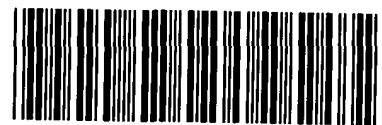


Registered number 00787446

Mercedes-Benz Grand Prix Ltd
Annual report
for the year ended 31 December 2015

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Mercedes-Benz Grand Prix Ltd

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Mercedes-Benz Grand Prix Ltd

Strategic report for the year ended 31 December 2015

The directors present their strategic report of the company for the year ended 31 December 2015.

Business model

The principal activity of the company is the design, development, manufacture, testing and racing of Formula One motor racing cars.

The company carries out this activity through the operation of the MERCEDES AMG PETRONAS F1 Team, which is an entrant to the FIA Formula One World Championship. The company seeks to maximise the success of the team in the Championships by harnessing personnel, technology, finance and other resources to achieve a performance level that exceeds the competition.

The company's success is measured by its performance in the Championships and by reference to the financial parameters defined by its shareholders.

Strategy

The company's principal objective is to win the FIA Formula One World Championships.

The company's strategy is to achieve this principal objective in a manner that best represents the Mercedes-Benz brand and the interests of other commercial partners and to provide its stakeholders with success in F1 at the best value for money.

The company remains committed to cost reduction in F1 and will continue to work with the other competitor teams and other stakeholders to achieve this objective in a fair and transparent way.

Business environment

Although a number of F1 teams reportedly faced significant financial challenges, the 2015 season saw ten constructor teams enter and compete for the Championship. With a new entrant and an existing team reverting to manufacturer ownership, the 2016 entry list looks potentially healthier.

The 2015 F1 season consisted of 19 Grand Prix races, which was consistent with the two previous seasons. The cancellation of the German Grand Prix was compensated by a very successful return of F1 racing to Mexico after an absence of 23 years. The 2016 race calendar includes the return of the German GP and the revival of the European GP, which will see F1 racing in Azerbaijan for the first time, making up a schedule of 21 races in total.

In contrast to the previous season, 2015 saw relatively few changes in regulations, which was helpful for teams to maintain a more stable cost base. During the season a greater degree of development flexibility on the hybrid power units was allowed in an attempt to narrow performance gaps between the teams.

The business environment was dominated in the latter part of the year by continuing discussions around cost savings for the teams, particularly focussing on the availability of lower cost power units to the independent teams.

Mercedes-Benz Grand Prix Ltd

Strategic report for the year ended 31 December 2015 (continued)

Business review

The sporting performance of the MERCEDES AMG PETRONAS F1 Team in 2015 exceeded expectations yet again. It was particularly pleasing that the team was able to maintain or improve upon the high standards set during the record breaking 2014 season, across all performance areas.

The team retained the FIA Formula One World Championships for both constructors and drivers, with Lewis Hamilton retaining the driver's title and Nico Rosberg finishing runner-up.

The team either equalled or surpassed the seasonal records for all of the metrics by which its sporting performance is measured, as can be seen by the following table:

	<u>2015 Season</u>		<u>(2014 Season)</u>
Race wins	16	Record equalled	(16)
1-2 race finishes	12	New record	(11)
Total podium finishes	32	New record	(31)
Championship points	703	New record	(701)
Percentage of available points	86.0%	New record	(81.5%)
Pole positions	18	Record equalled	(18)
1-2 qualifying results	15	New record	(12)

These exceptional results were primarily achieved by producing the fastest race car package in the form of the F1 W06 Hybrid, which was the culmination of the skill, dedication and determination of the workforce at Brackley in combination with our partners at Mercedes AMG High Performance Powertrains, who once again provided the best hybrid power unit in F1. Further acknowledgement must go to PETRONAS for the development of fuel and lubricants, which added further performance to the overall package.

A key factor in setting many new records in 2015 was improved reliability. A major focus on quality has been implemented in the design, engineering and production functions within Brackley over the course of the last two years and this is now bearing fruit in the form of significant improvement to all reliability metrics. In headline terms, the team suffered three race retirements in 2015 compared to five in 2014.

In addition to building the fastest race car, the team also executed its operations at race weekends with exceptional skill and professionalism and in doing so, delivered the results in line with the performance and reliability potential of the F1 W06 Hybrid. The performance of the travelling race team, including the race drivers, was outstanding throughout the season.

The financial results for the company were within the pre-defined parameters set by the shareholders and show a loss after tax of £22.3 million (2014: loss of £76.9 million), the key elements of which were:

- An increase in turnover of £66.3 million, which resulted from higher sponsorship revenue and increased income from the Commercial Rights Holder flowing from improved on-track performance in 2014.
- An increase of £8.1 million in operating costs mainly due to inflationary increases in salary costs.
- A decrease of £4.1 million in consortium tax relief claims.

As at 31 December 2015 the company had negative net liquid assets of £130.1 million (2014: £90.1 million). The change of £40.0 million in 2015 is principally due to the loss for the year and movements in working capital.

As a consequence of the 2015 financial results, the company had net liabilities of £109.3 million as at 31 December 2015 (2014: £87.0 million).

Mercedes-Benz Grand Prix Ltd

Strategic report for the year ended 31 December 2015 (continued)

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks, which are reviewed by the board and appropriate processes put in place to monitor and mitigate them. The key business risks are as follows:

Competition

The company operates in the field of Formula One motor racing, which is acknowledged as the pinnacle of international motorsport and is naturally a highly competitive operating environment. This results in pressure to achieve not only the company's targets for sporting performance but also revenue generation from sponsorship and the Commercial Rights Holder. This risk is mitigated by the recruitment and retention of highly talented and experienced personnel, maintaining design, development, production and race circuit facilities at the highest level within Formula One, securing the services of the best available race drivers and strong technical relationships with Mercedes-Benz, PETRONAS and other partners.

Interest and liquidity risk

The company's cash is managed on a group basis with cash balances held on intercompany accounts. These arrangements are managed on an arms' length basis with the group central treasury department.

Credit risk

The company's exposure to credit risk is primarily through its sponsorship contracts and it has implemented policies that require appropriate credit checks on potential sponsors during the negotiation of new contracts. Any specific risks are brought to the attention of management and are reassessed regularly.

Foreign exchange risk

The company is exposed to movements in foreign exchange rates as a result of revenue receipts and operating costs in currencies other than sterling. These risks are managed on a group basis.

Future outlook

The directors are extremely proud of the achievements of the MERCEDES AMG PETRONAS F1 Team in establishing itself as one of the top teams in F1. The challenge for the future is to continue to compete for the Championships in every season, whilst also continuing the recent commercial improvement. This challenge should not be underestimated - the strength and quality of the competition in F1 racing is what makes it the pinnacle of global motorsport. The directors are, however, confident that these goals can be achieved given the current platform of a world class workforce, the best race driver line-up, best in class technical infrastructure and support from Mercedes-Benz, PETRONAS and our other partners.

The agreement with the Commercial Rights Holder has provisions for significantly increased revenue flows based on sporting performance, which will now be triggered from 2016 onwards as a result of the team's performances in 2014 and 2015. The future outlook for sponsorship revenues is also very promising. The company was very pleased to add a number of significant new sponsorship partners during 2015 and the prospects for further additions in 2016 and beyond are looking positive.

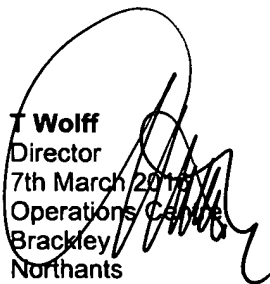
Mercedes-Benz Grand Prix Ltd

Strategic report for the year ended 31 December 2015 (continued)

As stated previously, the company remains committed to achieving cost reduction in F1 in a fair and transparent way and is confident that arrangements can be put in place for all teams to reduce the overall cost of participation in F1, without detracting from the sporting and competitive attraction.

Consequently, the directors have every confidence in meeting the future expectations of our stakeholders in terms of both sporting and business performance.

By order of the board


T Wolff
Director
7th March 2016
Operations Centre
Brackley
Northants
NN13 7BD

Mercedes-Benz Grand Prix Ltd

Directors' report for the year ended 31 December 2015

The directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

Dividends

The directors do not recommend payment of a dividend (2014: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were as follows:

R Berger
W Bernhard
S Kallenius
A Lauda
P Lowe (Appointed 18th March 2015)
T Weber
T Wolff

Employees

The company maintains its commitment to proactive programmes for involving its employees in company affairs. This is achieved in a variety of ways including the regular publication of newsletters and staff briefings and by consultations with staff committees.

It is the company's policy to give full and fair consideration to suitable applications for employment by disabled persons having regard to their particular aptitudes and abilities. Disabled employees are eligible to participate in all training, career development and promotion opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue their employment or to be trained in other positions in the company.

Research and development

The activities of the company are all dedicated towards the design and development of a car to compete successfully in the FIA Formula One World Championship. The directors consider the investment in research and development to be integral to the continued success of the company.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that so far as they are each aware there is no relevant audit information of which the company's Auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

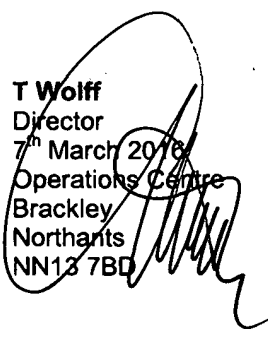
Mercedes-Benz Grand Prix Ltd

Directors' report for the year ended 31 December 2015 (continued)

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board


T Wolff
Director
7th March 2016
Operations Centre
Brackley
Northants
NN13 7BD

Mercedes-Benz Grand Prix Ltd

Statement of Directors' responsibilities in respect of the Strategic report and the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Mercedes-Benz Grand Prix Ltd

We have audited the financial statements of Mercedes-Benz Grand Prix Ltd for the year ended 31 December 2015 set out on pages 12 to 28. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Mercedes-Benz Grand Prix Ltd (continued)

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



**Peter Selvey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Date: 8 March, 2016.

Mercedes-Benz Grand Prix Ltd

Profit and loss account and other comprehensive income for the year ended 31 December 2015

Profit and loss account		2015	2014
	Note	£'000	£'000
Turnover	2	213,264	146,921
Cost of sales		(239,693)	(231,488)
Gross loss		(26,429)	(84,567)
Administrative expenses		(8,708)	(8,766)
Other income	3	1,224	-
Operating loss		(33,913)	(93,333)
Interest receivable and similar income	6	-	-
Interest payable and similar charges	7	(1,724)	(1,032)
Loss on ordinary activities before taxation		(35,637)	(94,365)
Tax on result on ordinary activities	8	13,343	17,482
Total comprehensive loss for the financial year	17	(22,294)	(76,883)
Other comprehensive income			
Other comprehensive income for the year net of income tax		-	-
Total comprehensive loss for the financial year	17	(22,294)	(76,883)

The results for the years above are derived entirely from continuing operations.

The notes on pages 15 to 28 form part of these financial statements.

The company has no recognised gains and losses other than those shown above. Accordingly no separate statement of total recognised gains and losses has been presented.

There are no differences between the result on ordinary activities before taxation and the result for the financial year and their historical cost equivalents.

Mercedes-Benz Grand Prix Ltd

Statement of changes in equity for the year ended 31 December 2015

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 January 2014	-	44	(10,205)	(10,161)
Total comprehensive loss for the year	-	-	(76,883)	(76,883)
Balance at 31 December 2014	-	44	(87,088)	(87,044)
Total comprehensive loss for the year	-	-	(22,294)	(22,294)
Balance at 31 December 2015	-	44	(109,382)	(109,338)

Mercedes-Benz Grand Prix Ltd

Balance sheet as at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	9	35,310	33,046
Heritage assets	10	2,919	903
		38,229	33,949
Current assets			
Stocks	11	1,693	1,366
Race car development		30,565	32,397
Debtors	12	48,571	28,076
Cash at bank and in hand		17,515	2,533
		98,344	64,372
Creditors – amounts falling due within one year	13	(242,917)	(182,449)
Net current liabilities		(144,573)	(118,077)
Total assets less current liabilities		(106,344)	(84,128)
Provisions for liabilities	14	(2,994)	(2,916)
Net liabilities		(109,338)	(87,044)
Capital and reserves			
Called-up share capital	16	-	-
Share premium account	17	44	44
Profit and loss account	17	(109,382)	(87,088)
Total shareholders' deficit	18	(109,338)	(87,044)

The notes on pages 15 to 28 form part of these financial statements.

The financial statements were approved by the board of directors on 7th March 2016 and signed on its behalf by:

T Wolff
Director

Company registered number: 00787446

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015

1 Principal accounting policies

Accounting policies

These financial statements were prepared on the going concern basis, under the historical cost convention, and in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000. In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, Daimler AG includes the Company in its consolidated financial statements. The consolidated financial statements of Daimler AG are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the address in note 23. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The company has a group cash pooling agreement with its ultimate parent undertaking Daimler AG. The balances which form part of this arrangement as at 31 December 2015 are disclosed in these financial statements as 'Amounts owed to group undertakings – cash pooling'. In addition, the company's ultimate parent undertaking, Daimler AG, has indicated to the company that for at least 12 months from the date of approval of these financial statements it intends to, if required, make available financial support to assist the company in meeting its financial liabilities as and when they fall due. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern principle in the financial statements.

Turnover

Turnover, which excludes value added tax and trade discounts, represents sponsorships, prize money and other income relating to the company's principal activity and is recognised in the year to which it relates once collectability is reasonably assured.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling (£) at rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are translated into sterling (£) at the rate of exchange ruling at the date of the transaction. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

1 Principal accounting policies (continued)

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Intangible assets

Intangible assets are stated at historic purchase cost. The cost of intangible assets includes the design and external costs for the development of cars to be utilised in racing seasons greater than one year from the balance sheet date.

Intangible assets are amortised over the useful life of the asset which in the case of development costs would be the season to which the development relates.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

	%
Leasehold land and buildings	5 – 20
Plant and machinery	10 – 40
Fixtures and fittings, computer equipment	10 – 50
Motor vehicles	10 – 20

Assets under construction are not depreciated until they are ready for use, when they are transferred to the relevant asset class and depreciated over their useful economic life.

Impairment reviews are performed when evidence emerges that the net book value may not be recoverable.

Heritage assets

The company's collection of historic cars and related assets are stated at historic purchase cost less a provision to recoverable amount.

The historic cars and related assets have an indefinite life and therefore are not depreciated.

The company maintains its collection of heritage assets to an excellent condition and any maintenance costs are charged to the profit and loss account when incurred. Subject to management approval the company may dispose of any heritage assets from the collection.

Stocks

Stocks are stated at the lower of cost and net realisable value. A provision is made against any raw materials that are not expected to be utilised in relation to the following year's car.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

1 Principal accounting policies (continued)

Race car development

The company carries forward to the following year certain design and development costs incurred in the current year which relate to the production of next season's car. These are capitalised as a current asset.

Provisions

(a) Provisions

A provision is recognised when the company has a present obligation as a result of a past event and a reliable estimate can be made of the amount of the obligation. Discounting has not been applied to the provisions as the obligations are expected to be settled in the near future.

(b) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

2 Turnover

Turnover represents sponsorships, prize money and other income relating to the company's principal activity.

3 Loss on ordinary activities before taxation

	2015	2014
	£'000	£'000
Depreciation of tangible fixed assets - owned assets	7,911	6,935
Profit on disposal of fixed assets	(476)	(65)
Profit on disposal of heritage assets	(1,224)	-
Operating lease charges		
- plant and machinery	14	37
- other assets	18,899	21,022
Foreign exchange (gain) / loss	(255)	(1,067)

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

3 Loss on ordinary activities before taxation (continued)

	2015	2014
	£'000	£'000
Auditors' remuneration:		
Remuneration receivable by the company's auditors for the auditing of the annual financial statements	41	66
- other assurance services	4	-

4 Remuneration of directors

	2015	2014
	£'000	£'000
Aggregate emoluments	10,466	6,019
Company contributions to personal pension plan	-	-
	10,466	6,019

	2015	2014
	£'000	£'000
Highest paid director:		
Aggregate emoluments	6,794	6,019
Company contributions to personal pension plan	-	-
	6,794	6,019

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

5 Employee information

The average number of persons employed by the company during the year was:

	2015	2014
By activity	Number	Number
Design, manufacturing and engineering	717	688
Administration	90	77
	807	765

	2015	2014
Staff costs	£'000	£'000
Wages and salaries	69,897	65,262
Social security costs	8,251	7,908
Company contributions to personal pension plan	248	226
	78,396	73,396

6 Interest receivable and similar income

	2015	2014
	£'000	£'000
Bank interest receivable	-	-
Cash pooling interest receivable	-	-
	-	-

7 Interest payable and similar charges

	2015	2014
	£'000	£'000
Cash pooling interest payable	1,724	1,032

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

8 Tax on result on ordinary activities

The company has estimated taxation losses available to be carried forward of approximately £156 million (2014: £192 million).

	2015 £'000	2014 £'000
Current tax:		
United Kingdom corporation tax on result of the year	(969)	(7,612)
Adjustment in respect of previous years	(12,374)	(9,870)
Deferred tax (See note 15):		
Origination and reversal of timing differences	-	-
Total tax	(13,343)	(17,482)

The tax assessed for the year is lower than (2014: higher than) the standard effective rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	(35,637)	(94,365)
Tax using the UK corporation tax rate of 20.25% (2014: 21.5%)	(7,216)	(20,288)
Effects of:		
Non-deductible expenses	421	296
Difference between depreciation and capital allowances	120	(44)
Other timing differences	(281)	417
Tax restriction on R&D expenditure credit (RDEC)	1,990	-
Research & development tax relief	-	(6,450)
Carried forward tax losses	3,997	18,457
Adjustment in respect of previous periods	(12,374)	(9,870)
Total tax result included in profit or loss	(13,343)	(17,482)

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

8 Tax on result on ordinary activities (continued)

Changes in tax rates and factors affecting the future tax charge

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

The unrecognised deferred tax asset at 31 December 2015 has been calculated based on these rates.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

9 Tangible assets

	Short leasehold land and buildings including tenants improvements	Plant and machinery	Fixtures and fittings	Computer equipment	Motor vehicles	Assets under construction	Total
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2015	25,367	49,900	4,648	10,237	6,211	2,822	99,185
Additions	31	5,488	637	512	100	3,502	10,270
Transfers	96	2,300	150	276	-	(2,822)	-
Disposals	-	(1,298)	(90)	-	-	-	(1,388)
At 31 December 2015	25,494	56,390	5,345	11,025	6,311	3,502	108,067
Accumulated depreciation							
At 1 January 2015	(19,563)	(34,067)	(3,538)	(4,861)	(4,110)	-	(66,139)
Charge for the year	(1,018)	(4,090)	(209)	(1,838)	(756)	-	(7,911)
Disposals	-	1,209	84	-	-	-	1,293
At 31 December 2015	(20,581)	(36,948)	(3,663)	(6,699)	(4,866)	-	(72,757)
Net book value							
At 31 December 2015	4,913	19,442	1,682	4,326	1,445	3,502	35,310
At 31 December 2014	5,804	15,833	1,110	5,376	2,101	2,822	33,046

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

10 Heritage assets

Cost and net book value	Historic cars and related assets £'000
At 1 January 2015	903
Additions	2,066
Disposals	(50)
At 31 December 2015	2,919

Five year financial summary of heritage asset transactions:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Additions	2,066	254	49	50	-
Disposals – net book value	50	-	50	12	-
Disposals – proceeds	1,700	-	85	12	-

11 Stocks

	2015 £'000	2014 £'000
Raw materials	1,693	1,366

12 Debtors

	2015 £'000	2014 £'000
Trade debtors	10,839	9,425
Amounts owed by group undertakings	697	2,570
Other debtors	11,547	649
Prepayments and accrued income	25,488	15,432
	48,571	28,076

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are interest free.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

13 Creditors – amounts falling due within one year

	2015 £'000	2014 £'000
Bank overdraft	-	5,114
Trade creditors	17,315	16,624
Amounts owed to group undertakings	7,799	878
Amounts owed to group undertakings – cash pooling	147,612	87,504
Taxation and social security	2,814	2,067
Other creditors	674	-
Accruals and deferred income	66,703	70,262
	242,917	182,449

Amounts owed to group undertakings are interest free, unsecured and have no fixed date of repayment with the exception of the cash pooling which accrues interest at a rate agreed with group central treasury.

14 Provisions for liabilities

	Property provision £'000	Sales tax provision £'000	Total £'000
At 1 January 2015	2,685	231	2,916
(Credited) / charged to the profit and loss account	(2)	80	78
Amounts utilised during the year	-	-	-
At 31 December 2015	2,683	311	2,994

Property provision

This relates to an estimate for dilapidations and reinstatement costs in relation to the facility at Reynard Park, Brackley.

Sales tax provision

This relates to potential sales tax liabilities.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

15 Deferred tax

The unrecognised total potential deferred tax assets are as follows:

	2015	2014
Amount not recognised	£'000	£'000
Short term timing differences	(539)	(583)
Accelerated capital allowances	(328)	(902)
Losses	(28,103)	(38,400)
	(28,970)	(39,885)

A deferred tax asset has not been recognised in the year as it is uncertain that the asset will crystallise in the foreseeable future.

16 Called up share capital

	2015	2014
	£	£
Allotted and fully paid		
1,000,000 ordinary shares of £0.0002 each	200	200

17 Reserves

	Share premium account	Profit and loss account
	£'000	£'000
At 1 January 2015	44	(87,088)
Loss for the financial year	-	(22,294)
At 31 December 2015	44	(109,382)

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

18 Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Loss for the financial year	(22,294)	(76,883)
Opening shareholders' funds	(87,044)	(10,161)
Closing shareholders' funds	(109,338)	(87,044)

19 Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings 2015 £'000	Other 2015 £'000	Land and buildings 2014 Restated £'000	Other 2014 Restated £'000
Within one year	1,388	16,163	1,388	6,273
Within two and five years	5,356	64,592	5,440	14
After five years	607	-	1,939	-
	7,351	80,755	8,767	6,287

The 2014 comparatives have been restated to reflect the change required under FRS 102.

During the year £18,913,000 was recognised as an expense in the profit and loss account in respect of operating leases (2014 : £21,059,000).

20 Capital commitments

The company had capital commitments of £4,800,000 at 31 December 2015 (2014: £2,352,000).

21 Contingent Liabilities

HMRC opened enquiries into the tax position of the entity in relation to previous open years' computations. As at the time of signing these financial statements the HMRC enquiry is still in its early stages and the Directors do not believe it is possible to make any assessment of any potential exposure.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

22 Related party transactions

During the year the company undertook the related party transactions as listed below:

Name	Sales £'000	Purchases £'000	Amounts owed to £'000	Amounts owed by £'000
Daimler AG	1,508	18,305	148,223	374
Daimler Insurance Services UK Limited	-	298	12	-
Daimler South East Asia Pte. Ltd.	69	7	7	-
Daimler Trucks North America LLC	139	-	-	-
Evo Buses (UK) Limited	1	-	-	1
Mercedes-Benz Accessories GmbH	-	-	2	-
Mercedes-Benz Australia / Pacific Pty Ltd	-	11	-	-
Mercedes AMG High Performance Powertrains Limited	2,839	994	357	235
Mercedes-AMG GmbH	9	696	696	8
Mercedes-Benz Canada Inc.	-	9	9	-
Mercedes-Benz (China) Ltd	-	60	60	-
Mercedes-Benz do Brasil Ltda.	-	171	171	-
Mercedes-Benz Financial Services UK Limited	-	86	4	-
Mercedes-Benz Italia S.p.A	-	3	-	-
Mercedes-Benz Japan Co. Ltd.	195	11	-	-
Mercedes-Benz Malaysia Sdn Bhd	-	13	13	-
Mercedes-Benz Mexico, S. de R.L. de C.V.	-	89	89	-
Mercedes-Benz Retail Group UK Limited	-	151	-	-
Mercedes-Benz UK Limited	266	136	1	65
Mercedes-Benz USA, LLC	69	52	52	14
R.T.C. Management Company Limited	-	12	-	-
	5,095	21,104	149,696	697

The company also owed Daimler UK Limited £5,715,000 as at 31 December 2015 in relation to Group tax losses.

Mercedes-Benz Grand Prix Limited holds an 88.9% shareholding in R.T.C. Management Company Limited.

The above are all related parties by virtue of being fellow companies of the ultimate shareholders of the company. The transactions are all at arms' length and relate to the provision of goods and services between the parties associated with the company's principal activity.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2015 (continued)

23 Ultimate parent company and controlling party

At 31 December 2015 the directors regarded Daimler UK Limited, a company incorporated in the United Kingdom, as the immediate parent company and immediate controlling party.

At 31 December 2015 the directors regarded Daimler AG, a company incorporated in Germany, as the ultimate parent company and the controlling party. Daimler AG is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. The consolidated statements of Daimler AG can be obtained from the Company secretary, Mercedesstrasse 137, 70327 Stuttgart, Germany.

24 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in above notes have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing its FRS 102 balance sheet, the Company made no adjustments to the amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).