

Williams Grand Prix Holdings PLC

Company No. 07475805

Profit and loss account

	Note	Unaudited 6 months to 30 June 2011 £	Unaudited 6 months to 30 June 2010 £	Audited Year to 31 Dec 2010 £
Turnover		47,320,212	45,052,713	91,029,693
Cost of sales		(14,245,889)	(11,176,688)	(18,477,496)
Gross profit		33,074,323	33,876,025	72,552,197
Other operating income		1,011,061	275,338	647,837
Other operating charges		(32,400,276)	(32,457,019)	(66,906,208)
Operating profit		1,685,108	1,694,344	6,293,826
Interest receivable		22,710	6,169	18,065
Interest payable and similar charges	2	11,835	(447,197)	(525,312)
Profit on ordinary activities before taxation		1,719,653	1,253,316	5,786,579
Tax on profit on ordinary activities	3	-	-	-
Minority interests		158,354	44,224	239,430
Profit for the financial period		1,878,007	1,297,540	6,026,009
Earnings per share				
Basic and diluted earnings per share	4	19.31p	12.98p	60.26p

On 7 February 2011 Williams Grand Prix Holdings PLC became the parent company of Williams Grand Prix Engineering Limited through a group reorganisation undertaken in connection with Williams Grand Prix Holdings PLC's admission to the Open Market (Entry Standard segment) of the Frankfurt Stock Exchange. Williams Grand Prix Holdings PLC has presented consolidated financial information prepared under merger accounting principles for the 6 months to 30 June 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.

Balance sheet

	Note	Unaudited 30 June 2011 £	Unaudited 30 June 2010 £	Audited 31 Dec 2010 £
Fixed assets				
Intangible assets	5	606,012	677,831	641,665
Tangible assets	6	34,781,330	36,618,702	35,647,686
Investments		-	1	-
		<u>35,387,342</u>	<u>37,296,534</u>	<u>36,289,351</u>
Current assets				
Stocks		18,413	21,625	12,779
Debtors	7	18,484,898	19,305,311	16,696,519
Cash at bank and in hand		13,966,703	2,821,542	27,249,978
		<u>32,470,014</u>	<u>22,148,478</u>	<u>43,959,276</u>
Creditors: amounts falling due within one year	8	(28,950,938)	(29,165,279)	(43,012,211)
Net current assets / (liabilities)		3,519,076	(7,016,801)	947,065
Total assets less current liabilities		38,906,418	30,279,733	37,236,416
Creditors: amounts falling due after more than one year	9	(2,328,036)	-	(2,423,420)
		<u>36,578,382</u>	<u>30,279,733</u>	<u>34,812,996</u>
Capital and reserves				
Called-up equity share capital	10	500,000	100,000	100,000
Profit and loss account	10	36,577,176	29,970,700	34,699,169
Other reserves	10	(354,267)	-	-
Minority interests	10	(144,527)	209,033	13,827
Shareholders' funds		36,578,382	30,279,733	34,812,996

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Cash flow statement

	Unaudited 6 months to 30 June 2011 £	Unaudited 6 months to 30 June 2010 £	Audited Year to 31 Dec 2010 £
Net cash (outflow) / inflow from operating activities	(12,205,517)	(2,679,226)	23,825,133
Returns on investments and servicing of finance	(74,852)	(473,567)	(481,164)
Capital expenditure and financial investment	(1,002,904)	(782,949)	(1,828,151)
Acquisitions and Disposals	-	(321,473)	(486,473)
Cash (outflow) / inflow before financing	(13,283,273)	(4,257,215)	21,029,345
Financing	-	(6,127,175)	(6,985,299)
(Decrease) / increase in cash	(13,283,273)	(10,384,390)	14,044,046

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Notes to the interim financial information

1 Basis of preparation

The interim financial information does not constitute statutory accounts within the meaning of the UK Companies Act 2006.

On 7 February 2011 Williams Grand Prix Holdings PLC became the parent company of Williams Grand Prix Engineering Limited through a group reorganisation undertaken in connection with Williams Grand Prix Holdings PLC's admission to the Open Market (Entry Standard segment) of the Frankfurt Stock Exchange. Williams Grand Prix Holdings PLC has presented consolidated financial information prepared under merger accounting principles for the 6 months to 30 June 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 interim financial information has been prepared under the historical cost convention and in accordance with the accounting policies adopted and disclosed in the financial statements of Williams Grand Prix Engineering Limited for the year ended 31 December 2010 except as detailed above.

2 Interest payable and similar charges

	Unaudited 6 months to 30 June 2011	Unaudited 6 months to 30 June 2010	Audited Year ended 31 Dec 2010
	£	£	£
Interest payable on bank borrowing	53,249	266,760	446,816
Other interest paid	30,300	–	1,789
Foreign exchange (gain)/loss on borrowing	(95,384)	180,437	76,707
	<u>(11,835)</u>	<u>447,197</u>	<u>525,312</u>

3 Taxation on ordinary activities

The group has estimated losses of approximately £90,213,569 (31 December 2010: £88,012,660) available to carry forward against future trading profits.

4 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 in issue during the period.

As a result of the group restructuring explained in note 1, the number of shares issued by Williams Grand Prix Holdings PLC has been used as the denominator in calculating the EPS for each period presented.

Reconciliation of weighted average number of ordinary shares:

	Unaudited 6 months to 30 June 2011	Unaudited 6 months to 30 June 2010	Unaudited Year ended 31 Dec 2010
	£	£	£
Ordinary shares in issue	10,000,000	10,000,000	10,000,000
Weighted average number of shares held by WGP Trust (see note 10)	(276,519)	–	–
Weighted average number of shares outstanding	<u>9,723,481</u>	<u>10,000,000</u>	<u>10,000,000</u>

5 Intangible fixed assets

	Goodwill £	Patents £	Total £
Cost			
At 1 January 2011	682,287	7,428	689,715
Additions	-	-	-
At 30 June 2011	<u>682,287</u>	<u>7,428</u>	<u>689,715</u>
Amortisation			
At 1 January 2011	45,486	2,564	48,050
Charge for the period	34,114	1,539	35,653
At 30 June 2011	<u>79,600</u>	<u>4,103</u>	<u>83,703</u>
Net book value			
At 30 June 2011	<u>602,687</u>	<u>3,325</u>	<u>606,012</u>
At 1 January 2011	<u>636,801</u>	<u>4,864</u>	<u>641,665</u>

6 Tangible fixed assets

	Freehold property £	Leasehold property £	Plant & Machinery £	Fixtures & Fittings £	Vehicles & Pit Equipment £	Total £
Cost						
At 1 January 2011	20,968,304	334,937	45,481,744	4,875,804	3,645,225	75,306,014
Additions	64,645	110,435	767,106	101,363	-	1,043,549
Disposals	-	-	(381,695)	-	-	(381,695)
At 30 June 2011	<u>21,032,949</u>	<u>445,372</u>	<u>45,867,155</u>	<u>4,977,167</u>	<u>3,645,225</u>	<u>75,967,868</u>
Depreciation						
At 1 January 2011	-	17,499	32,063,525	4,271,427	3,305,877	39,658,328
Charge for the period	-	30,100	1,767,797	63,893	33,935	1,895,725
Disposals	-	-	(367,515)	-	-	(367,515)
At 30 June 2011	<u>-</u>	<u>47,599</u>	<u>33,463,807</u>	<u>4,335,320</u>	<u>3,339,812</u>	<u>41,186,538</u>
Net book value						
At 30 June 2011	<u>21,032,949</u>	<u>397,773</u>	<u>12,403,348</u>	<u>641,847</u>	<u>305,413</u>	<u>34,781,330</u>
At 1 January 2011	<u>20,968,304</u>	<u>317,438</u>	<u>13,418,219</u>	<u>604,377</u>	<u>339,348</u>	<u>35,647,686</u>

7 Debtors

	Unaudited 30 June 2011	Unaudited 30 June 2010	Audited 31 Dec 2010
	£	£	£
Trade debtors	7,200,087	6,584,286	3,405,166
Other debtors	787,344	551,170	607,060
Prepayments and accrued income	10,497,467	12,169,855	12,684,293
	<u>18,484,898</u>	<u>19,305,311</u>	<u>16,696,519</u>

8 Creditors: amounts falling due within one year

	Unaudited 30 June 2011	Unaudited 30 June 2010	Audited 31 Dec 2010
	£	£	£
Bank loans and overdrafts	–	3,321,818	–
Trade creditors	4,505,171	5,020,133	6,164,192
Other taxation and social security	950,975	947,212	1,095,020
Other creditors	10,287	10,167	10,409
Accruals and deferred income	23,484,505	19,865,949	35,742,592
	<u>28,950,938</u>	<u>29,165,279</u>	<u>43,012,213</u>

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

9 Creditors: amounts falling due after more than one year

	Unaudited 30 June 2011	Unaudited 30 June 2010	Audited 31 Dec 2010
	£	£	£
Bank loans	<u>2,328,036</u>	<u>–</u>	<u>2,423,420</u>

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

10 Share Capital and Reserves

	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
Group reorganisation	400,000	-	(400,000)	-	-
Profit for the financial period	-	1,719,653	-	-	1,719,653
Share based payment	-	-	45,733	-	45,733
Minority Interest in profit for the period	-	158,354	-	(158,354)	-
Balance carried forward at 30 June 2011	500,000	36,577,176	(354,267)	(144,527)	36,578,382

The Group established the Williams Grand Prix Employee Benefit Trust (“WGP Trust”) on 7 February 2011. The current potential beneficiaries are certain directors of Williams Grand Prix Holdings PLC. The trustee of the WGP Trust is WGP Trustees Limited, a wholly owned subsidiary of Williams Grand Prix Holdings PLC.

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

Application of the fair value measurement results in a charge to operating expenses for the period to 30 June 2011 of £45,733 (period to 30 June 2010: £nil) for the group.

11 Derivatives

The fair value of derivatives held by Williams Grand Prix Engineering Limited at 30 June 2011, not recognised in the financial statements, is as set out below.

Current Liabilities	Unaudited 30 June 2011 £	Unaudited 30 June 2010 £	Audited 31 Dec 2010 £
Foreign exchange contracts	(100,512)	(430,048)	-
Interest rate swaps	-	(127,698)	(21,340)
	(100,512)	(557,746)	(21,340)

Book value of derivatives held by Williams Grand Prix Engineering Limited on 30 June 2011 is £nil (30 June 2010: £nil; 31 December 2010: £nil). Market values have been used to determine fair values.

Foreign exchange contracts are held to mitigate foreign exchange risks. Interest rate swaps were held to mitigate interest rate risks.