

**ALPINE RACING LIMITED**  
**(Formerly Renault Sport Racing Limited)**

**Annual Report and Financial Statements**  
**31 December 2020**

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COMPANIES HOUSE

# **ALPINE RACING LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2020**

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**STRATEGIC REPORT**

The Directors present their strategic report of the company for the year ended 31 December 2020.

**BUSINESS REVIEW**

The principal activity of the Company is the running of a Formula One racing team.

The Company carries out this activity through the design and manufacture of racing cars for participation in the FIA Formula One World Championship.

The Company's principal long-term objective is to win the FIA Formula One World Championship. The directors consider race results and championship performance to be the key performance indicators as well as financial control within the Company.

For the 2021 season onwards, the team has rebranded to Alpine F1 Team in line with the revised commercial and business strategy laid out by Groupe Renault CEO, Luca de Meo, to clearly position each of its brands. Already recognised for its records and successes in endurance and rallying, the Alpine name naturally finds its place in the high standards, prestige and performance of Formula 1 and will use its engagement to accelerate the development and influence of the brand worldwide. Renault remains an integral part of the team, with the hybrid power unit retaining its Renault E-Tech moniker and unique expertise in hybrid powertrains.

After a curtailed 2020 season due to the COVID-19 global pandemic, the year was completed with 17-races held across Europe and the Middle East. The team finished fifth in the Constructors' Championship on 181 points, doubling its points total from the previous campaign. In addition, the team returned to the Formula 1 podium for the first time since Renault's acquisition of the Team after taking third in the Eifel Grand Prix. Further podiums were added in the Emilia Romagna Grand Prix and the Sakhir Grand Prix.

2021 will be F1's most extensive season, with a record-breaking 23 races on the calendar, including new rounds in Saudi Arabia and the Netherlands, as the sport continues to push its commercial offering. The chassis used in 2020 will be carried over by all teams to 2021 as a concession to the unique conditions presented by the previous, interrupted season of racing.

Alpine F1 Team is well positioned for 2021 success. Double World Champion Fernando Alonso returns to the team, joining Esteban Ocon, who scored his first podium in the 2020 Sakhir GP. In parallel all stakeholders have signed the Concorde Agreement, which lays out a new rules package to ensure longer-term stability, with clear sporting and financial guidelines, including a cost cap on expenditure.

**BUSINESS ENVIRONMENT**

Turnover for the year, comprising mainly of sponsorship income and prize money, was £156.2 million (2019: £177.8 million) and the loss after taxation for the financial year was £12.4 million (2019: loss £2.5 million).

2020 was a challenging year with the impact of the COVID-19 pandemic. As a result of this, turnover decreased by 12.2% to £156.2 million; the first decrease since Renault's acquisition of the Team in 2015. The impact on the overall financial result was partially mitigated by a fall in costs (down 6.4%) due to suspended activities during the lockdown period. However, the revenue shortfall could not be fully compensated, leading to a decline in financial results.

Despite the pandemic, fixed asset investment remained healthy, with fixed asset additions totalling £12.1 million (excluding Right of use assets relating to leases of £1 million) during the year.

The Company has prepared carefully for Brexit developments and to date has not experienced any unsolvable disruption to ongoing business operations.

## **STRATEGIC REPORT**

### **SECTION 172 STATEMENT**

#### **Engaging with stakeholders**

Our stakeholders are key to the overall success of The Company and it is essential for us to have an effective engagement strategy in place to build positive stakeholder relationships and deliver long term success.

The Company is part of the Renault Group, the governance framework of the Group delegates authority for local decision-making to the local entity up to defined levels of cost and impact which allows senior management to take decisions. Decisions are made with a long-term view in mind and with the highest standards of conduct in line with Group policies.

#### **Shareholders**

We rely on the support of our principal shareholder, Renault S.A, and its opinions are important to us. We have an open dialogue with our shareholder through regular meetings and reporting to the Group Board. Our financial results are consolidated monthly. Discussions cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices. We also hold local Board meetings, covering similar topics, to ensure the interests of all shareholders are considered.

#### **Employees**

Engaging and collaborating with employees at Alpine Racing is a top priority and key to our team's success. To drive and encourage this we regularly hold staff debriefs to relay new company information, targets and current performance. Annually we conduct an employee survey and hold performance reviews to encourage feedback. The Team has a well-established intranet and newsletters to regularly update staff on current topics, employee benefits, successes and wellbeing initiatives.

#### **Customers**

Our ambition is to deliver best in class sports marketing assets to enable our partners to tell relevant, engaging and informative marketing campaigns that positively engage with their desired audience in F1. We spend a lot of time with them to understand their needs and listen to how we can improve our service for them. We use this knowledge to inform our decision making, for example, tailoring rights packages to suit our partners expectations, whilst providing some flexibility to enable them to maximise the impact of their marketing campaigns.

#### **Suppliers**

We strive for respectful relationships with all of our suppliers where our engagement is mutually beneficial and therefore fosters a healthy and long-term approach.

We have various ways to engage depending on the service or product required. By building strong and healthy relationships we believe we will be best placed to deliver our demands which can be very challenging in peak periods of our year. Regular reviews, constructive mutual feedback and data collection are some of the ways in which we measure our collective performance. Our key areas of focus are innovation, quality, speed of delivery and sustainability. As a Formula 1 Team the vital part our suppliers play in our short and long term success is recognised at every level of our organisation and we celebrate our achievements together.

**STRATEGIC REPORT****SECTION 172 STATEMENT CONTINUED****Communities**

The Company will actively participate alongside Formula 1 in implementing the plan of decarbonisation of the sport by 2030 while developing and deploying its own actions with a Social and Sustainable Impact program aligned with Groupe Renault's strategic vision. Our program is structured around two different dimensions, environmental and human.

Our operating territories and our local communities are at the heart of our program and we'll tangibly engage with them as we already do where mutually beneficial projects are recognised and prioritised. We continue to develop environmental actions that aim to reduce our operating carbon footprint. Many of these integrated programs are complementary to our lean engineering processes, reduction in transport miles for deliveries including waste streams, upcycling, recycling, reduction and safe disposal of waste material, benefiting from a year-on-year improvement

**Government and regulators**

The FIA F1 World Championship is run under the auspices of the Federation Internationale de l'Automobile, motor racing's international governing body. As a competitor in the Championship, we are bound by the regulations published by the FIA. The FIA has structures in place that allows competitors to consult and participate in the shaping of some of the sports regulations. Due to the niche nature of our business, there is limited need for consultation or interactions with any other regulators. Compliance with laws and regulations as well as health and safety is of course paramount to our business and the Board is updated on legal or regulatory developments that impact our operation.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Directors are of the opinion that a thorough risk management process is adopted through regular financial review. The risks and uncertainties facing the Company might be broadly grouped as: Competitive, Legislative, and Financial.

- Competitive Risks

The Company's financial performance is subject to variation where some of its principal sponsors pay bonuses in respect to results achieved on track. Such results also combine to affect a proportion of the Company's income from prize money in the following season, as well as generally impacting on the Company's ability to generate sponsorships in the future. The Company performs regular financial reviews to ensure they have sufficient financial resources to meet liabilities as they fall due.

- Legislative Risks

As a competitor in the FIA Formula One World Championship, the Team is subject to the International Sporting Code, the current F1 Technical and Sporting Regulations, and the provisions laid out in the 2021 Concorde Agreement or such similar agreements. The Company works with its employees, agents and advisors, and also the governing body to ensure its compliance.

- Financial Risks

The Company uses loans, cash, and trade payables and receivables directly in the course of its on-going operations. The Company seeks to minimise exposure to exchange risk through matching currency assets and expenditure to income and borrowings.

On behalf of the board

**Laurent Rossi**

**Director**

Date

2021.04.19

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

The principal activities and associated risks have been discussed in the strategic report.

**DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend the payment of a dividend (2019: £nil). The loss for the year of £12.4 million (2019: loss £2.5 million) has been added to the deficit on the profit and loss account.

**RESEARCH AND DEVELOPMENT**

Information relating to research and development expenditure on racing cars is given in note 1 to the financial statements.

**DIRECTORS**

The following served as directors during the year:

J Stoll (resigned 31 December 2020)  
T Cognet  
C Abiteboul (resigned 31 January 2021)  
G Lopez  
A Prost  
M Budkowski (appointed 31 December 2020)  
L Rossi (appointed 1 February 2021)  
B Mercer (Company Secretary)

**CHARITABLE DONATIONS**

The Company made £0 (2019: £1,000) charitable donations to a national charity during the period.

**EMPLOYEES**

Applications for employment of disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of a person who does not suffer from a disability.

The company has arrangements for providing information to employees, involving employees in the company's performance and achieving awareness amongst employees of the factors affecting the company's performance.

**DIRECTORS INDEMNITY**

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approval of the Directors' Report.

**DISCLOSURE OF INFORMATION TO THE AUDITORS**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the group's auditor, each Director has taken all the steps that they are obliged to take as a Director in order to have made themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**DIRECTORS' REPORT**

**EVENTS AFTER THE BALANCE SHEET DATE**

On 6<sup>th</sup> January 2021 the Company officially changed its name from Renault Sport Racing Limited to Alpine Racing Limited.

**AUDITOR**

KPMG LLP have expressed a willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board on 19 April 2021.

A handwritten signature in black ink, appearing to read 'L Rossi', is written over a horizontal line.

Laurent Rossi

Director

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, 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 101 *Reduced Disclosure Framework*.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 ALPINE RACING LIMITED

## Opinion

We have audited the financial statements of Alpine Racing Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPINE RACING LIMITED (CONTINUED)**

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to achieve a break even result and to remain within intercompany facility levels, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that contractual sponsorship revenues are recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts and journal entries with specific descriptions.
- Testing a sample of contractual sponsorship revenue transactions to supporting documentation to assess whether revenue had been recorded in the correct period.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: FIA Sporting, Technical and Financial Regulations, health and safety, anti-bribery, employment law, data protection and environmental legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPINE RACING LIMITED (CONTINUED)**

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

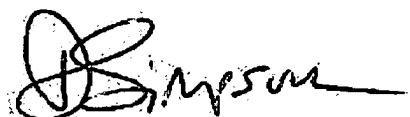
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPINE RACING LIMITED (CONTINUED)**

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**David Simpson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
58 Clarendon Road  
Watford  
WD17 1DE

Date 21 April 2021

# ALPINE RACING LIMITED

## PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER 2020

|   | Note | 2020<br>£000     | 2019<br>£000 |
|---|------|------------------|--------------|
| <b>TURNOVER</b>   | 1    | <b>156,202</b>   | 177,833      |
| Cost of sales   |      | <b>(148,288)</b> | (153,907)    |
| <b>GROSS PROFIT</b>   |      | <b>7,914</b>     | 23,926       |
| Administration expenses   |      | <b>(17,927)</b>  | (23,603)     |
| <b>OPERATING (LOSS)/PROFIT</b>  | 2    | <b>(10,013)</b>  | 323          |
| Other interest receivable and similar income  | 5    | <b>28</b>        | 37           |
| Interest payable and similar charges  | 6    | <b>(2,145)</b>   | (2,471)      |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE<br/>TAXATION</b>  |      | <b>(12,130)</b>  | (2,111)      |
| Tax on loss on ordinary activities  | 7    | <b>(264)</b>     | (405)        |
| <b>LOSS ON ORDINARY ACTIVITIES AFTER<br/>TAXATION AND RETAINED FOR THE<br/>FINANCIAL YEAR</b> | 20   | <b>(12,394)</b>  | (2,516)      |

The Company has no other comprehensive income for the year and hence the loss for the financial year represents the total comprehensive profit for the year.

All results relate to continuing operations.

The notes on pages 14 to 31 form part of these financial statements.

**ALPINE RACING LIMITED****BALANCE SHEET****Registered No: 1806337****Year ended 31 December 2020**

|   | Note | 2020             | 2019             |
|---|------|------------------|------------------|
|   |      | £000             | £000             |
| <b>NON-CURRENT ASSETS</b>                             |      |                  |                  |
| Intangible assets                                     | 8    | 2,976            | 936              |
| Tangible fixed assets                                 | 9    | 54,916           | 57,072           |
| Heritage assets                                       | 10   | 3,950            | 3,970            |
| Debtors   | 13   | -                | 2,324            |
|   |      | <u>61,842</u>    | <u>64,032</u>    |
| <b>CURRENT ASSETS</b>                                 |      |                  |                  |
| Stocks  | 11   | 10,927           | 11,802           |
| Debtors   | 12   | 19,074           | 27,997           |
| Cash at bank and in hand                              |      | 3,387            | 8,895            |
|   |      | <u>33,388</u>    | <u>48,694</u>    |
| <b>CREDITORS: amounts falling due within one year</b> | 14   | <u>(150,548)</u> | <u>(154,524)</u> |
| <b>NET CURRENT LIABILITIES</b>                        |      | <u>(117,160)</u> | <u>(105,830)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | <u>(55,318)</u>  | <u>(41,528)</u>  |
| <b>CREDITORS: amounts falling due after one year</b>  | 15   | <u>(596)</u>     | <u>(1,992)</u>   |
| <b>NET LIABILITIES</b>                                |      | <u>(55,914)</u>  | <u>(43,520)</u>  |
| <b>CAPITAL AND RESERVES</b>                           |      |                  |                  |
| Called up share capital                               | 19   | 158,346          | 158,346          |
| Share premium   | 19   | 13,256           | 13,256           |
| Capital contribution reserves                         | 21   | 42,154           | 42,154           |
| Profit and loss account                               | 20   | (269,670)        | (257,276)        |
| <b>EQUITY SHAREHOLDERS' DEFICIT</b>                   | 21   | <u>(55,914)</u>  | <u>(43,520)</u>  |

The notes on pages 14 to 31 form part of these financial statements.

These financial statements were approved by the Board of Directors on 19 April 2021.

On behalf of the board



Laurent Rossi

Director

# ALPINE RACING LIMITED

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

|  | Called up<br>Share<br>capital<br>£000 | Share<br>Premium<br>account<br>£000 | Capital<br>contribution<br>reserves<br>£000 | Profit and<br>loss account<br>£000 | Total equity<br>£000 |
|--|---------------------------------------|-------------------------------------|---|------------------------------------|----------------------|
| Balance at 1 January 2019                        | 158,346                               | 13,256                              | 42,154                                      | (254,760)                          | (41,004)             |
| <b>Total comprehensive income for the period</b> |                                       |                                     |   |                                    |                      |
| Profit or loss                                   | -                                     | -                                   | -   | (2,516)                            | (2,516)              |
| Total comprehensive income for the period        | -                                     | -                                   | -   | (2,516)                            | (2,516)              |
| <b>Balance at 31 December 2019</b>               | <b>158,346</b>                        | <b>13,256</b>                       | <b>42,154</b>                               | <b>(257,276)</b>                   | <b>(43,520)</b>      |
| <b>Total comprehensive income for the period</b> |                                       |                                     |   |                                    |                      |
| Profit or loss                                   | -                                     | -                                   | -   | (12,394)                           | (12,394)             |
| Total comprehensive income for the period        | -                                     | -                                   | -   | (12,394)                           | (12,394)             |
| <b>Balance at 31 December 2020</b>               | <b>158,346</b>                        | <b>13,256</b>                       | <b>42,154</b>                               | <b>(269,670)</b>                   | <b>(55,914)</b>      |

The notes on pages 14 to 31 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2020**

**1. ACCOUNTING POLICIES**

Alpine Racing Limited is a private Company, incorporated domiciled and registered in the UK. The registered number is 1806337. The registered address is Whiteways Technical Centre, Enstone, Oxfordshire, OX7 4EE.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Renault S.A. includes the Company in its consolidated financial statements. The consolidated financial statements of Renault S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Renault 13/15, quai Le Gallo – 92513 Boulogne-Billancourt Cedex France.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel

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

**Measurement convention**

The financial statements are prepared on the historical cost basis except heritage assets which are stated at fair value.

**Going concern**

The Company's business activities, together with the factors that are likely to affect its future development and position are set out within the strategic report on page 1. Notwithstanding net current liabilities of £117,160k and net liabilities of £55,914k as at 31 December 2020, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Taking on board the learnings from the 2020 season and ongoing impact of Covid-19, the directors have prepared profit and cashflow forecasts for a period to 31 December 2022. These forecasts include a forecast based on an expected 23 races season and a severe but plausible downside, which is based on the experience of the previous year's 17 race season. These forecasts, which have been shared with the wider Renault Group, indicate that the company has sufficient funding, through its existing facility with its intermediate parent company, Renault S.a.S., to meet its liabilities as they fall due for the forecast period.



**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2020**

**1. ACCOUNTING POLICIES (CONTINUED)**

Those forecasts are dependent on the company's intermediate parent company, Renault S.a.S. not seeking repayment of the amounts currently due to them, which as at 31 December 2020 amounted to £125,076k. No further amounts have been drawn down on this facility since the year end and no further drawdown is forecast to be required on an expected 23 races season. In the plausible downside scenario additional drawdowns are forecast to be required and are within the existing available facility. Renault S.a.S. has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts or reduce the existing facility. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**Financial instruments**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

*Trade and other debtors / creditors*

*All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method or fair value, depending on the classification of the financial asset or liability less any credit impairment losses in the case of trade debtors.

*Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and money held in the Company bank account. The Company does not have any bank overdraft facilities.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2020**

**2. ACCOUNTING POLICIES (CONTINUED)**

**Tangible fixed assets**

Tangible fixed assets are stated at deemed cost or historic cost less accumulated depreciation and accumulated impairment losses. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 101, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

|                        |             |
|------------------------|-------------|
| Freehold Buildings     | 10-30 years |
| Motor vehicles         | 5-8 years   |
| Plant and machinery    | 6-16 years  |
| Furniture and fittings | 3-10 years  |

Assets under construction are held separately within fixed assets and are not subject to depreciation until they are brought into use. When the asset is brought into use it is transferred to the relevant fixed asset category.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

**Intangible assets**

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives are as follows:

|          |         |
|----------|---------|
| Software | 3 years |
|----------|---------|

**Heritage assets**

The Company holds heritage assets, being its collection of historic cars. The carrying amounts of the Company's heritage assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

The historic cars have an indefinite life, and therefore, are not depreciated. The Company maintains these vehicles on a regular basis, charging the maintenance costs to the profit and loss account when incurred. The Company may dispose of any cars from the collection subject to management approval, at such time the value would be removed from the balance sheet.

**Research and development**

Expenditure on research activities, primarily relating to the development of race cars, is recognised in the profit and loss account as an expense as incurred

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2020**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Stocks**

The company has recognised as stocks, items that will be used in the production of next seasons racing cars. Stocks include raw materials and work in progress and are stated at the lower of cost and net realisable value after due regard for obsolete and slow-moving stocks. Manufactured stocks and work in progress include an appropriate share of directly attributable overhead based on normal operating capacity

**Impairment excluding stocks and deferred tax assets**

*Financial assets (including trade and other debtors)*

Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**Employee benefits**

*Defined contribution plans and other long-term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

*Termination benefits*

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2020**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Turnover**

Turnover principally comprises sponsorship income, prize money and other promotional income. Sponsorship receipts and promotional income are credited to the profit and loss account in line with the satisfaction of the relevant performance obligations and significant payment terms of the agreement. Prize money is credited to the profit and loss account in line with the year to which it relates.

In certain cases, the company enters into agreements with suppliers whereby goods and services are received in exchange for various sponsorship and marketing activities. In such cases turnover is recorded at the fair value of the goods or services rendered.

The directors do not consider there to be more than one class of business or geographical segment and therefore no further analysis of results by class of business or geographical segment is presented.

**Expenses**

*Interest receivable and interest payable*

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences are not provided for differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met;

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2020**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Leases**

The Company has applied IFRS 16 using the modified retrospective approach.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16.

*As a lessee*

At the contract's commencement date, a lessee recognises an asset related to the right of use, and a financial liability that represents the lease obligation. The right-of-use asset is amortised over the term of the lease. The lease liability is initially recognised at the present value of lease payments over the expected term of the lease. The discount is unwound using the implicit interest rate of the lease agreement if it can be readily determined, or at the incremental borrowing rate otherwise.

The term of the lease is the non-cancellable period of a lease contract during which the lessee has the right to use the leased asset, extended by any renewal options the Company is reasonably certain to exercise.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

*As a lessor*

The Company does not currently act as a lessor in any capacity.

**Government Grants**

Government grants are included within deferred government grants in the balance sheet and credited to the profit and loss account on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

The Company has elected to present grants related to income as a reduction to the related expense line.

# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2020

### 2. OPERATING (LOSS) / PROFIT

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| Operating (loss)/profit is stated after charging:  |              |              |
| Depreciation of tangible fixed assets              | 10,161       | 9,252        |
| Amortisation of intangible assets                  | 785          | 869          |
| Profit/(loss) on disposal of tangible fixed assets | 55           | (17)         |
| Loss on disposal of heritage assets                | (20)         | (10)         |
| Lease expenses                                     |              |              |
| Land and buildings                                 | 9            | 16           |
| Plant and machinery                                | 53           | 45           |
| Motor Vehicles                                     | 42           | 54           |
| Loss on foreign exchange                           | (103)        | (726)        |
| Auditor's remuneration                             |              |              |
| Audit of the financial statements                  | 58           | 60           |

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

|  | 2020       | 2019       |
|--|------------|------------|
| <b>Average number of persons employed:</b> |            |            |
| Engineering                                | 391        | 358        |
| Production                                 | 237        | 230        |
| Administration                             | 150        | 155        |
|  | <u>778</u> | <u>743</u> |

|  | 2020<br>£000  | 2019<br>£000  |
|--|---------------|---------------|
| <b>Staff costs during the year:</b>              |               |               |
| Wages and salaries                               | 47,046        | 46,098        |
| Social security costs                            | 5,986         | 5,741         |
| Contributions made to defined contribution plans | 1,126         | 1,001         |
|  | <u>54,158</u> | <u>52,840</u> |

Wages and salaries includes CJRS income of £3,430,075 which was paid to qualifying employees.

### 4. DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

|                                       | 2020<br>£000 | 2019<br>£000 |
|---------------------------------------|--------------|--------------|
| Remuneration                          | 671          | 472          |
| Company contributions to pension plan | 39           | 27           |
|                                       | <u>710</u>   | <u>499</u>   |

# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2020

### 4. DIRECTORS' REMUNERATION (CONTINUED)

The notional cost of Directors not remunerated through Alpine Racing has been considered and is not deemed to be significant for the years ended 31 December 2020 or 31 December 2019.

The remuneration of the highest paid Director was £671,000 (2019: £472,000), and company pension contributions of £39,000 (2019: £27,000) were made.

### 5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

|                           | 2020<br>£000 | 2019<br>£000 |
|---------------------------|--------------|--------------|
| Other interest receivable | 28           | 37           |
|                           | <u>28</u>    | <u>37</u>    |

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

|   | 2020<br>£000 | 2019<br>£000 |
|---|--------------|--------------|
| On intercompany loans                               | 2,077        | 2,397        |
| On lease liabilities                                | 59           | 68           |
| On bank loans and overdrafts, and other liabilities | 9            | 6            |
|   | <u>2,145</u> | <u>2,471</u> |

Interest payable and similar charges includes interest payable and similar on bank loans and overdrafts, this was £9,000 for 2020 (2019: £6,000). Of the above amount £2,077,000 (2019: £2,397,000) was payable to group undertakings.

### 7. TAXATION

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

|   | 2020<br>£000 | 2019<br>£000 |
|---|--------------|--------------|
| <b>Analysis of tax charge in the period</b> |              |              |
| UK current tax on income for the period     | 46           | 476          |
| Adjustment in respect of prior years        | 218          | (71)         |
|   | <u>264</u>   | <u>405</u>   |

# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2020

### 7. TAXATION (CONTINUED)

#### Deferred tax

Origination/reversal of timing differences

Tax on loss on ordinary activities

|            |            |
|------------|------------|
| -          | -          |
| <b>264</b> | <b>405</b> |

#### Reconciliation of effective tax rate

|   |                 |                |
|---|-----------------|----------------|
|   | <b>2020</b>     | <b>2019</b>    |
|   | <b>£000</b>     | <b>£000</b>    |
| <b>Loss on ordinary activities before tax</b> | <b>(12,130)</b> | <b>(2,111)</b> |
| Tax at 19% (2019: 19%) thereon                | <b>(2,305)</b>  | <b>(401)</b>   |
| Effects of:                                   |                 |                |
| Adjustments in respect of prior years         | <b>218</b>      | <b>(71)</b>    |
| Expenses not deductible for tax purposes      | <b>601</b>      | <b>584</b>     |
| Income not taxable                            |                 | <b>35</b>      |
| Deferred tax not recognised                   | <b>163</b>      | <b>(1,081)</b> |
| Effects of group relief                       | <b>848</b>      | <b>497</b>     |
| Notional RDEC credit                          | <b>739</b>      | <b>842</b>     |
| Total tax charge/(credit) for the year        | <b>264</b>      | <b>405</b>     |

#### *Factors affecting future tax charges*

The main rate of corporation tax for the current financial year is 19%. Since the balance sheet date, it was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25% from 1 April 2023. This change has not yet been substantively enacted and as such the unrecognised deferred tax has been calculated at 19% (2019:17%).



# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2020

### 8. INTANGIBLE ASSETS

|                                 | Software     | Total        |
|---------------------------------|--------------|--------------|
|                                 | £000         | £000         |
| <b>Cost</b>                     |              |              |
| At 1 January 2020               | 11,955       | 11,955       |
| Additions                       | 2,122        | 2,122        |
| Transfers                       | 2,309        | 2,309        |
| Disposals                       | -            | -            |
| At 31 December 2020             | 16,386       | 16,386       |
| <b>Accumulated depreciation</b> |              |              |
| At 1 January 2020               | 11,019       | 11,019       |
| Charge for the year             | 785          | 785          |
| Transfers                       | 1,606        | 1,606        |
| Disposals                       | -            | -            |
| At 31 December 2020             | 13,410       | 13,410       |
| <b>Net book value</b>           |              |              |
| <b>At 31 December 2020</b>      | <b>2,976</b> | <b>2,976</b> |
| At 31 December 2019             | 936          | 936          |

Following a review of fixed assets, a fully depreciated asset with a cost and accumulated depreciation value of £1,606,590 has been transferred from tangible assets (furniture and fittings) to intangible assets.

# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2020

### 9. TANGIBLE FIXED ASSETS

|                                 | Freehold<br>land and<br>buildings | Plant and<br>machinery | Furniture<br>and Fittings | Motor<br>vehicles | Assets<br>under<br>construction | Total         |
|---------------------------------|-----------------------------------|------------------------|---------------------------|-------------------|---------------------------------|---------------|
|                                 | £000                              | £000                   | £000                      | £000              | £000                            | £000          |
| <b>Cost</b>                     |                                   |                        |                           |                   |                                 |               |
| At 1 January 2020               | 44,745                            | 39,753                 | 38,321                    | 609               | 2,394                           | 125,822       |
| Additions                       | 401                               | 5,298                  | 2,517                     | -                 | 2,812                           | 11,028        |
| Transfers                       | 64                                | (238)                  | (1,437)                   | -                 | (698)                           | (2,309)       |
| Disposals                       | (506)                             | (4,166)                | (182)                     | (178)             | (13)                            | (5,045)       |
| At 31 December 2020             | 44,704                            | 40,647                 | 39,219                    | 431               | 4,495                           | 129,496       |
| <b>Accumulated depreciation</b> |                                   |                        |                           |                   |                                 |               |
| At 1 January 2020               | 21,561                            | 20,598                 | 26,147                    | 444               | -                               | 68,750        |
| Charge for the year             | 1,453                             | 3,666                  | 4,990                     | 52                | -                               | 10,161        |
| Transfers                       | -                                 | -                      | (1,606)                   | -                 | -                               | (1,606)       |
| Disposals                       | (506)                             | (1,939)                | (150)                     | (130)             | -                               | (2,725)       |
| At 31 December 2020             | 22,508                            | 22,325                 | 29,381                    | 366               | -                               | 74,580        |
| <b>Net book value</b>           |                                   |                        |                           |                   |                                 |               |
| <b>At 31 December 2020</b>      | <b>22,196</b>                     | <b>18,322</b>          | <b>9,838</b>              | <b>65</b>         | <b>4,495</b>                    | <b>54,916</b> |
| At 31 December 2019             | 23,184                            | 19,155                 | 12,174                    | 165               | 2,394                           | 57,072        |

Included in the total for freehold land and buildings is land of £1,220,000 (2019: £1,220,000) which is not depreciated.

The fixed assets have been considered for indicators of impairment and none noted in the current year

#### Right-of-use assets

At 31 December 2020 tangible fixed assets includes right-of-use assets as follows:

|                                  | Land and<br>Buildings | Plant and<br>equipment | Fixtures and<br>fittings | Total        |
|----------------------------------|-----------------------|------------------------|--------------------------|--------------|
|                                  | £000                  | £000                   | £000                     | £000         |
| Balance as at 1 January 2020     | 80                    | 3,432                  | 3,645                    | 7,157        |
| Additions to right-of-use assets | -                     | -                      | 1,001                    | 1,001        |
| Disposals                        | -                     | (2,217)                | -                        | (2,217)      |
| Depreciation charge for the year | (69)                  | (1,215)                | (1,762)                  | (3,046)      |
| Balance as at 31 December 2020   | <b>11</b>             | <b>-</b>               | <b>2,884</b>             | <b>2,895</b> |

# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2020

### 10. HERITAGE ASSETS

| <i>Valuation</i>    | <b>Historic Cars<br/>£000</b> |
|---------------------|-------------------------------|
| At 1 January 2020   | 3,970                         |
| Additions           | -                             |
| Disposals           | (20)                          |
| At 31 December 2020 | <b>3,950</b>                  |

Five-year financial summary of heritage asset transactions

|           | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> | <b>2018<br/>£000</b> | <b>2017<br/>£000</b> | <b>2016<br/>£000</b> |
|-----------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Additions | -                    | -                    | -                    | -                    | 270                  |
| Disposals | (20)                 | (10)                 | -                    | (140)                | (85)                 |
| Total     | <b>(20)</b>          | <b>(10)</b>          | <b>-</b>             | <b>(140)</b>         | <b>185</b>           |

These assets are held on the balance sheet at valuation and are formally re-valued every five years. The assets were valued independently as at 30 September 2020 by T.J. Madden MRICS of Wyles Hardy & Co. Ltd. totalling £4,040,000. As no material difference was identified the accounts have not been updated. For the year ended December 2017 and onwards, the Company has not capitalised the retained F1 cars to the heritage asset pool.

### 11. STOCKS

|                                    | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|------------------------------------|----------------------|----------------------|
| Raw materials and work in progress | <b>10,927</b>        | <b>11,802</b>        |

The difference between the purchase price of stocks and their replacement cost is not material.

### 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                     | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|-------------------------------------|----------------------|----------------------|
| Trade debtors                       | <b>633</b>           | 3,529                |
| Amounts due from group undertakings | <b>2,678</b>         | 2,112                |
| Value added tax                     | <b>839</b>           | 248                  |
| Other debtors                       | <b>8</b>             | 92                   |
| Prepayments and accrued income      | <b>14,916</b>        | 22,016               |
|                                     | <b>19,074</b>        | <b>27,997</b>        |

# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 13. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|             | 2020<br>£000 | 2019<br>£000 |
|-------------|--------------|--------------|
| Prepayments | -            | 2,324        |
|             | <u>-</u>     | <u>2,324</u> |

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | 2020<br>£000   | 2019<br>£000   |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 6,860          | 6,489          |
| Amounts owed to group undertakings | 2,835          | 3,482          |
| Corporation tax                    | 1,788          | 1,946          |
| Withholding tax                    | 450            | 450            |
| Other taxation and social security | 2,249          | 2,536          |
| Accruals and deferred income       | 9,100          | 12,788         |
| Loans                              | 125,076        | 125,098        |
| Lease liabilities                  | 2,190          | 1,735          |
|                                    | <u>150,548</u> | <u>154,524</u> |

### 15. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

|                   | 2020<br>£000 | 2019<br>£000 |
|-------------------|--------------|--------------|
| Lease liabilities | <u>596</u>   | <u>1,992</u> |

### 16. INTEREST BEARING LOANS AND BORROWINGS

|  | 2020<br>£000   | 2019<br>£000   |
|--|----------------|----------------|
| <b>Creditors falling due within less than one year</b> |                |                |
| Intercompany loan                                      | 125,000        | 125,000        |
| Accrued interest on intercompany loan                  | 76             | 98             |
|  | <u>125,076</u> | <u>125,098</u> |

# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2020

### 16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

#### Terms and debt repayment schedule

|                   | Principal<br>borrowed<br>£000 | Year of<br>maturity | Principal Outstanding<br>2020<br>£000 | 2019<br>£000   |
|-------------------|-------------------------------|---------------------|---------------------------------------|----------------|
| Intercompany loan | 125,000                       | 2021                | 125,000                               | 125,000        |
|                   |                               |                     | <u>125,000</u>                        | <u>125,000</u> |

### 17. DEFERRED TAX ASSETS AND LIABILITIES

|                                   | 2020<br>£000  | 2019<br>£000  |
|-----------------------------------|---------------|---------------|
| <b>Recognised deferred tax:</b>   |               |               |
| Fixed assets                      | (4,357)       | (4,053)       |
| Losses                            | 4,357         | 4,053         |
|                                   | <u>-</u>      | <u>-</u>      |
| <b>Unrecognised deferred tax:</b> |               |               |
| Fixed assets                      | -             | -             |
| Temporary differences             | 137           | 74            |
| Losses                            | 17,357        | 15,369        |
| IFRS 9                            | -             | -             |
|                                   | <u>17,494</u> | <u>15,443</u> |
| Net tax assets                    | 17,494        | 15,443        |

A deferred tax asset has not been recognised in the financial statements due to its future economic benefit being uncertain.

### 18. DEFINED CONTRIBUTION PLANS

The Company operates a defined contribution pension plan.

The total expense relating to this plan in the current year was £1,126,000 (2019: £1,001,000)

# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2020

### 19. CALLED UP SHARE CAPITAL

|  | 2020<br>No.<br>000's | 2019<br>No.<br>000's | 2020<br>£000   | 2019<br>£000   |
|--|----------------------|----------------------|----------------|----------------|
| Allotted, called-up and fully paid Ordinary A shares | 142,512              | 142,512              | 142,512        | 142,512        |
| Allotted, called-up and fully paid Ordinary B shares | 15,834               | 15,834               | 15,834         | 15,834         |
| Share premium  | -                    | -                    | 13,256         | 13,256         |
|  | <u>158,346</u>       | <u>158,346</u>       | <u>171,602</u> | <u>171,602</u> |

Included in the note above, there is 151,601,990 ordinary shares allotted for £1 each and 6,744,444 shares allotted for £2.965404 each.

The holders of A ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The holders of B ordinary shares are entitled to receive dividends as declared from time to time and have no voting rights attached to them.

### 20. PROFIT AND LOSS ACCOUNT

|                             | 2020<br>£000     | 2019<br>£000     |
|-----------------------------|------------------|------------------|
| Balance at 1 January        | (257,276)        | (254,760)        |
| Loss for the financial year | (12,394)         | (2,516)          |
| Balance at 31 December      | <u>(269,670)</u> | <u>(257,276)</u> |

### 21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

|                                       | 2020<br>£000    | 2019<br>£000    |
|---------------------------------------|-----------------|-----------------|
| Loss for the year                     | (12,394)        | (2,516)         |
| Net decrease to shareholders' deficit | <u>(12,394)</u> | <u>(2,516)</u>  |
| Opening shareholders' deficit         | (43,520)        | (41,004)        |
| Closing shareholders' deficit         | <u>(55,914)</u> | <u>(43,520)</u> |

On 17 December 2015, 90,901,990 shares at £1 each were issued in order to capitalise the outstanding liabilities under the intercompany loan. Further intercompany debts were waived, this value (£42,154,000) is shown as capital contribution reserves.

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2020

#### 22. FINANCIAL INSTRUMENTS

The Company has taken an exemption from the requirement to prepare a financial instruments note on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements. The amounts owed by group undertakings have not been included within the consolidated financial statements and have been considered below.

##### *Amounts owed by and to group undertakings*

The fair value of amounts owed by and to group undertakings are estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Management believe there are no risks arising from these financial instruments on the grounds that intercompany balances are payable on demand and interest is charged to group undertakings. While the intercompany loan is interest bearing, and repayable on a 3 month rolling basis, this is in line with a signed agreement. The Board reviews and agrees policies for managing these risks. There have been no substantive changes in the Company's exposure to financial instrument risks or its objectives, policies and processes for managing and measuring those risks during the periods in this report unless otherwise stated.

|   | Level | Carrying<br>amount<br>2020<br>£000 | Fair<br>value<br>2020<br>£000 | Carrying<br>amount<br>2019<br>£000 | Fair value<br>2019<br>£000 |
|---|-------|------------------------------------|-------------------------------|------------------------------------|----------------------------|
| Amounts due from Group undertakings                           | 3     | 2,678                              | 2,678                         | 2,112                              | 2,112                      |
| <b>Total financial assets</b>                                 |       | <b>2,678</b>                       | <b>2,678</b>                  | <b>2,112</b>                       | <b>2,112</b>               |
| Amounts owed to Group undertakings                            | 3     | 2,835                              | 2,835                         | 3,482                              | 3,482                      |
| Intercompany loan   | 3     | 125,076                            | 125,076                       | 125,098                            | 125,098                    |
| <b>Total financial liabilities measured at amortised cost</b> |       | <b>127,911</b>                     | <b>127,911</b>                | <b>128,580</b>                     | <b>128,580</b>             |

##### *Fair value hierarchy*

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the value measurements:

Level 1 – inputs are quoted prices in active markets.

Level 2 – a valuation that uses observable inputs for the asset or liability other than quoted prices in active markets.

Level 3 – a valuation using unobservable inputs, i.e. a valuation technique.

There were no transfers between levels throughout the periods under review.

# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2020

### 23. LEASES

#### Leases

##### *Right-of-use assets*

|                                  | Land and<br>Buildings<br>£000 | Plant and<br>equipment<br>£000 | Fixtures and<br>fittings<br>£000 | Total<br>£000 |
|----------------------------------|-------------------------------|--------------------------------|----------------------------------|---------------|
| Balance as at 1 January 2020     | 80                            | 3,432                          | 3,645                            | 7,157         |
| Additions to right-of-use assets | -                             | -                              | 1,001                            | 1,001         |
| Disposals                        | -                             | (2,217)                        | -                                | (2,217)       |
| Depreciation charge for the year | (69)                          | (1,215)                        | (1,762)                          | (3,046)       |
| Balance as at 31 December 2020   | <b>11</b>                     | <b>-</b>                       | <b>2,884</b>                     | <b>2,895</b>  |

##### *Lease liabilities*

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| <b>Maturity analysis – contractual undiscounted cash flows</b>                             |              |              |
| Less than one year   | 2,203        | 1,787        |
| One to five years  | 623          | 2,015        |
| More than five years   | -            | -            |
| <b>Total undiscounted lease liabilities at 31 December</b>                                 | <b>2,826</b> | <b>3,802</b> |
| <b>Lease liabilities included in the statement of financial position as at 31 December</b> | <b>2,786</b> | <b>3,727</b> |
| Current  | 2,190        | 1,735        |
| Non-current  | 596          | 1,992        |

##### *Amounts recognised in profit or loss*

The following amounts have been recognised in profit or loss for which the company is a lessee:

|  | 2020<br>£000 | 2019<br>£000 |
|--|--------------|--------------|
| <b>Leases under IFRS 16</b>  |              |              |
| Interest expense on lease liabilities  | 59           | 68           |
| Expenses relating to short-term leases   | 16           | 45           |
| Expenses relating to leases of low-value assets accounted, excluding short-term leases of low-value assets | 1            | 54           |
| Other lease payments including variable lease payments   | 87           | 16           |



# ALPINE RACING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2020

### 24. RELATED PARTIES

|   | Sales to      |               | Administrative expenses incurred |               |
|---|---------------|---------------|----------------------------------|---------------|
|   | 2020          | 2019          | 2020                             | 2019          |
|   | £000          | £000          | £000                             | £000          |
|   |               |               | from                             |               |
| Entities with control, joint control or significant influence | 93            | -             | 2,088                            | 2,397         |
| Key management personnel of the company or its Parent         | -             | -             | -                                | -             |
| Other related parties   | 63,914        | 65,208        | 16,326                           | 20,047        |
|   | <b>64,007</b> | <b>65,208</b> | <b>18,414</b>                    | <b>22,444</b> |

|   | Receivables outstanding |              | Creditors outstanding |                |
|---|-------------------------|--------------|-----------------------|----------------|
|   | 2020                    | 2019         | 2020                  | 2019           |
|   | £000                    | £000         | £000                  | £000           |
| Entities with control, joint control or significant influence | 387                     | -            | 125,121               | 125,098        |
| Key management personnel of the company or its Parent         | -                       | -            | -                     | -              |
| Other related parties   | 2,291                   | 2,112        | 2,790                 | 3,482          |
|   | <b>2,678</b>            | <b>2,112</b> | <b>127,911</b>        | <b>128,580</b> |

### 25. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Grigny (UK) Limited. The ultimate controlling party is Renault S.A. at Renault 13-15, quai Le Gallo – 92513 Boulogne-Billancourt Cedex, France.

### 26. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The directors do not consider there to be any significant judgements or estimates in relation to these financial statements.

### 27. EVENTS AFTER THE BALANCE SHEET DATE

On 6<sup>th</sup> January 2021 the Company officially changed its name from Renault Sport Racing Limited to Alpine Racing Limited.