

Williams Grand Prix Holdings PLC

Profit and loss account

	Note	Unaudited 6 months to 30 June 2012 £	Unaudited 6 months to 30 June 2011 £	Audited Year to 31 Dec 2011 £
Turnover		74,322,819	47,320,212	104,535,384
Cost of sales		(31,048,668)	(14,245,889)	(33,925,175)
Gross profit		43,274,151	33,074,323	70,610,209
Other operating income		632,210	1,011,061	2,261,185
Other operating charges		(37,584,465)	(32,400,276)	(65,258,335)
Operating profit		6,321,896	1,685,108	7,613,059
Interest receivable		42,400	22,710	41,329
Interest payable and similar charges	2	(29,652)	11,835	(252,331)
Profit on ordinary activities before taxation		6,334,644	1,719,653	7,402,057
Tax on profit on ordinary activities	3	–	–	–
Minority interests		280,529	158,354	424,435
Profit for the financial period		6,615,173	1,878,007	7,826,492
Earnings per share				
Basic and diluted earnings per share	4	68.55 p	19.31p	81.10p

Balance sheet

	Note	Unaudited 30 June 2012 £	Unaudited 30 June 2011 £	Audited 31 Dec 2011 £
Fixed assets				
Intangible assets	5	534,893	606,012	570,360
Tangible assets	6	37,979,676	34,781,330	37,039,935
	
		38,514,569	35,387,342	37,610,295
Current assets				
Stocks		605,000	18,413	421,730
Debtors	7	21,853,163	18,484,898	47,508,964
Cash at bank and in hand		36,600,504	13,966,703	4,410,023
	
		59,058,667	32,470,014	52,340,717
Creditors: amounts falling due within one year	8	(45,706,760)	(28,950,938)	(42,802,114)
	
Net current assets		13,351,907	3,519,076	9,538,603
	
Total assets less current liabilities		51,866,476	38,906,418	47,148,898
	
Creditors: amounts falling due after more than one year	9	(3,199,181)	(2,328,036)	(4,860,346)
	
		48,667,295	36,578,382	42,288,552
	
Capital and reserves				
Called-up equity share capital	10	500,000	500,000	500,000
Profit and loss account	10	49,140,834	36,577,176	42,525,661
Other reserves	10	(282,402)	(354,267)	(326,501)
Minority interests	10	(691,137)	(144,527)	(410,608)
	
Shareholders' funds		48,667,295	36,578,382	42,288,552
	

Cash flow statement

	Unaudited 6 months to 30 June 2012 £	Unaudited 6 months to 30 June 2011 £	Audited Year to 31 Dec 2011 £
Net cash inflow / (outflow) from operating activities	34,699,864	(12,205,517)	(21,116,068)
Returns on investments and servicing of finance	(48,827)	(74,852)	(132,147)
Taxation	-	-	(48,069)
Capital expenditure and financial investment	(2,460,557)	(1,002,904)	(3,949,811)
Cash inflow / (outflow) before financing 32,190,480 (13,283,273) (25,246,095)
Financing	-	-	2,348,594
Increase / (decrease) in cash 32,190,480 (13,283,273) (22,897,501)

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 comparative consolidated financial information prepared under merger accounting principles for the 6 months to 30 June 2011 and for the year ended 31 December 2011 in recognition of the continuity of the group's activity.

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 Holdings PLC for the year ended 31 December 2011.

During April 2012, Williams Grand Prix Engineering Limited entered into an agreement with Formula One World Championship Limited and SLEC Holdings Limited to participate in Formula One for the period 2013 to 2020. Williams Grand Prix Engineering Limited received an initial payment, payable immediately on signature of the agreement.

The Directors have considered the accounting treatment for this revenue under FRS 5 - Accounting for the Substance of Transactions. In their opinion this agreement is substantially in line with previous bilateral agreements entered into with the commercial rights holder, the payment on signature is independent of the obligation to compete in the FIA Formula One World Constructors' Championship for the period 2013 to 2020 and the value received by Formula One World Championship Limited and SLEC Holdings Limited is solely attributable to Williams Grand Prix Engineering Limited signing the agreement. As such this initial payment has been treated as revenue during the period ended 30 June 2012.

2 Interest payable and similar charges

	Unaudited 6 months to 30 June 2012	Unaudited 6 months to 30 June 2011	Audited Year ended 31 Dec 2011
	£	£	£
Interest payable on bank borrowing	91,227	53,249	143,172
Other interest paid	-	30,300	20,827
Foreign exchange (gain)/loss on borrowing	(61,575)	(95,384)	88,332
 29,652 (11,835) 252,331

3 Taxation on ordinary activities

The group has estimated losses of approximately £90,084,370 (31 December 2011: £88,459,830) 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 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:

	Unaudited 6 months to 30 June 2012 £	Unaudited 6 months to 30 June 2011 £	Audited Year ended 31 Dec 2011 £
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)	(350,000)	(276,519)	(350,000)
Weighted average number of shares outstanding	<u>9,650,000</u>	<u>9,723,481</u>	<u>9,650,000</u>

5 Intangible fixed assets

	Goodwill £	Patents £	Total £
Cost			
At 1 January 2012	682,287	7,428	689,715
At 30 June 2012	<u>682,287</u>	<u>7,428</u>	<u>689,715</u>
Amortisation			
At 1 January 2012	113,715	5,640	119,355
Charge for the period	34,114	1,353	35,467
At 30 June 2012	<u>147,829</u>	<u>6,993</u>	<u>154,822</u>
Net book value			
At 30 June 2012	<u>534,458</u>	<u>435</u>	<u>534,893</u>
At 1 January 2012	<u>568,572</u>	<u>1,788</u>	<u>570,360</u>

6 Tangible fixed assets

	Freehold property £	Leasehold property £	Plant & Machinery £	Fixtures & Fittings £	Vehicles & Pit Equipment £	Total £
Cost						
At 1 January 2012	21,271,633	674,130	47,975,918	5,020,620	3,645,225	78,587,526
Additions	486,513	19,420	1,770,420	251,362	-	2,527,715
Disposals	-	-	(801,401)	-	(565,021)	(1,366,422)
At 30 June 2012	21,758,146	693,550	48,944,937	5,271,982	3,080,204	79,748,819
Depreciation						
At 1 January 2012	-	101,898	33,657,935	4,414,011	3,373,747	41,547,591
Charge for the period	-	71,012	1,289,495	75,446	23,075	1,459,028
Disposals	-	-	(713,164)	-	(524,312)	(1,237,476)
At 30 June 2012	-	172,910	34,234,266	4,489,457	2,872,510	41,769,143
Net book value						
At 30 June 2012	21,758,146	520,640	14,710,671	782,525	207,694	37,979,676
At 1 January 2012	21,271,633	572,232	14,317,983	606,609	271,478	37,039,935

7 Debtors

	Unaudited 30 June 2012 £	Unaudited 30 June 2011 £	Audited 31 Dec 2011 £
Trade debtors	8,902,078	7,200,087	33,463,704
Other debtors	267,533	787,344	153,151
Prepayments and accrued income	12,683,552	10,497,467	13,982,109
	21,853,163	18,484,898	47,508,964

8 Creditors: amounts falling due within one year

	Unaudited 30 June 2012 £	Unaudited 30 June 2011 £	Audited 31 Dec 2011 £
Bank loans and overdrafts	1,599,591	-	-
Trade creditors	9,421,872	4,505,171	6,542,538
Other taxation and social security	1,115,713	950,975	969,484
Other creditors	9,873	10,287	10,682
Accruals and deferred income	33,559,711	23,484,505	35,279,410
	45,706,760	28,950,938	42,802,114

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 2012 £	Unaudited 30 June 2011 £	Audited 31 Dec 2011 £
Bank loans	3,199,181	2,328,036	4,860,346

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 2012	500,000	42,525,661	(326,501)	(410,608)	42,288,552
Profit for the financial period	-	6,334,644	-	-	6,334,644
Share based payment	-	-	44,099	-	44,099
Minority Interest in profit for the period	-	280,529	-	(280,529)	-
Balance carried forward at 30 June 2012	500,000	49,140,834	(282,402)	(691,137)	48,667,295

The group established the Williams Grand Prix Employee Benefit Trust ("WGP Trust") on 7 February 2011. The current potential beneficiaries are certain current and former 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 2012 of £44,099 (period to 30 June 2011: £45,733) for the group.

11 Derivatives

The fair value of derivatives held by the group at 30 June 2012, not recognised in the financial statements, is as set out below.

Current Liabilities	Unaudited 30 June 2012	Unaudited 30 June 2011	Audited 31 Dec 2011
	£	£	£
Foreign exchange contracts	-	(100,512)	-

	-	(100,512)	-

The foreign exchange contracts held by the group at 30 June 2011 expired in 2011 and were held to mitigate foreign exchange risks.