WILLIAMS

WILLIAMS GRAND PRIX HOLDINGS PLC

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

Registration number: 07475805

COMPANY INFORMATION

DIRECTORS	M Biddle E Charlton A Kinch M O'Driscoll N Rose C Williams
COMPANY SECRETARY	M Biddle
REGISTERED OFFICE	Grove Wantage Oxfordshire OX12 0DQ
BANKERS	HSBC Bank plc Cornmarket Street Oxford Oxfordshire OX1 3HY
AUDITORS	KPMG LLP Chartered Accountants Arlington Business Park Theale Reading RG7 4SD

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GROUP OVERVIEW

Williams Grand Prix Holdings PLC ("the Company") is the holding company for Williams Grand Prix Engineering Limited ("WGPE") as well as a small number of trustee or dormant companies (together "the Group"). The Company is listed on the Open Market (Entry Standard segment) of the Frankfurt Stock Exchange.

The Group comprises a Formula One racing team and an advanced engineering business. The Group is based in Oxfordshire on a 33 hectare site which is a hub for all the Group's research, design, manufacturing and commercial activity.

The Group's core competencies are the design, manufacture and entry of race cars for the Formula One World Championship and the provision of Formula One derived technologies through Williams Advanced Engineering ("WAE").

Formed in 1977 by Sir Frank Williams and Patrick Head, the Formula One racing team has secured nine FIA Formula One Constructors' Championship titles and seven Drivers' Championship titles since its foundation, making it the third most successful team in the sports' history.

WAE provides world class technical innovation, engineering, testing and manufacturing services to a diverse customer base in the automotive, aerospace, defence and energy sectors. It specialises in the commercial application of aerodynamics, advanced lightweight materials, hybrid power systems and electronics derived from the extremely competitive world of Formula One racing. The team has specialist experience in offering improved systems solutions, cutting edge aerodynamics, vehicle chassis dynamics and holistic integration capability, all within accelerated development timeframes. Working in close collaboration with its customers, WAE helps them improve their performance, market position and brand image whilst meeting the sustainability challenges of today.

CHAIRMAN’S STATEMENT

NICK ROSE

In many ways, 2014 represented a huge step forward for Williams. Our Formula One team achieved 9 podium finishes including a double podium in the final race of the season in Abu Dhabi. This was a major improvement from 2013 when the team only secured two points finishes. This was all the more impressive given the scale of change required for all teams as a result of the introduction of new technical regulations. Furthermore, Williams Advanced Engineering (“WAE”) opened a new purpose-built facility enabling the division to make progress in diversifying the customer base and showcasing its abilities with an international customer base.

We have continued the work begun in 2013 to sign some great long term partnerships including most notably Unilever. This has been enhanced by Avanade, Hackett and BT all joining the team in recent months. 2014 was a successful season for Williams on the race track, moving from a period of poor performance to finish third in the Constructor’s Championship. 2014’s FW36 racing car has been a reliable and stable platform to develop from, and the evolutionary FW37 is already showing strong promise in the 2015 season. The continued retention of our driver pairing of Felipe Massa and Valtteri Bottas sets the team in a good position and pairs a proven race winner with, in our opinion, one of the sport’s most talented young drivers.

WAE continues to mature and diversify into new markets, with new projects in aerospace and defence secured in the past year. In 2014 it has grown its project portfolio, expanded capability, built new state of the art facilities thereby creating a strong foundation for the future. We are finding exciting interest from a range of market sectors for WAE’s blend of high performing yet energy efficient products and services, and the business is now well positioned for future growth.

The financial results for 2014 reflect a significant loss for the period. This is a reflection of our strategic decision to invest for future commercial and sporting success, and the fact that we were still working our way through this transitional period. Given the progress made during 2014, the Board anticipates much improved financial results starting in 2015. We approach 2015 and beyond with much optimism for Williams.

NICK ROSE
CHAIRMAN

STRATEGIC REPORT

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

MIKE O'DRISCOLL

GROUP STRATEGY

Mid-way through 2013, we set out an ambitious turnaround strategy to reinvigorate the Formula One team, create a strong and profitable advanced engineering business, and divest non-core activities. In 2014 we made very good progress against those objectives, completely restructuring our F1 operation, relocating our embryonic advanced engineering business into a new purpose built facility, and disposing of non-core assets. We have made a significant investment in people, facilities, and technology, which we believe will provide a solid foundation for the future.

The Formula One team's leadership and structure was thoroughly overhauled, with the singular objective of reversing a decade of deteriorating performance. As a consequence of our actions, we made a substantial and significant improvement in our on-track performance in 2014, and established a solid foundation for the future.

Our advanced engineering activities were consolidated in 2014 as we relocated disparate operations into a new facility at our Grove HQ. We have put a new and experienced leadership team in place, and are now well placed to grow in the years ahead.

We have successfully streamlined our Group, through the closure of our Technology Centre in Qatar and the disposal of Williams Hybrid Power to GKN Land Systems, enabling us to focus on our core activities. We also strengthened our senior management team, and began a transformation of the business's systems and processes, with the objective of improving efficiency and profitability.

The financial performance of the Group in 2014 reflected the poor on-track results of the prior three years, which resulted in a marked deterioration in commercial rights and sponsorship income. Last year was also adversely impacted by the costs of relocating our advanced engineering activities, and significant investments across the business as we put in place the foundations for the future. Our much improved performance in the 2014 Constructors Championship will lead to increased commercial rights and sponsorship income in 2015, coupled with improved performance from WAE. Our ambition this year is to consolidate the progress we made last year, continue the rebuilding process, and significantly improve our overall financial performance.

STRATEGIC REPORT (CONTINUED)

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

WILLIAMS FORMULA ONE

Formula One continues to represent one of the world's most successful sports platforms, with unprecedented global reach, and a race calendar that runs annually from March to November, with events in 19 different countries. The sport represents some of the world's most advanced technology.

Williams Formula One is one of the sport's most storied teams, with nine Constructors' and seven Drivers' Championships to its name. However, the team performance had progressively deteriorated over a decade, finishing in the lower third of the Championship between 2011-2013, and decisive action was essential to secure a strong future.

The leadership and structure of the team was completely overhauled, starting in the second half of 2013, with the appointment of Pat Symonds as Chief Technical Officer. Pat has substantially strengthened the team's engineering leadership, and overhauled the working processes across the technical organisation.

The appointment of a new leadership team coincided with fundamental revisions to Formula One's technical regulations, including the introduction of new cutting-edge hybrid power units. Williams signed a long-term contract during 2013 with Mercedes-Benz AMG HPP for the supply of the new power units, commencing with the 2014 season.

The 2014 driver line-up was also significantly enhanced, with the appointment of the very highly regarded and experienced Felipe Massa, joining the talented Valtteri Bottas, who had developed within the Williams team over the previous three years.

A new partnership strategy was developed through the latter stages of 2013, and the team was rebranded for the start of the 2014 season under the Williams Martini Racing banner. The new, more contemporary, look and feel symbolised the regeneration of the Williams Formula One team.

The transformation of the Formula One operation was made against a background of rising costs for all teams competing in the Championship, primarily due to the introduction of new hybrid power units, that were a much needed technological step-forward, but also much more expensive than the V8 engines. Higher payroll costs, reflecting the essential recruitment of new staff also impacted the cost base.

In contrast, the revenue base in 2014 continued to reflect the team's poor performance in previous years. Commercial rights income from Formula One is paid in arrears, based on prior year performance, and partnership revenue had also declined significantly.

The Company's decision to aggressively overhaul the operation has been vindicated. The 2014 season was extraordinarily competitive, but also the most successful season for Williams Formula One for more than a decade, with the team securing third place in the Constructors' Championship. It is also worth noting that although this improvement was achieved against a background of rising costs, the Williams Formula One team's operating budget is estimated to be less than half of many of the leading teams.

The performance on-track during the season was mirrored by success off-track post-season, with exciting new partners joining the Williams Formula One roster. FTSE 100 powerhouse, Unilever, entered into a long-term partnership. New technology partners have also signed long-term deals, including Avanade, BT, and EOS.

We remain committed to returning Williams Formula One to the front of the grid, and focussed on the technical advancement and modernisation of all aspects of our operation, to ensure that the momentum of change will be maintained.

STRATEGIC REPORT (CONTINUED)

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

WILLIAMS ADVANCED ENGINEERING

WAE is positioned to exploit the innovative technology developed in Formula One.

WAE provide energy efficient performance solutions to meet the needs of a sustainable twenty first century society across a number of key sectors: automotive, aerospace, defence and energy. Building a hub of innovative technology and engineering excellence is a key objective to allow the business to offer a suite of services from system provision through to complete technology solutions.

Our expertise includes:

- High Performance Hybrid and Electric Propulsion where we offer research, design and prototyping solutions in high power and energy density batteries for a range of market sectors.
- Lightweight Materials Technology, where our knowledge and skills in carbon composites, metal alloys, and intelligent combinations of functionality have applicability across all major industrial sectors.
- Aerodynamic & Thermodynamics, where our comprehensive experimental and CFD resources (two wind tunnels on-site) are employed to deliver positive down force, low drag, and active solutions for an impressive roster of clients.
- Advanced Dynamics, where we have an expert team capable of active and passive systems.
- Specialist low volume operations where our team can deliver turnkey procurement and manufacturing solutions for high performance, high margin product system optimisation, and a broad range of application specific requirements.

A key milestone was the opening of the new WAE Building in June 2014 by the Prime Minister, The Right Honourable David Cameron MP, aligning the Government's commitment to technology development, with that of Williams' ambitions in this space.

WAE has demonstrated its cutting-edge capabilities in a wide-range of projects over the last 12 months, none more challenging than the design, manufacture and trackside support of the lithium-ion battery system for the ground-breaking Formula E all-electric global race series. Other notable projects included the design of an innovative propulsion system for a new Brompton folding bicycle, and the creation of custom-built versions of Jaguar's C-X75 hybrid supercar for the next James Bond movie.

The investment in infrastructure we have made during 2014, positions WAE well for the future. Financial results during last year were impacted by the delay to the start of new projects caused by the relocation into the new facility, and the costs of the move were higher than anticipated. However, the underlying progress WAE has made in moving beyond automotive has been very tangible, with projects extending into defence and aerospace, as well the energy and broader transportation sectors. As a result WAE has built a solid platform for growth in the future.

MIKE O'DRISCOLL
GROUP CHIEF EXECUTIVE OFFICER

STRATEGIC REPORT (CONTINUED)

CHIEF FINANCIAL OFFICER'S REVIEW

ALAN KINCH

It has been a year of substantial progress on and off the track with the Formula One team's performance significantly improving year on year and continued growth in WAE. The turnaround has required investment which is reflected in our financial performance in 2014. Whilst we have seen a loss in the year we are well on track in meeting our strategic objectives and have built a solid platform for growth.

FINANCIAL OVERVIEW

The loss for the year on ordinary activities after taxation was £34.5 million, (2013: profit £11.7 million). The year on year movement was driven by four major factors:

- 2013 included a significant non-recurring sponsorship receipt contributing £19 million of profit in the period which did not repeat in 2014;
- Power unit costs increased significantly in 2014 following regulation changes which enforced a switch from 2.4-litre V8 engines to 1.6-litre hybrid V6 turbo power units;
- As part of the turnaround strategy an investment was made in the second half of 2013 and into 2014 to bring in additional experienced and talented technical engineers to complement the existing team and we incurred increased driver costs;
- In 2014 we incurred one off costs in WAE including investments in additional skills and resources, costs related to the new WAE flagship facility, disruption from moving into the new facility and building new capabilities in diverse sectors.

WILLIAMS FORMULA ONE

2014 was a transformational year for the Formula One team, significantly improving on track performance and obtaining third position in the Constructors' Championship (2013: ninth).

The revenue of £71.2 million (2013: £106.0 million) predominantly relates to income from sponsorship and commercial rights. The reduction in Formula One revenue is primarily due to the non-recurring sponsorship income of £20 million received in 2013 and lower commercial rights and partnership income.

The commercial rights revenues recognised in the period relate to the Constructors' Championship position achieved in 2013, hence based on ninth place in the Championship. Commercial rights income in 2015 will be based on our much improved third position achieved in 2014.

The loss on ordinary activities before taxation across the Formula One operations was £42.7 million (2013: profit of £11.7 million). The movement versus the prior year was due partially to external factors such as regulatory changes and partially as a result of investments made as part of the turnaround. External factors included an enforced change to switch from traditional engines to the new more efficient hybrid power units which more than doubled this cost. In addition, we made some choices to invest in re-building the Formula One operation including bringing in new technical staff to complement the existing team and we changed our driver line up and due to success on the track incurred increased driver costs.

The Williams Formula One operation leaves 2014 in a strong position with a highly competent team, good performance on the track and an improved revenue position for 2015 with commercial rights income based on third position in the Constructors' Championship as well as incremental sponsorships signed up for the 2015 season and beyond.

STRATEGIC REPORT (CONTINUED)

CHIEF FINANCIAL OFFICER'S REVIEW

WILLIAMS ADVANCED ENGINEERING

WAE has continued to evolve in 2014 taking on significant new projects from a diversified customer portfolio.

The revenue of £17.8 million (2013: £17.4m) increased as a result of the increased order intake of new projects and the successful strategy to diversify into other sectors such as defence. The process of moving to a new, purpose built facility, constrained our ability to take on new orders, which had an adverse impact on revenue.

The profit on ordinary activities before taxation was £3.5 million (2013: £5.5 million), down year on year due primarily to investments made to bring in new resources with the necessary skillsets to grow and diversify our portfolio of projects and the sectors that we target.

DISCONTINUING OPERATIONS

During 2013 the Group took the decision to dispose of Williams Hybrid Power Limited ("WHP") and to discontinue its operations in Qatar.

The Group disposed of its entire interest in WHP on 31 March 2014. The equity shares were sold to GKN Land Systems Limited ("GKN"). On the disposal a profit of £5.6 million has been recognised. In addition to the initial consideration received, the Group will continue to receive additional consideration based on future sales and licences of the flywheel technology for a period of 10 years. The additional consideration is uncapped and will be based on future gross revenue of WHP technology.

Following the Group's disposal of WHP on 31 March 2014 and the closure of the Qatar branch in early 2014, the requirements of FRS 3 Reporting Financial Performance have been followed and the results have been presented as discontinued.

NET DEBT

The net cash outflow in the period was £31.9 million (2013: net cash inflow £8.3 million) and resulted in a net debt of £26.5 million as at 31st December 2014 (2013: net cash of £7.0 million). The cash outflow was predominantly due to the operating loss in the period.

On 22 April 2015, HSBC Bank plc agreed to an amendment and restructuring of the Group's debt facilities. The amended facilities will replace the previous facilities held with HSBC Bank plc.

RESULTS AND DIVIDENDS

The Group's loss per share of 391.18 pence (2013: earnings per share 123.91 pence) reflects the loss of the Group for the shares in issue, excluding those held by the Employee Benefit Trust. The Group does not propose to pay a dividend in respect of the year ended 31 December 2014 (2013: £nil).

The loss for the financial year attributable to members of the parent company amounted to £37.7 million (2013: profit £12.0 million).

STRATEGIC REPORT (CONTINUED)

CHIEF FINANCIAL OFFICER'S REVIEW

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks to the Group continue to be revenue generation, expenditure control, cash management and the recruitment, retention and development of talented people.

Revenue from the Group's Formula One motor racing activities is derived largely from sponsorship and commercial rights. The Group maintains and develops links with potential sponsors and actively seeks the best commercial return from its competition in the sport. In a sport as technologically demanding and highly competitive as Formula One, there is a risk that the Group will be unable to deliver successful performance on the track. This could have an impact on the ability to secure and retain sponsor and achieve commercial rights income.

The costs of participation in Formula One are incurred on research, development, materials, production and operation of the team activity. Such costs are monitored against budgets and forecasts and significant variances reviewed.

Revenue from the Group's Advanced Engineering activities represents the Group's commercial exploitation of its brand and intellectual property, with income derived from the sale of goods and consultancy services. The costs of Advanced Engineering arise from research, development, materials and production activity. Revenues are monitored against contracts agreed with customers, while revenues and costs are compared to budgets and forecasts.

The Group is exposed to translation and transaction exchange risk, liquidity risk, interest rate risk and credit risk. The Group adopts appropriate measures to mitigate these risks. Translation and transaction exchange risk can be mitigated through currency matching and derivative contracts. Liquidity risk is mitigated through management's close involvement in business decisions in order to ensure sufficient liquidity is maintained. Interest rate risk can be mitigated through the use of interest rate swap agreements. Credit risk is mitigated through assessing the credit quality of each commercial partner.

The recruitment, retention and development of talented people is important for the Group's success. Management design reward schemes to be competitive and put in place training and development plans to help retain talented people. The Group aims to provide a comfortable and safe working environment for all employees.

These risks will continue to be monitored by the Group in 2015 and beyond.

POST BALANCE SHEET EVENTS

On 22 April 2015, HSBC Bank plc agreed to an amendment and restructuring of the Group's debt facilities. The amended facilities will replace the previous facilities held with HSBC Bank plc.

The amended and restructured facilities comprise:

- A loan facility of £10,000,000 to be repaid in quarterly instalments of £250,000, with the first repayment date falling 3 months after the date of the credit agreement and the final repayment in September 2018.
- A revolving credit facility of £10,000,000 to be made available until September 2018.
- An overdraft facility of £5,000,000 to be made available until April 2016.
- A term loan facility of £11,000,000 repayable in December 2016.
- A term loan facility of £5,000,000 repayable in quarterly instalments of £250,000, with the first repayment date falling 9 months after the date of the credit agreement and the final repayment due in June 2020.

All facilities are secured by fixed and floating charges in favour of HSBC Bank plc, held over all assets of the Group, present and future.

STRATEGIC REPORT (CONTINUED)

CHIEF FINANCIAL OFFICER'S REVIEW

CAPITAL MANAGEMENT

The Group's capital management objectives are:
- To invest in long term growth opportunities available to the Group;
- To ensure the Group's ability to continue as a going concern.

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 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 as appropriate.

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.

CHANGES IN ACCOUNTING POLICY

The Group has adopted FRS 30 Heritage Assets for the first time during the period ended 31 December 2014 in line with growing industry practice. The Group intends to revalue its collection of historic Formula One cars at intervals of no more than five years. A prior year adjustment has been made as a result of the change in accounting policy, see the principal accounting policies for further details.

FIXED ASSETS

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

ALAN KINCH
CHIEF FINANCIAL OFFICER

The Strategic Report, as set out on pages 3 to 9, has been approved by the Board
ON BEHALF OF THE BOARD

MARK BIDDLE
GENERAL COUNSEL AND COMPANY SECRETARY

24th April 2015

DIRECTORS' REPORT

DIRECTORS OF THE COMPANY

The Directors of the Company who held office during the year were as follows:

M Biddle	Company secretary and director
E Charlton	
L Evans	(resigned 28 November 2014)
A Kinch	(appointed 12 December 2014)
M O'Driscoll	
N Rose	
C Williams	

BOARD MEETINGS

The attendance of Directors at the ten board meetings during the year was as follows:

Director	Meetings attended	Meetings eligible to attend	Notes
M Biddle	10	10	
E Charlton	10	10	
L Evans	9	9	Resigned 28 November 2014
A Kinch	1	1	Appointed 12 December 2014
M O'Driscoll	10	10	
N Rose	10	10	
C Williams	8	10	

COMMITTEES

The Group has an Audit Committee and a Remuneration and Nomination 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: Nick Rose (chairman), Eddie Charlton.
Remuneration and Nomination Committee: Eddie Charlton (chairman), Nick Rose.

The Report of the Audit Committee is presented below. Four meetings of the Remuneration and Nomination Committee were held during the year.

INSURANCE

The Group purchases liability insurance covering its Directors and officers.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' REPORT

SHARE-BASED PAYMENT

The WGP Trust is an employee benefit trust with no current potential beneficiaries. The WGP Trust acquired 350,000 shares in the Company on 7 February 2011 from the then shareholders. The Trustee of the WGP Trust is WGP Trustees Limited, a wholly-owned subsidiary of the Company.

No share-based payments were made during the year and no share awards were outstanding at the year end. Subsequent to the end of the year, a number of share awards were allocated.

DIRECTORS' INTERESTS AND DEALINGS

Directors' beneficial interests in the ordinary share capital of the Company as at 31 December 2014 are shown below:

Director	Shares in which beneficial interest held	
	31 Dec 2013	31 Dec 2014
M Biddle	-	-
E Charlton	-	750
A Kinch	-	-
M O'Driscoll	-	-
N Rose	4,208	4,208
C Williams	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

DIRECTORS' REPORT (CONTINUED)

POLITICAL CONTRIBUTIONS

The Group made no political contributions in the year (2013: £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, an intranet site, team briefings and internal publications which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

AUDITOR

KPMG LLP have expressed their willingness to continue in office. An ordinary resolution to reappoint KPMG LLP as auditor for the next financial year shall be put to members of the Company pursuant to section 485 (4) of the Companies Act 2006 at the Company's 2015 Annual General Meeting.

ON BEHALF OF THE BOARD

MIKE O'DRISCOLL
DIRECTOR

24th April 2015

GOVERNANCE REVIEW

BOARD OF DIRECTORS

The Board of Directors of the Company 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.

BIOGRAPHIES

NICK ROSE

INDEPENDENT NON-EXECUTIVE CHAIRMAN (57)

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 the Board of BAE Systems plc and BT Group plc, where he is Senior Independent Director at both companies and chairs the respective Audit Committees. In March 2014, Nick was appointed non-executive Chairman of Galore SPV1 Limited, a company that owns the Loch Lomond Scotch whisky business. 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. Nick was appointed to the Board on 1 November 2011 and is Chairman of the Board and Chairman of the Audit Committee.

EDDIE CHARLTON

INDEPENDENT NON-EXECUTIVE DIRECTOR (66)

Eddie Charlton qualified as a lawyer in the City of London before choosing a career in banking. Eddie then continued 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 and, more recently, held a position as Senior Advisor to Citibank N.A., Citibank International plc, Citibank (Switzerland) and Citibank Global Markets Limited. 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. Eddie is currently a Non-Executive Director of Sportfolio Trading Limited and Strabens Hall Limited. Eddie was appointed to the Board on 7 September 2011 and is Chairman of the Remuneration and Nomination Committee.

MARK BIDDLE

GENERAL COUNSEL AND COMPANY SECRETARY (48)

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 the Williams Group at the start of 2009. In addition to his directorship of the Company, Mark is Company Secretary of the Company and of each of the other Williams Group companies.

GOVERNANCE REVIEW (CONTINUED)

BIOGRAPHIES

ALAN KINCH

CHIEF FINANCIAL OFFICER (36)

Alan Kinch started his career at KPMG having graduated from the University of Reading with a degree in Statistics. Alan qualified as a chartered accountant, gaining experience in audit and transaction services. In 2005, Alan joined Cable & Wireless Plc where he held numerous senior roles across finance and operations before becoming Group Financial Controller of Cable & Wireless Worldwide in 2010. Following the acquisition of Cable & Wireless Worldwide by Vodafone in 2012, Alan played a key role in the business integration into Vodafone. Alan continued to work for Vodafone until December 2014, leading finance for a number of business units. From 2012 to 2014 Alan was also a non-executive director of Apollo Submarine Cables Ltd. Alan was appointed Chief Financial Officer and appointed to the Board on 12 December 2014.

MIKE O'DRISCOLL

GROUP CHIEF EXECUTIVE OFFICER (58)

Mike O'Driscoll started his career in the UK with Jaguar Rover Triumph as a business student. He obtained an MBA from the University of Warwick, and held various positions in Finance, Product Development and Marketing, prior to his move to the U.S.A. with Jaguar Cars in 1987, as a marketing and sales executive. Starting in 1995, Mike held a number of senior management positions with Jaguar's parent, Ford Motor Company, prior to his appointment as President of Jaguar Cars North America in 2000. The following year he became President of Aston Martin, Jaguar Land Rover's North American subsidiary. In 2007 he was appointed Managing Director of Jaguar Cars global operations, until he retired in March 2011. Mike continues to serve as a Director of Jaguar Heritage. Mike was appointed to the Board on 7 September 2011 as a Non-Executive Director and to his current role as Group Chief Executive Officer in May 2013.

CLAIRE WILLIAMS

DEPUTY TEAM PRINCIPAL & COMMERCIAL DIRECTOR (38)

After graduating from Newcastle University with a degree in Politics, Claire Williams joined Silverstone Circuit as a press officer. Claire joined Williams 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 was appointed to the Board as Director of Marketing and Communications in April 2012 and extended her role to Deputy Team Principal and Commercial Director in March 2013.

GOVERNANCE REVIEW (CONTINUED)

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Good corporate governance is essential to the Group. It provides the basis for sustainable long-term business activity.

We are committed to maintaining a high standard of corporate governance that reflects both appropriate principles of best practice that are set out in the UK Corporate Governance Code 2012 (the "Code") and the internal governance framework under which we operate and manage the Company, its subsidiaries and all of its business operations for the long-term benefit of all shareholders.

The Company will continue to meet the principles of best practice set out in the Code where it is felt to be in the commercial interests of both the Company and its shareholders. As set out below, this means that the Board will continue to share via this Annual Report information regarding the Board itself and the Committees which it operates. The Board considers that this Annual Report is fair, balanced and understandable.

LEADERSHIP

The Board is collectively responsible to shareholders for the creation and delivery of strong, sustainable performance and the creation of long-term shareholder value. However, there are separate roles for each member of the Board and we have agreed a clear division of responsibilities between the Chairman and Group Chief Executive which are set out in writing and which have been agreed by the Board.

The Chairman manages the Board and optimises the value of Board meetings by ensuring timely and relevant information is provided in advance. During Board meetings the Chairman encourages all directors to contribute and challenge.

Eddie Charlton is the Senior Independent Director. The Senior Independent Director acts as a sounding board for the Chairman and as an intermediary for other directors where appropriate.

Matters considered by the Board during the year included strategy, budgets, financial results, risk and risk management, succession planning, governance and organisational capabilities.

Board meetings are supplemented by regular meetings of an Executive Committee comprising the executive Directors and key senior managers. The Executive Committee is principally responsible for day-to-day operational matters.

GOVERNANCE REVIEW (CONTINUED)

EFFECTIVENESS

The members of the Board bring a variety of skills and experiences. The Board's Non-Executive Directors bring an external perspective in their analysis of the Group's performance, and help challenge assumptions and identify possible threats. Both of the Non-Executive Directors continue to have other significant commitments, all of which were disclosed to the Board prior to the Non-Executive Directors' appointments to the Board. In January 2014, Nick Rose stepped down as Chairman of Edwards plc and, in March 2014, took on the role of non-executive Chairman of Galore SPV1 Limited, a company that owns the Loch Lomond Scotch whisky business.

The Board is supplied with appropriate information and support to enable it to discharge its duties properly. A clear annual board schedule and timely and relevant board packs give directors time to prepare for meetings. All Directors have recourse to the Group Company Secretary and independent professional advice at the Group's expense.

The effectiveness of the Board is enhanced through delegation of certain matters to the Remuneration and Nomination Committee and to the Audit Committee. The Audit Committee report is presented below. During the year the Remuneration and Nomination Committee met four times and considered matters including succession planning and the remuneration of Directors and senior management.

Although the Board has no specific diversity policy the Board is aware of the benefits in having a diverse composition of the Board. The Company currently has one female Director on the Board.

Both the Audit Committee and the Remuneration and Nomination Committee have only two members, both of whom are non-executive and independent. The Board believes that these committees continue to perform effectively due to the exceptional experience of the Non-Executive Directors.

Directors are subject to re-election every three years.

ACCOUNTABILITY

The Board presents the Group's results in this report. The financial statements, supported by the Strategic Report and Directors' Report, give a fair, balanced and understandable picture of the Group.

During the year the Board and Audit Committee considered the significant risks faced by the Group and continued to monitor the Group's internal controls. Board members are provided with comprehensive financial and other information given ahead of each board meeting. Additional information and explanation of the data is provided on request.

There is an Audit Committee and its report is presented below. The Audit Committee comprises two independent Non-Executive Directors. Although he is Chairman of the Board, Nick Rose also chairs the Audit Committee. The Board considers that Nick's experience as a former CFO of Diageo and as current chairman of the audit committees of BAE Systems plc and BT Group plc, makes him the appropriate Non-Executive Director to do so.

A Code of Ethics was introduced in the prior year and is published on the Group's intranet and website.

GOVERNANCE REVIEW (CONTINUED)

REMUNERATION

The Code requires that remuneration should be set at a level that is sufficient to attract, retain and motivate the Directors. The Group is confident that it pays suitable remuneration to its Directors.

Director salaries are subject to periodic review by the Remuneration and Nomination Committee and were last reviewed in December 2014.

Where salaries were reviewed, the factors taken into account included:

- the performance of the Director;
- the Director's role in delivering business results;
- the Director's position in terms of career development, potential and lifecycle;
- any other elements of remuneration received by the Director; and
- the forecast business environment.

Each Director (other than the Non-Executive Directors) is eligible to receive an annual bonus which is calculated by reference to performance criteria set out each year by the Remuneration and Nomination Committee. These criteria are stretching and designed to promote the long term success of the Group. The maximum bonus payable shall not exceed 100% of base salary in the case of Mike O'Driscoll and Claire Williams and 75% of base salary in the case of Mark Biddle and Alan Kinch.

Levels of remuneration for the Company's two Non-Executive Directors reflect the time commitment and responsibilities of their respective roles.

DIRECTORS' EMOLUMENTS AND COMPENSATION

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

Director	Basic salary	Other	Benefits	2014 total excluding pension	2014 pension	2013 total excluding pension	2013 pension
	£	£	£	£	£	£	£
M Biddle	175,000	-	6,566	**181,566**	9,050	175,870	8,764
E Charlton	70,000	-	-	**70,000**	-	51,123	-
L Evans (1)	160,417	-	519	**160,936**	10,069	163,120	9,752
A Kinch (2)	19,167	50,000	667	**69,834**	793	-	
M O'Driscoll	375,000	-	195,150	**570,150**	22,500	468,529	6,250
N Rose	90,000	-	-	**90,000**	-	55,000	-
C Williams	200,000	-	566	**200,566**	8,000	178,120	-
Total	**1,089,584**	**50,000**	**203,468**	**1,343,052**	**50,412**	**1,091,762**	**24,766**

(1) Resigned 28 November 2014
(2) Appointed 12 December 2014

GOVERNANCE REVIEW (CONTINUED)

RELATIONS WITH SHAREHOLDERS

As a Group we communicate with our shareholders clearly through our financial reports and our website. We advertise the date and location of our Annual General Meeting and, in addition, Directors make themselves available to talk to major shareholders from time to time.

We ensure that Directors are informed of any significant matters impacting on our shareholders, and provide the opportunity for the Directors to comment, by including investor relations as a standing item on the Board meeting agenda.

AUDIT COMMITTEE REPORT

The Audit Committee comprises two Non-Executive Directors, Eddie Charlton and Nick Rose. Nick Rose is the Chairman of the Committee. The Committee held two meetings during the year. In addition to this, the Chairman has a number of meetings and discussions with the external auditors throughout the year.

During the year the Committee:

- reviewed and recommended that the Board approve the year end and interim accounts;
- recommended the re-appointment of KPMG as the Group's auditors;
- monitored the services provided by the Group's professional advisors to ensure that an appropriate split was maintained between the provision of audit and advisory services; and
- considered matters of internal control and corporate governance.

At present the Group does not have an internal audit function. The Directors consider that the nature of the Group's activities, its size and the active involvement of executive management mean that such a function is not required. However, the Audit Committee regularly reviews whether such a function would be appropriate.

The Committee's Terms of Reference are published on the Group's website.

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Williams Grand Prix Holdings PLC for the year ended 31 December 2014 set out on pages 20 to 43. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 11, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON THE 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 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Simon Haydn-Jones (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Reading

24 April 2015

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, and under the historical cost convention modified to include the revaluation of heritage assets and in accordance with applicable accounting standards.

GOING CONCERN

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 loss for the year was £37.9 million (2013: profit of £12.0 million). As at 31 December 2014 the Group had net assets of £35.6 million (2013 as restated: £72.1 million) and net current liabilities of £11.0 million (2013: net current assets £6.1 million).

The Group's revenue from its Formula One activities is derived from sponsorship and commercial rights income. This means that in common with all other Formula One racing teams, the timing and amount of the Group's cash flows can be variable and difficult to predict accurately. Historically, sponsorship contract activity was complete before the start of the race season, however the increasing profile of both Williams Martini Racing and Formula One in general following the 2014 season means that there remains significant scope for further sponsorship contracts to be agreed throughout the year.

Revenue is also earned through the Group's Advanced Engineering activities which represents the Group's commercial exploitation of its brand and intellectual property. WAE seeks to build on the existing customer base by securing additional contracts for goods and consultancy services with blue chip partners and are making positive progress in this regard.

The Board has reviewed cash flow forecasts for the twelve months from 24 April 2015. These forecasts take into account only income which is already contracted. As is often the case these cash flow forecasts currently show a projected shortfall during the period under review and this reflects the seasonality present in the industry as well as the Group's particular circumstances this year. The Directors have reviewed the plans that are in place to address this shortfall and to meet the Group's obligations as they fall due and are satisfied at the current time that these plans are appropriate and adequate to meet the challenge. Specifically negotiations with third parties are well progressed regarding further sponsorship and regarding the raising of further finance. The Group has considerable other assets which could be sold or used as security for other fundraising.

As at 31 December 2014 the Group had cash of £830,920. Since the year end, the Group have agreed an extension to borrowing facilities with HSBC Bank plc which the Directors' believe will provide adequate funding for the next twelve months.

The Group is well placed to manage business risk effectively and the Board reviews the Group's performance against budgets and forecasts on a regular basis and is satisfied that the Group is performing in line with expectations.

The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in the preparation of accounts. The principal accounting policies of the Group are set out below.

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

BASIS OF CONSOLIDATION

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 best estimate of the amounts receivable from sponsorship income, the value of goods and services sold and the amount receivable with respect to commercial rights income. Commercial rights revenues in relation to performance in the Constructors' Championship are based on performance in the preceding season. Turnover in respect of the termination of commercial agreements is recognised when no future obligations exists. 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.

GOVERNMENT GRANTS

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 advanced engineering. All expenditure on research and development is written off to the profit and loss account as incurred.

The Group claims Research and Development Expenditure Credits ("RDEC") in respect of its research and development expenditure. The Group recognises the value of the RDEC net of tax as other income in the year in which the underlying research and development expenditure was incurred. The net RDEC receivable is recognised within other debtors.

INTANGIBLE ASSETS

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 four years.

GOODWILL

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

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

HERITAGE ASSETS

The Group has adopted FRS 30 Heritage Assets for the first time during the period ended 31 December 2014. The Group has a collection of historic Formula One racing cars derived from its long standing commitment to the sport. A valuation of these vehicles has been performed by a third party expert on an immediate sale basis. The Group has not previously considered these racing cars to meet the requirements of FRS 30, but has noted growing industry practice in this area, together with a growing market amongst enthusiasts. The Group intends to revalue its collection at least 5 yearly and will reflect any material changes in the recognised value. Vehicles added to the collection between periodic valuations will be recognised at an appropriate value until the next valuation. A prior year adjustment of the 31 December balance sheet has been performed to recognise heritage assets with a value of £23,183,250 on the basis of this valuation. The prior year adjustment has no impact on the profit and loss account, the corresponding credit being reflected in the revaluation reserve with no movements over the periods above.

The Group maintains a collection of historic Formula One cars. These assets are held on the balance sheet at valuation. The valuation has been performed by a specialist looking at the cars individually, considering the value inherent in the provenance attached (eg championship winning cars), as well as looking at sales values for similar vehicles where possible. Assets are revalued every five years and gains and losses are recognised in the statement of total recognised gains and losses. Formula One racing cars retained at the end of each season are initially recorded as heritage assets with a value of £50,000 up until a revaluation takes place.

INVESTMENTS

Investments are recorded at cost less amounts written off.

TANGIBLE FIXED ASSETS

All tangible 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 shown below.

Assets classified as plant & machinery, wind tunnel and vehicles & pit equipment are presented as plant & machinery assets in the notes to the accounts. 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. Finance costs on fixed asset additions are capitalised during the period of construction and written off as part of the total cost. No depreciation is charged during the period of construction.

The Group capitalises the costs of constructing new tangible fixed assets during the period for which they are under construction and written off as part of the total cost. No depreciation is charged during the period of construction.

ASSET CLASS	DEPRECIATION METHOD AND RATE
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

STOCK AND WORK IN PROGRESS

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

HIRE PURCHASE AND LEASING

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.

Where assets are financed by leasing arrangements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor. Lease payments are split between capital and interest elements using the annuity method. Depreciation on the relevant assets and interest are charged to the profit and loss account. All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term.

DEFERRED TAX

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.

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.

DISCONTINUED OPERATIONS

Where the Group permanently ceases a part of its operations that are physically, operationally and financially distinguishable, and that cessation both has a material effect on the focus of the Group's operations and represents a material reduction in its operating facilities resulting in withdrawal either from a particular market or a material reduction in income, and is completed within three months of the balance sheet date, then those operations will be treated as discontinued operations.

The Group discloses the performance of both the continuing and discontinued operations. Where discontinued operations cease within three months of the balance sheet date, the Group recognises an exceptional expense in the period up to the balance sheet date in respect of the operating losses to the point of cessation and direct costs arising from the closure of the operations.

PENSIONS

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.

FOREIGN CURRENCY

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.

WILLIAMS GRAND PRIX HOLDINGS PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014	2013
		£	£
Turnover - continuing operations		**88,984,191**	123,310,274
Turnover - discontinued operations		**1,190,322**	7,116,375
Turnover	1	**90,174,513**	130,426,649
Cost of sales	2	**(41,473,364)**	(36,543,251)
Gross profit		**48,701,149**	93,883,398
Other operating charges	2	**(94,043,558)**	(83,321,254)
Other operating income	2	**5,424,293**	4,081,461
Operating (loss)/profit - continuing operations		**(39,030,692)**	17,337,984
Operating loss - discontinued operations		**(887,424)**	(2,694,379)
Group operating (loss)/profit	**3**	**(39,918,116)**	14,643,605
Exceptional profit on sale or termination of operations	5	**5,621,251**	-
Exceptional costs on reorganisation and restructuring	5	**-**	(2,730,461)
Non-operating exceptional items	5	**5,621,251**	(2,730,461)
Other interest receivable and similar income	8	**40,020**	54,494
Interest payable and similar charges	9	**(224,353)**	(225,853)
(Loss)/profit on ordinary activities before taxation		**(34,481,198)**	11,741,785
Tax on (loss)/profit on ordinary activities	10	**-**	(10,544)
(Loss)/profit on ordinary activities after taxation		**(34,481,198)**	11,731,241
Minority interest		**(3,267,671)**	226,035
(Loss)/profit for the financial year attributable to members of the parent company	28	**(37,748,869)**	**11,957,276**

The group has no recognised gains or losses for the year other than the results above.

	Note	2014	2013
(Loss) / earnings per share			
Basic and diluted (loss)/earnings per share from continuing operations (pence)	11	**(406.37)**	178.23
Total basic and diluted (loss)/earnings per share (pence)	11	**(391.18)**	123.91

The notes on pages 20 to 23 and 29 to 43 form an integral part of these financial statements.

WILLIAMS GRAND PRIX HOLDINGS PLC

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2014 £	2013 £
Reported (loss)/profit on ordinary activities before taxation	**(34,481,198)**	11,741,785
Heritage assets disposals	**462,500**	–
Historical cost (loss)/profit on ordinary activities before taxation	**(34,018,698)**	11,741,785
Historical cost (loss)/profit for the year retained after taxation	**(34,018,698)**	11,731,241

The notes on pages 20 to 23 and 29 to 43 form an integral part of these financial statements.

WILLIAMS GRAND PRIX HOLDINGS PLC

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014

(REGISTRATION NUMBER: 07475805)

	Note	2014		(As restated) 2013	
		£	£	£	£
Fixed assets					
Intangible assets	13		-		432,116
Heritage assets	14		22,870,750		23,183,250
Tangible assets	15		43,722,836		42,450,499
			66,593,586		66,065,865
Current assets					
Stocks	18	230,016		372,328	
Debtors	19	29,477,793		16,238,810	
Cash at bank and in hand		830,920		15,157,339	
		30,538,729		31,768,477	
Creditors: Amounts falling due within one year	20	(41,578,190)		(25,710,860)	
Net current (liabilities)/assets			(11,039,461)		6,057,617
Total assets less current liabilities			55,554,125		72,123,482
Creditors: Amounts falling due after more than one year	21		(19,977,627)		-
Net assets			35,576,498		72,123,482
Capital and reserves					
Called up share capital	27	500,000		500,000	
Revaluation reserve	28	22,720,750		23,183,250	
Other reserves	28	(267,702)		(267,702)	
Profit and loss account	28	12,623,450		49,909,818	
Shareholders' funds	29	35,576,498		73,325,366	
Minority interest		-		(1,201,884)	
Capital employed			35,576,498		72,123,482

Approved and authorised by the Board on 24 April 2015 and signed on its behalf by:

M O'DRISCOLL
DIRECTOR

The notes on pages 20 to 23 and 29 to 43 form an integral part of these financial statements.

WILLIAMS GRAND PRIX HOLDINGS PLC

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2014

(REGISTRATION NUMBER: 07475805)

	Note	2014	2013
		£	£
Fixed assets			
Investments	16	**500,001**	500,001
		500,001	500,001
Creditors: amounts falling due within one year	20	**(101)**	(101)
		499,900	499,900
Capital and reserves			
Called-up share capital	27	**500,000**	500,000
Profit and loss account	28	**(132,398)**	(132,398)
Other reserve	28	**132,298**	132,298
Shareholders' funds		**499,900**	499,900

Approved and authorised by the Board on 24 April 2015 and signed on its behalf by

M O'DRISCOLL
DIRECTOR

The notes on pages 20 to 23 and 29 to 43 form an integral part of these financial statements.

WILLIAMS GRAND PRIX HOLDINGS PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

CASH FLOW STATEMENT

	Note	2014	2013
		£	£
Net cash (outflow)/inflow from operating activities	30	**(33,131,218)**	15,101,788
Returns on investments and servicing of finance			
Interest received		**40,020**	54,494
HP and finance lease interest		**(19,472)**	-
Interest paid		**(254,881)**	(175,853)
		(234,333)	(121,359)
Taxation (paid)/received		**(10,544)**	45,290
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(4,654,049)**	(6,796,502)
Sale of fixed assets		**789,129**	32,058
		(3,864,920)	(6,764,444)
Acquisitions and disposals			
Disposal of investments in subsidiary undertakings		**5,360,466**	–
Net cash (outflow)/inflow before management of liquid resources and financing		**(31,880,549)**	8,261,275
Financing			
Value of new loans obtained during the period		**25,750,000**	3,416,633
Repayment of loans and borrowings		**(8,132,977)**	–
Repayment of capital element of finance leases and HP contracts		**(52,510)**	–
		17,564,513	3,416,633
(Decrease)/increase in cash	31	**(14,316,036)**	11,677,908

The notes on pages 20 to 23 and 29 to 43 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

The Directors monitor the performance of the Group by reference to the results of core activities and activities in Qatar and within WHP. Core activities relate to motorsport and advanced engineering activity. A segmental analysis of the Group's performance is attached below.

YEAR ENDED 31 DECEMBER 2014

	Formula One	WAE	**Continuing**	Qatar (discontinued)	WHP (discontinued)	**Group**
	£	£	**£**	£	£	**£**
Turnover	71,197,954	17,786,237	**88,984,191**	153,419	1,036,903	**90,174,513**
Other operating income	4,143,399	1,162,249	**5,305,648**	–	118,645	**5,424,293**
	75,341,353	18,948,486	**94,289,839**	153,419	1,155,548	**95,598,806**
Net (loss)/profit on ordinary activities before taxation	(42,668,013)	3,452,988	**(39,215,025)**	(995,049)	5,728,876	**(34,481,198)**
Net assets	26,605,374	8,971,124	**35,576,498**	–	–	**35,576,498**

YEAR ENDED 31 DECEMBER 2013

	Formula One	WAE	**Continuing**	Qatar (discontinued)	WHP (discontinued)	**Group**
	£	£	**£**	£	£	**£**
Turnover	105,956,049	17,354,225	**123,310,274**	731,820	6,384,555	**130,426,649**
Other operating income	2,531,020	300,292	**2,831,312**	602,968	647,181	**4,081,461**
	108,487,069	17,654,517	**126,141,586**	1,334,788	7,031,736	**134,508,110**
Net (loss)/profit on ordinary activities before taxation	11,670,311	5,539,224	**17,209,535**	(4,440,320)	(1,027,430)	**11,741,785**
Net assets (restated)	70,329,649	7,054,536	**77,384,185**	202,402	(5,463,105)	**72,123,482**

2. COST OF SALES AND OPERATING EXPENSES

	2014	2013
	£	£
Cost of sales		
Continuing operations	**39,472,544**	29,751,250
Discontinued operations	**2,000,820**	6,792,001
	41,473,364	36,543,251
Other operating expense		
Continuing operations		
Distribution expenses	**74,759,014**	60,950,789
Administrative expenses	**19,088,973**	18,101,563
	93,847,987	79,052,352
Discontinued operations		
Distribution expenses	**(52,004)**	1,926,808
Administrative expenses	**247,575**	2,342,094
	195,571	4,268,902
Total other operating expense	**94,043,558**	83,321,254

2. COST OF SALES AND OPERATING EXPENSES (CONTINUED)

	2014	2013
	£	£
Other operating income		
Continuing operations		
Research and development expenditure credit	4,746,683	2,831,312
Government grant income	242,755	–
Other operating income	316,210	–
	5,305,648	2,831,312
Discontinued operations		
Research and development expenditure credit	-	46,779
Government grants	118,645	1,203,370
	118,645	1,250,149
	5,424,293	4,081,461

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	2014	2013
	£	£
Operating leases - plant and machinery	608,717	713,845
Foreign currency losses/(gains)	133,485	(580,735)
(Profit)/loss on sale of tangible fixed assets	(307,042)	254,282
Depreciation of owned assets	2,881,316	3,229,190
Amortisation	17,058	68,247
Auditors remuneration	73,000	47,500
Research and development expenditure credit	(4,746,683)	(2,867,547)
Government grants receivable	(361,400)	(1,203,370)

4. AUDITOR'S REMUNERATION

	2014	2013
	£	£
Audit of the financial statements	52,000	40,000
Fees payable to the company's auditor and its associates for other services:		
Other assurance services	21,000	7,500

5. EXCEPTIONAL ITEMS

	2014	2013
	£	£
Exceptional profit on sale of WHP	**5,621,251**	–
Exceptional costs on restructuring and closure of Qatar branch	**–**	(2,730,461)
	5,621,251	(2,730,461)

During the first quarter of 2014 the Group discontinued its branch, the Williams Technology Centre, Qatar. In the Group's financial statements the results in respect of the Qatar branch have been disclosed as discontinued operations.

The Group disposed of its interest in the share capital of Williams Hybrid Power Limited ("WHP") to GKN Land Systems Limited on 31 March 2014.

The consideration payable for the disposal comprised cash consideration payable at completion, together with potential uncapped additional consideration based upon future sales of WHP products in the following 10 years. That additional consideration will be calculated at 3.5% of sales in each of the first five years, declining on a stepped basis to 1.5% by the end of the 10 year period, and shall only be payable to the extent that it cumulatively exceeds £4m. At both the time of the disposal and the balance sheet date management expected that additional consideration was likely to arise under the terms of the contract. However, given the uncertainty over value and timing, management's assessment under FRS 25 Financial Instruments: Presentation is that no amount should be included at this time. The total consideration arising on the disposal of WHP will continue to be reassessed at each accounting period end and any movement will be recognized through the profit and loss account at that time.

In the Group's financial statements the results in respect of WHP have been disclosed as discontinued operations. The exceptional profit on the disposal of WHP includes cash proceeds of £8m less consideration due to minority interest, direct costs of the disposal transaction, net value of WHP assets at completion and unamortised goodwill, see note 17.

The share of non-operating exceptional items belonging to minority interests is £305,787 (2013 - £Nil).

The tax effect in the profit and loss account relating to the exceptional items recognised below operating profit is £Nil (2013 - £Nil).

6. PARTICULARS OF EMPLOYEES

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2014	2013
	No.	No.
Administration and support	**80**	86
Research and development	**534**	525
Marketing	**24**	24
	638	635

6. PARTICULARS OF EMPLOYEES (CONTINUED)

The aggregate payroll costs were as follows:

	2014	2013
	£	£
Wages and salaries	**37,107,881**	34,752,132
Social security costs	**4,400,001**	3,963,623
Other pension schemes	**1,725,706**	1,463,098
	43,233,588	40,178,853

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.

7. DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	2014	2013
	£	£
Remuneration	**1,343,052**	1,516,765
Contributions paid to money purchase schemes	**50,412**	58,313
	1,393,464	1,575,078

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2014	2013
	No.	No.
Accruing benefits under money purchase pension scheme	**4**	4

In respect of the highest paid director:

	2014	2013
	£	£
Remuneration	**570,150**	468,529
Company contributions to money purchase pension schemes	**22,500**	-

8. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2014	2013
	£	£
Other interest receivable	**40,020**	54,494
	40,020	54,494

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest on bank borrowings	249,392	155,407
Interest on other loans	5,489	–
Other interest payable	(50,000)	50,000
Interest payable on finance leases and hire purchase agreements	19,472	–
Foreign exchange loss on borrowing	–	20,446
	224,353	225,853

10. TAXATION

TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2014	2013
	£	£
Current tax		
Corporation tax charge	-	10,544
	-	10,544

The Group has estimated losses of approximately £119.4 million (2013: £95.1 million) available to carry forward against future trading profits. No deferred tax asset has been recognised in respect of these losses due to the uncertainty of the period over which they will be offset against taxable profits.

FACTORS AFFECTING CURRENT TAX CHARGE FOR THE YEAR

The tax on (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK (2013 - lower than the standard rate of corporation tax in the UK) of 21.5% (2013 - 23.25%).

The differences are reconciled below:

	2014	2013
	£	£
(Loss)/profit on ordinary activities before tax	(34,481,198)	11,741,785
Corporation tax at standard rate	(7,413,458)	2,729,965
Depreciation in excess of capital allowances	386,155	1,111,808
Short term timing differences	31,467	–
Non-taxable income	(1,029,196)	–
Expenses not deductible for tax purposes	1,202,479	163,904
Adjustment for lower tax rates on overseas earnings	–	(1,713)
Adjustment in research and development tax credit	1,299,520	(1,308,147)
Capital gains	157,975	–
Unrelieved tax losses carried forward	5,575,525	–
Utilisation of tax losses	–	(2,685,273)
Other differences	200,183	–
Total current tax	410,650	10,544

11. (LOSS)/EARNINGS PER SHARE

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
Ordinary shares in issue	**10,000,000**	10,000,000
Weighted average number of shares held by WGP Trust	**(350,000)**	(350,000)
Weighted average number of shares outstanding	**9,650,000**	9,650,000

12. LOSS ATTRIBUTABLE TO THE PARENT COMPANY

The loss for the year to 31 December 2014 dealt with in the accounts of the parent Company (Williams Grand Prix Holdings PLC) was £nil (2013: £nil).

13. INTANGIBLE FIXED ASSETS

GROUP

	Goodwill £	Patents £	Total £
Cost			
At 1 January 2014	682,287	7,428	689,715
Disposals	(682,287)	(7,428)	(689,715)
At 31 December 2014	–	–	–
Amortisation			
At 1 January 2014	250,171	7,428	257,599
Charge for the year	17,058	–	17,058
Eliminated on disposals	(267,229)	(7,428)	(274,657)
At 31 December 2014	–	–	–
Net book value			
At 31 December 2014	–	–	–
At 31 December 2013	432,116	–	432,116

The disposal of intangible assets was related to the sale of WHP during the year.

14. HERITAGE ASSETS

GROUP

	£
Cost or valuation	
At 1 January 2014	23,183,250
Additions	150,000
Disposals	(462,500)
At 31 December 2014	22,870,750

The additions in the period relate to three cars capitalised as heritage assets. The last valuation of heritage assets was carried out July 2014 by Cars International. During the year the Group received proceeds of £735,000 in relation to the disposal of heritage assets.

15. TANGIBLE FIXED ASSETS

GROUP

	Freehold land and buildings	Long leasehold land and buildings	Assets in the course of construction	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£	£	£
Cost						
At 1 January 2014	22,068,431	398,296	6,216,252	55,913,263	5,836,933	90,433,175
Additions	1,577,347	–	–	3,460,633	302,330	5,340,310
Disposals	–	–	–	(358,871)	–	(358,871)
Disposal of businesses	–	(398,296)	–	(1,502,655)	(123,708)	(2,024,659)
Transfers	6,216,252	–	(6,216,252)	-	–	-
At 31 December 2014	29,862,030	–	–	57,512,370	6,015,555	93,389,955
Depreciation						
At 1 January 2014	–	217,890	–	42,937,919	4,826,867	47,982,676
Charge for the year	–	24,895	–	2,635,040	221,381	2,881,316
Eliminated on disposals	–	-	–	(339,284)	–	(339,284)
Disposal of businesses	–	(242,785)	–	(571,423)	(43,381)	(857,589)
At 31 December 2014	–	–	–	44,662,252	5,004,867	49,667,119
Net book value						
At 31 December 2014	29,862,030	–	–	12,850,118	1,010,688	43,722,836
At 31 December 2013	22,068,431	180,406	6,216,252	12,975,344	1,010,066	42,450,499

15. TANGIBLE FIXED ASSETS (CONTINUED)

LEASED ASSETS

Included within the net book value of tangible fixed assets is £1,535,278 (2013 - £Nil) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £162,950 (2013 - £Nil).

A nil depreciation rate is provided in respect of assets under construction. Upon completion of construction, such assets will be transferred to appropriate asset categories and depreciated accordingly.

16. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

COMAPNY

	2014	2013
	£	£
Cost and net book value as at 31 December	**500,001**	500,001

17. DISPOSALS

ANALYSIS OF THE DISPOSAL OF WILLIAMS HYBRID POWER LIMITED

On 31 March 2014 the company completed the disposal of Williams Hybrid Power Limited. The disposal is analysed as follows:

	£
Tangible fixed assets	1,167,072
Stocks	155,667
Debtors	1,103,263
Cash	1,314
Creditors	(1,035,726)
	1,391,590
Satisfied by:	
Total cash proceeds	7,991,183
Less cash proceeds attributable to the minority interest	(1,760,000)
Total cash proceeds attributable to members of the parent company	6,231,183
Less costs of disposal	(870,717)
Net cash proceeds attributable to members of the parent company	5,360,466

The loss attributable to the parent company includes £1,114,076 incurred by Williams Hybrid Power Limited up to its date of disposal on 31 March 2014.

18. STOCKS

GROUP

	2014	2013
	£	£
Stocks	3,132	26,655
Work in progress	226,884	345,673
	230,016	372,328

19. DEBTORS

GROUP

	2014	2013
	£	£
Trade debtors	17,988,270	7,194,232
Other debtors	5,309,320	2,895,598
Prepayments and accrued income	6,180,203	6,148,980
	29,477,793	16,238,810

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP

	2014	2013
	£	£
Bank loans and overdrafts	7,000,000	8,132,977
Obligations under finance lease and hire purchase contracts	259,502	–
Trade creditors	8,066,786	4,719,642
Corporation tax	–	55,834
Other taxes and social security	1,338,913	436,349
Other creditors	6,871,259	(45,036)
Accruals and deferred income	18,041,730	12,411,094
	41,578,190	25,710,860

COMAPNY

	2014	2013
	£	£
Other Creditors	101	101
	101	101

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

GROUP

	2014	2013
	£	£
Bank loans and overdrafts	18,750,000	–
Obligations under finance lease and hire purchase contracts	1,227,627	–
	19,977,627	–

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.

22. BANK BORROWINGS

	2014	2013
	£	£
Amounts repayable:		
In less than one year	7,000,000	8,132,977
In more than one year but less than two years	1,000,000	–
In more than two years but not more than five years	17,750,000	–
	25,750,000	8,132,977

See note 23 for further details of bank borrowings held.

23. 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 in both periods is approximately 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 debt facilities comprise:

- A loan facility of £10,000,000 repayable in nine instalments over a four year term. These instalments are £250,000 on 31 October 2014, £500,000 every six months thereafter with all outstanding sums repaid in full on 29 July 2018. This facility carries interest at 2.6% over LIBOR.
- A revolving credit facility of £4,000,000 to be made available throughout the period ending 30 June 2015. This facility carries interest at 2.6% over LIBOR.
- A revolving credit facility of £6,000,000 to be made available throughout the period ending 31 December 2015. This facility carries interest at 2.6% over LIBOR.
- A revolving credit facility of 10,000,000 to be made available throughout the period ending 29 July 2018. This facility carries interest at 2.6% over LIBOR.
- An overdraft facility of £6,000,000. This facility carries interest at 2.6% over the Bank of England Base Rate.

23. FINANCIAL INSTRUMENTS (CONTINUED)

In the previous year, the Group had USD and GBP loan facilities and a bank overdraft facility with Barclays Bank plc. These comprised a USD loan facility of USD 5 million which was repayable on demand; a GBP loan facility of £8m which was repayable on demand; and an overdraft facility of £3.5 million. Barclays held a charge over land owned by the Group as security for these facilities. These facilities were replaced on 29 July 2014 when the Group completed contractual arrangements for the provision of banking facilities with HSBC Bank plc. The facilities were subsequently amended on 16 December 2014 to increase the amounts available under the revolving credit facility. The Group is required to fulfil certain covenant conditions in relation to the cash flows available to cover debt servicing obligations and the valuation of specified property and assets.

All facilities are secured by a fixed and floating charge in favour of HSBC Bank plc held over all assets of the Group, present and future.

24. OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

AMOUNTS REPAYABLE UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS:

GROUP

	2014	2013
	£	£
Within one year	287,928	–
In two to five years	1,343,664	–
	1,631,592	–
Less finance charges allocated to future periods	(144,463)	–
	1,487,129	–

As at 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	£	£
Within one year	6,516	254,289
Within two to five years	313,874	205,972
	320,390	460,261

25. CONTINGENT LIABILITIES

GROUP

The Group and Company had no contingent liabilities as at 31 December 2014 or as at 31 December 2013.

26. RELATED PARTY TRANSACTIONS

Sir Frank Williams is the Group's controlling party by virtue of his 51.75% beneficial interest in the ordinary share capital of the Company. WGPE is party to a two-year sub-lease with Tri-leg Leasing Limited for an aircraft for use by Sir Frank Williams on Group business. Tri-leg Leasing Limited leases the aircraft from its owner, Arnab Global Limited, a company of which Sir Frank Williams is sole beneficial owner. In addition Sir Frank Williams holds a mortgage over the aircraft. During the year the Group incurred costs of £197,271 (2013: £35,841) to Tri-Leg Leasing Limited and the amount outstanding as at 31 December 2014 was £6,232 (2013: £35,841).

27. SHARE CAPITAL

ALLOTTED, CALLED UP AND FULLY PAID SHARES

	2014		2013	
	No.	£	No.	£
Ordinary shares of 5p each	10,000,000	500,000	10,000,000	500,000

28. RESERVES

GROUP

	Called up equity share capital	Profit & loss account	Revaluation reserve	Other reserves	Minority interests	Total
	£	£	£	£	£	£
Balance carried forward as at 31 December 2013	500,000	49,909,819	–	(267,702)	(1,201,884)	**48,940,233**
Heritage assets adjustment (restated)	–	–	23,183,250	–	–	**23,183,250**
Balance brought forward at 1 January 2014 (restated)	500,000	49,909,819	23,183,250	(267,702)	(1,201,884)	**72,123,483**
Loss for the period	–	(37,748,869)		–	3,267,671	**(34,481,198)**
Realisation of profit on revalued assets	–	462,500	(462,500)	–	–	**–**
Minority interest in disposal of subsidiary	–	–	–	–	(2,065,787)	**(2,065,787)**
Balance carried forward at 31 December 2014	**500,000**	**12,623,450**	**22,720,750**	**(267,702)**	**–**	**35,576,498**

28. RESERVES (CONTINUED)

COMPANY

	Called Up Equity Share Capital	Profit & Loss Account	Other Reserves	Total
	£	£	£	£
Balance brought forward at 1 Jan 2014	500,000	(132,398)	132,298	**499,900**
Loss for the financial year	–	–	–	–
Share based payment	–	–	–	–
Balance carried forward at 31 Dec 2014	**500,000**	**(132,398)**	**132,298**	**499,900**

29. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	GROUP		COMPANY	
	2014	2013	2014	2013
	£	£	£	£
Opening funds attributable to the shareholders of the parent company as previously stated	**50,142,117**	38,184,840	**499,900**	499,900
Heritage asset adjustment (restated)	**23,183,250**	–	–	–
Opening funds attributable to the shareholders of the parent company restated	**73,325,367**	38,184,840	**499,900**	499,900
(Loss) / profit for the financial year	**(37,748,869)**	11,957,276	–	–
Closing funds attributable to the shareholders of the parent company	**35,576,498**	50,142,116	**499,900**	499,900
Opening Minority interest	**(1,201,884)**	(975,849)	–	–
Minority interest in loss for the year	**3,267,671**	(226,035)	–	–
Minority interest on disposal of subsidiary undertaking	**(2,065,787)**	–	–	–
Closing shareholders' funds	**35,576,498**	48,940,232	**499,900**	499,900

30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Note	2014	2013
		£	£
Operating (loss)/profit		**(39,918,116)**	14,643,605
Exceptional loss on closure	5	**–**	(2,730,461)
Depreciation and amortisation charges	13, 15	**2,898,374**	3,297,437
(Profit)/loss on disposal of fixed assets		**(307,042)**	254,282
Loss on impairment of fixed assets		**–**	1,475,294
(Increase)/decrease in stocks		**(13,357)**	581,287
(Increase)/decrease in debtors		**(14,342,246)**	36,709,578
Increase/(decrease) in creditors		**18,551,169**	(39,129,234)
Net cash (outflow)/inflow from operating activities		**(33,131,218)**	15,101,788

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014	2013
	£	£
(Decrease)/increase in cash in the year	**(14,316,036)**	11,677,908
Net cash inflow from bank loans	**(17,617,023)**	(3,416,633)
Change in net cash resulting from cash flows	**(31,933,059)**	8,261,275
Increase in net debt from finance leases	**(1,487,129)**	
Translation differences	**(10,383)**	(105,839)
Movement in net cash in the year	**(33,430,571)**	8,155,436
Net cash/(debt) at 1 January	**7,024,362**	(1,131,074)
Net (debt)/cash at 31 December	**(26,406,209)**	7,024,362

31. ANALYSIS OF NET DEBT

	At 31 Dec 2013	Cash flows	Exchange movement	Non-cash movement	At 31 Dec 2014
	£	£	£	£	£
Net cash:					
Cash in hand and at bank	15,157,339	(14,316,036)	(10,383)	–	**830,920**
Debt:					
Debt due within 1 year	(8,132,977)	1,132,977			**(7,000,000)**
Debt due after 1 year	–	(18,750,000)	–		**(18,750,000)**
Finance leases	–	52,510	–	(1,539,639)	**(1,487,129)**
	(8,132,977)	(17,564,513)	–	(1,539,639)	**(27,237,129)**
Net debt	7,024,362	(31,880,549)	(10,383)	(1,539,639)	**(26,406,209)**

32. COMMITMENTS

GROUP
CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £114,369 (2013 - £176,585).

33. POST BALANCE SHEET EVENTS

On 22 April 2015, HSBC Bank plc agreed to an amendment and restructuring of the Group's debt facilities. The amended facilities will replace the previous facilities held with HSBC Bank plc.

The amended and restructured facilities comprise:

- A loan facility of £10,000,000 to be repaid in quarterly instalments of £250,000, with the first repayment date falling 3 months after the date of the credit agreement and the final repayment in September 2018.
- A revolving credit facility of £10,000,000 to be made available until September 2018.
- An overdraft facility of £5,000,000 to be made available until April 2016.
- A term loan facility of £11,000,000 repayable in December 2016.
- A term loan facility of £5,000,000 repayable in quarterly instalments of £250,000, with the first repayment date falling 9 months after the date of the credit agreement and the final repayment due in June 2020.

All facilities are secured by fixed and floating charges in favour of HSBC Bank plc, held over all assets of the Group, present and future.

34. CONTROLLING RELATED PARTY

Sir Frank Williams is the Group's controlling related party by virtue of his 51.75% beneficial interest in the ordinary share capital of the Company.

35. 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 Advanced Engineering Limited	Group	100%	Dormant
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.

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