie is a start-up company that is developing an insurance product aimed at encouraging young drivers to drive more safely and thereby to reduce their costs of insurance. Ingenie has a three-year marketing agreement with the Group under which Ingenie may inter alia describe itself as a partner of Williams F1 and has specified access to the team and its drivers for promotional activities.

22 Share Capital and Reserves

Company

Allotted, called up and fully paid share capital:

	2011 No	2011 £
10,000,000 Ordinary shares of 5 pence each	**10,000,000**	**500,000**

	Called Up Equity Share Capital £	Profit & Loss Account £	Other Reserves £	Total £
Shares issued as part of group reorganisation	500,000	-	-	**500,000**
Loss for the financial year	-	(73,599)	-	**(73,599)**
Share based payment	-	-	73,499	**73,499**
Balance carried forward at 31 Dec 2011	**500,000**	**(73,599)**	**73,499**	**499,900**

Group

Allotted, called up and fully paid share capital:

	2011 No	2011 £	2010 No	2010 £
10,000,000 Ordinary shares of 5 pence each	**10,000,000**	**500,000**	10,000,000	500,000

On 7 February 2011 the Group increased the number of shares in issue to 10,000,000. The number of shares stated as being in issue as at 31 December 2010 in this note reflects the number of shares in issue as at 31 December 2011.

	Called Up Equity Share Capital £	Profit & Loss Account £	Other Reserves £	Minority Interests £	Total £
Balance brought forward at 1 January 2011	100,000	34,699,169	-	13,827	**34,812,996**
Shares issued as part of group reorganisation	400,000	-	(400,000)	-	**-**
Profit for the financial year	-	7,826,492	-	-	**7,826,492**
Share based payment	-	-	73,499	-	**73,499**
Minority Interest in loss for the year	-	-	-	(424,435)	**(424,435)**
Balance carried forward at 31 December 2011	**500,000**	**42,525,661**	**(326,501)**	**(410,608)**	**42,288,552**

22 Share Capital and Reserves (continued)

The Group established the WGP Trust on 7 February 2011. The current potential beneficiaries are certain Directors of the Company. The WGP Trust acquired 350,000 shares in the Company from the then shareholders for £100. The trustee of the WGP Trust is WGP Trustees Limited, a wholly owned subsidiary of the Company.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The Group has calculated the fair value of the beneficial interest in each share of the Company held in the WGP Trust using a Black-Scholes model. The model has used a grant price equal to the weighted average price at which the Company's shares traded on admission to the Open Market (Entry Standard Segment) of the Frankfurt Stock Exchange and, in line with the joint share ownership deed under which each beneficiary was granted their beneficial interests, allows those beneficial interests to be exercised once the share price is 20% above the weighted average price at which the Company's shares traded on admission. Other assumptions used in the calculation of fair value were as follows:

Vesting period	18 months
Expected share price volatility	14.79%
Risk free interest rate	3.83%
Expected dividend volatility	0%
Fair value per share	GBP 0.59

Key assumptions were taken from indices on the date at which the WGP Trust acquired the shares (7 February 2011). Expected share price volatility was based on the DAX Index Options volatility. The risk-free interest rate was based on UK ten-year gilt yields. The translation of fair values from Euros into sterling was based on market rates.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

The number of shares in which beneficial interests were held in 2011 was as follows:

Shares to which beneficial entitlements were granted during 2011	350,000
Shares to which beneficial entitlements were voluntarily waived during 2011	(125,000)
Shares to which beneficial interests are held as at 31 December 2011	225,000

Application of the fair value measurement results in a charge to operating expenses for the year to 31 December 2011 of £73,499 (2010: £nil) for the Company.

The market value of the shares held by the EBT at 31 December 2011 was EUR 6.65 million.

23 Reconciliation of movements in shareholders' funds

	Company	Group	
	2011	**2011**	2010
	£	**£**	£
Opening funds attributable to the shareholders of the parent company	**-**	**34,799,169**	28,773,161
Profit/(loss) for the financial period	**(73,599)**	**7,826,492**	6,026,009
Shares issued as part of a group reorganisation	**500,000**	**-**	-
Share based payment	**73,499**	**73,499**	-
Minority interest on acquisition	**-**	**-**	253,257
Opening minority interest	**-**	**13,827**	-
Minority interest in loss for the year	**-**	**(424,435)**	(239,430)
Closing shareholders' funds	**499,900**	**42,288,552**	34,812,996

The period to 31 December 2011 is the first period for which financial statements have been prepared by the Company.

24 Notes to the consolidated cash flow statement

Reconciliation of operating profit to net cash (outflow) / inflow from operating activities

	2011	2010
	£	£
Operating profit	**7,613,059**	6,293,826
Amortisation	**71,305**	48,050
Depreciation	**2,575,807**	3,783,307
(Loss) /profit on disposal of tangible assets	**(18,244)**	23,442
(Increase)/decrease in stocks	**(408,951)**	(5,354)
Decrease/(increase) in debtors	**(30,812,444)**	4,800,375
(Decrease) / increase in creditors	**(210,099)**	8,881,487
Share based payment	**73,499**	-
Net cash (outflow) / inflow from operating activities	**(21,116,068)**	23,825,133

Reconciliation of net cash flow to movement in net debt

	2011	2010
	£	£
Increase in cash in the year	**(22,897,501)**	14,044,046
Net cash (inflow) / outflow from bank loans	**(2,348,594)**	6,985,299
Change in net cash resulting from cash flows	**(25,246,095)**	21,029,345
Translation differences	**(30,786)**	(112,735)
Movement in net cash in the year	**(25,276,881)**	20,916,610
Net cash at 1 January	**24,826,558**	3,909,948
Net cash at 31 December	**(450,323)**	24,826,558

24 Notes to the consolidated cash flow statement (continued)

Analysis of changes in net debt

	At 31 Dec 2010 £	Cash flows £	Exchange movement £	At 31 Dec 2011 £
Net cash:				
Cash in hand and at bank	27,249,978	(22,897,501)	57,546	**4,410,023**
	27,249,978	(22,897,501)	57,546	**4,410,023**
Debt:				
Debt due after 1 year	(2,423,420)	(2,348,594)	(88,332)	**(4,860,346)**
	(2,423,420)	(2,348,594)	(88,332)	**(4,860,346)**
Net funds / (debt)	24,826,558	(25,246,095)	(30,786)	**(450,323)**

25 Capital commitments

The Group had capital commitments at 31 December 2011 of £438,500 (2010: £166,000).

The Company had capital commitments at 31 December 2011 of £nil. The period to 31 December 2011 is the first period for which financial statements have been prepared by the Company.

26 Post Balance Sheet Event

On 2 March 2012 it was announced that Sir FOG Williams will resign as a Director of the Company with effect from 31 March 2012. He will remain Team Principal of the Williams F1 Team and will continue to attend Board meetings as an observer.

CV Williams will join the Board of the Company as Director of Marketing and Communications with effect from 1 April 2012.

27 Controlling related party

Sir FOG Williams is the Group's controlling related party by virtue of his 51.5% beneficial interest in the ordinary share capital of the Company.

28 Group companies

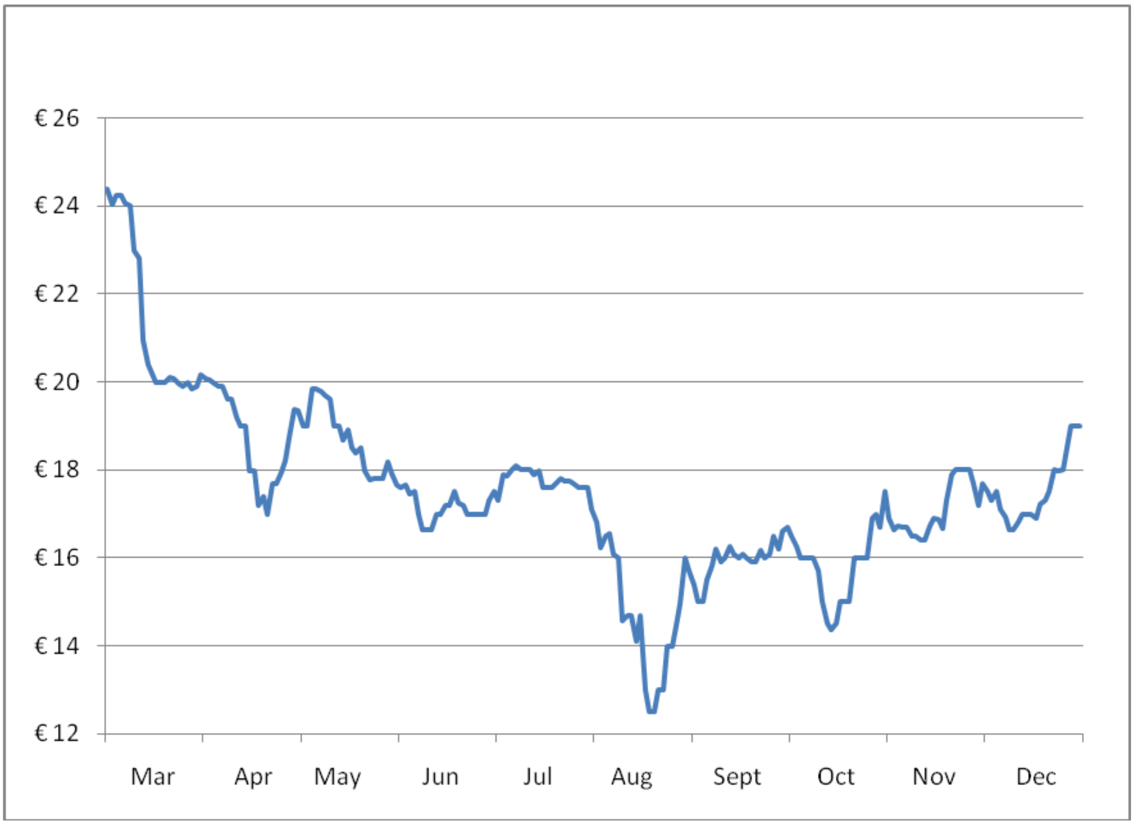
The Group companies included within the consolidated financial statements are shown below.

Name	Owner	Shares held	Activity
Williams Grand Prix Engineering Limited	Company	100%	High performance engineering
Williams Hybrid Power Limited	Group	78%	High performance engineering
WGP Trustees Limited	Company	100%	Trustee
Engineering Designs Limited	Group	100%	Dormant
The Williams F1 Team Foundation	Group	Limited by guarantee	Dormant

All of the subsidiaries above are incorporated in England and Wales.

Investor relations

Share price chart



Annual General Meeting and Financial Calendar

30 May 2012	Annual General Meeting
September 2012	Release of Half Year Report 2012

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