



RED BULL RACING LIMITED

REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 2009

MONDAY



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COMPANIES HOUSE

Directors

Dr H Marko
D Mateschitz
C E J Horner

Secretary

Laytons Secretaries Limited
Carmelite
50 Victoria Embankment
Blackfriars
London EC4Y 0LS

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

HSBC
City Corporate Banking Centre
60 Victoria Street
London EC4N 4TR

Registered office

Building 2
Bradbourne Drive
Tilbrook
Milton Keynes MK7 8AT

Directors' report

The directors submit their report and financial statements for the year ended 31 December 2009

Results and dividends

The profit for the year after taxation amounted to £706,000 (2008 – profit £470,000) The directors do not recommend the payment of a dividend

Principal activity and review of the business

The principal activity of the company during the year was the management of a Formula One motor racing team

The directors consider race performance, championship performance and cost base to be the principal Key Performance Indicators to assess progress towards strategic goals

2009 has been the most successful season so far, achieving a breakthrough first win, 6 race wins in total, 16 podiums and second place in both the Constructors and Drivers Championships

New regulations in 2009 provided greater opportunities for car development With the strong support of Red Bull GmbH the team invested more resources in development updates and ultimately success bonuses

The company's turnover during the year under review was £132,749,000 (2008 - £123,538,000)

Principal risks and uncertainties

The company's principal risk is the level of financial contributions toward its racing programme it receives Contributions are dependent upon the underlying performance of the company's racing activities which has seen recent improvement and is expected to continue to improve in the future

Future developments

The directors are actively engaged, through the team association, with the sports governing body in safeguarding the future of team's participation through significant cost reduction

Going concern

The financial statements are prepared in terms of the going concern principle on the basis that the company's ultimate parent undertaking, Red Bull GmbH, will not demand repayment of inter company loans unless the company has the facilities to repay them, and will continue to provide such financial support as is necessary to maintain the company as a going concern for a period of not less than one year from the date of approval of these financial statements

Directors

The directors who held office during the year are given below

Dr H Marko
D Mateschutz
C E J Horner

Directors' report

Financial risk management

As part of the review, the Directors have considered the exposure of the company to liquidity risk and foreign exchange risk, in order that an overall assessment can be made of the company's assets, liabilities, its financial position and its results for the year. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Liquidity risk

The company is funded through its retained profits and intercompany balances. The directors actively consider other sources of funding to ensure that the company has sufficient available funds for its operations.

Foreign exchange risk

The company has foreign currency transactions denominated in Euro, USD and other currencies. The Board reviews and agrees policies for managing risks arising from the company's operations.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

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 he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Board



C Horner
Director

1st February 2010

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of company and of the profit or loss of the company for that period. In preparing those 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,
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Red Bull Racing Limited

We have audited the company's financial statements for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Red Bull Racing Limited

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

Ernst & Young LLP

Graham Bradshaw (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
London
2nd February 2010

Profit and loss account

For the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Turnover	2	132,749	123,538
Cost of sales		(125,053)	(116,544)
Gross profit		7,696	6,994
Administrative costs		(6,991)	(6,911)
Operating profit	3	705	83
Interest receivable and similar income	4	1	16
Profit on ordinary activities before taxation		706	99
Tax on profit on ordinary activities	7	-	371
Profit for the financial year	13	706	470

The profit and loss account has been prepared on the basis that all operations are continuing

Statement of total recognised gains and losses

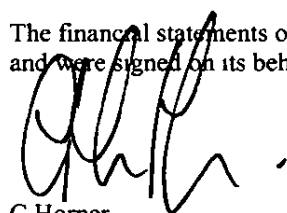
There are no recognised gains and losses other than the profit above of £706,000 for the year ended 31 December 2009 and profit of £470,000 for 2008

Balance Sheet

At 31 December 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	8	15,841	18,467
Current assets			
Debtors	9	7,231	14,033
Cash at bank and in hand		182	68
		7,413	14,101
Creditors amounts falling due within one year	10	(20,506)	(30,526)
Net current liabilities		(13,093)	(16,425)
Total assets less current liabilities		2,748	2,042
Provisions for liabilities	11	(1,587)	(1,587)
		1,161	455
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account	13	161	(545)
Shareholders' funds	13	1,161	455

The financial statements on pages 7 to 17 were approved by the board of directors on 1st February 2010 and were signed on its behalf by



C Horner
Director
1st February 2010

Notes to the financial statements

at 31 December 2009

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the UK

Value in kind assets

Value in kind assets are recognised in accordance with the revenue accounting policy. Initial revenue recognition is based on managements' judgement that all value in kind, as detailed within the sponsorship agreements, will be fully utilised within the terms of the agreement.

The fair value of the respective value in kind is determined as the price the company would have paid for comparable goods and services.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes.

Turnover

Turnover represents sponsorship and promotional income, prize money, bonus payments and contributions towards the race programme received and receivable net of value added tax.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation

Provision for depreciation of tangible fixed assets, other than assets in the course of construction, is made on the straight line basis at rates calculated to write off the cost of the assets, less their estimated residual values, over their expected useful economic lives, which are considered to be:

Leasehold improvements	-	over remaining period of lease
Motor vehicles	-	3 - 4 years
Office and workshop equipment	-	3 - 7 years
Freehold land and buildings	-	20 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Lease agreements

Payments under operating leases are charged to the profit and loss account on the straight line basis over the term of the lease.

Cash flow statement

The company has taken the exemption available under FRS 1 not to prepare a cash flow statement as it is included in the publicly available group financial statements of its parent.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements

at 31 December 2009

1. Accounting policies (continued)

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

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are converted at the rate of exchange ruling at the date of the transaction. All translation differences are taken to the profit and loss account as they arise.

Research and development expenditure

Research and development expenditure is charged to the profit and loss account as incurred.

Dilapidation provision

Provision for dismantling, removing temporary structures and restoring leasehold properties is recognised at the present value of the estimated future expenditure. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This is depreciated over the remaining lease term. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision.

Going concern

The financial statements are prepared in terms of the going concern principle on the basis that the company's ultimate parent undertaking, Red Bull GmbH, will not demand repayment of inter company loans unless the company has the facilities to repay them, and will continue to provide such financial support as is necessary to maintain the company as a going concern for a period of not less than one year from the date of approval of these financial statements.

2. Turnover

Turnover, which is net of value added tax, represents sponsorship income derived from Formula One racing agreements.

Turnover is attributable to one continuing activity, the management of a Formula One motor racing team.

3. Operating profit

	2009 £'000	2008 £'000
This is stated after charging/(crediting)		
Auditors' remuneration - audit of the financial statements	-	36
- non audit fees relating to taxation services	2	8
Depreciation on tangible fixed assets		
Owned	2,821	2,951
(Profit)/Loss on disposal of fixed assets	(11)	5
Operating lease rentals - land and buildings	949	904
Net profit on foreign currency translation	(455)	(343)
Research and development	3,030	2,217

Audit costs for the current year of 2009 were borne by the parent company.

Notes to the financial statements

at 31 December 2009

4. Interest receivable and similar income

	2009 £'000	2008 £'000
Bank account interest	1	16
	<u>1</u>	<u>16</u>

5. Directors' remuneration

Directors' remuneration was paid in respect of directors of the company as follows

	2009 £'000	2008 £'000
Emoluments	927	300
	<u>927</u>	<u>300</u>

The amounts in respect of the highest paid director are as follows

Emoluments	927	300
	<u>927</u>	<u>300</u>

6. Staff costs

	2009 £'000	2008 £'000
Wages and salaries	4,634	4,012
Social security costs	623	447
	<u>5,257</u>	<u>4,459</u>

Notes to the financial statements

at 31 December 2009

6. Staff costs (continued)

The average monthly number of employees, including directors, employed during the year was as follows

	2009 No	2008 No
Racing and production	59	72
Administration	2	2
	<u>61</u>	<u>74</u>

7. Taxation

(a) Tax on profit on ordinary activities

The tax charge/(credit) is made up as follows

	2009 £'000	2008 £'000
<i>Current tax</i>		
UK corporation tax on the profit for the year	–	–
Total current tax (note 7(b))	<u>–</u>	<u>–</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	366	(371)
Reversal of provision on Industrial Building Allowances	(366)	–
Total deferred tax (note 7(c))	<u>–</u>	<u>(371)</u>
Total tax charge/(credit) for year	<u>–</u>	<u>(371)</u>

Notes to the financial statements

at 31 December 2009

7. Taxation (continued)

(b) Factors affecting current tax for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

	2009 £'000	2008 £'000
Profit before tax on ordinary activities	706	99
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	198	28
<i>Effect of</i>		
Non deductible items	373	431
Depreciation in excess/(arrears) of capital allowances	19	(375)
Utilisation of brought forward losses	(590)	(84)
Total current tax (note 7(a))	-	-

(c) Deferred tax

The movements in deferred taxation during the current year are as follows

	£ 000
Deferred tax	
At 1 January 2009	-
Profit and loss account	366
Reversal of provision on Industrial buildings allowances	(366)
As at 31 December 2009 (note 11)	-

Deferred tax asset recognised and not recognised in the financial statements are follows

	2009 Recognised £ 000	2009 Not recognised £ 000	2008 Recognised £ 000	2008 Not recognised £ 000
Depreciation in advance of capital allowances	-	1,538	-	1,417
Tax losses	-	148	-	738
Deferred tax asset (note 13)	-	1,686	-	2,155

The deferred tax asset has not been recognised as there is insufficient evidence that tax losses will be recoverable in the future

Notes to the financial statements

at 31 December 2009

8. Tangible fixed assets

	<i>Leasehold improvement</i>	<i>Assets in the course of construction</i>	<i>Motor vehicles</i>	<i>Office and workshop equipment</i>	<i>Freehold land and buildings</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2009	15,293	342	760	2,004	21,326	39,725
Additions	777	151	1	211	–	1,140
Disposals	(48)	–	(40)	–	(1,230)	(1,318)
Transfers	341	(341)	–	–	–	–
At 31 December 2009	16,363	152	721	2,215	20,096	39,547
Depreciation						
At 1 January 2009	6,803	–	575	777	13,103	21,258
Charge for the year	1,885	–	97	510	329	2,821
Disposals	(11)	–	(38)	–	(324)	(373)
At 31 December 2009	8,677	–	634	1,287	13,108	23,706
Net book value						
At 31 December 2009	7,686	152	87	928	6,988	15,841
At 31 December 2008	8,490	342	185	1,227	8,223	18,467

9. Debtors

	2009 £'000	2008 £'000
Amounts falling due within one year		
Trade debtors	34	40
Other debtors	71	317
Prepayments and accrued income	7,126	13,676
	7,231	14,033

10. Creditors

	2009 £'000	2008 £'000
Amounts falling due within one year		
Trade creditors	690	746
Amounts owed to group undertakings	17,724	26,754
Other taxes and social security	154	138
Other creditors	32	33
Accruals and deferred income	1,906	2,590
Creditors for capital expenditure	–	265
	20,506	30,526

Notes to the financial statements

at 31 December 2009

11. Provisions for liabilities

	<i>Deferred tax</i>	<i>Dilapidation provision</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January and 31 December 2009	–	1,587	1,587

Provisions for liabilities entirely relate to dilapidation costs

Deferred taxation

	<i>Accelerated capital allowances</i>
	<i>£'000</i>
Deferred tax provided	
At 1 January 2009	–
Charged to profit and loss account	366
Reversal of provision on industrial buildings allowances	(366)
At 31 December 2009	–

12. Issued share capital

	<i>2009</i>	<i>2008</i>
	<i>£'000</i>	<i>£'000</i>
<i>Allotted, called up and fully paid</i>		
1,000,000 ordinary shares of £1 each	1,000	1,000

13. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 31 December 2007	1,000	(1,015)	(15)
Profit for the year	–	470	470
At 31 December 2008	1,000	(545)	455
Profit for the year	–	706	706
At 31 December 2009	1,000	161	1,161

Notes to the financial statements

at 31 December 2009

14 Capital commitments

	2009 £'000	2008 £'000
Contracts placed for future capital expenditure not provided for in the financial statements	15	613

15. Operating leases

The company was committed to making the following annual payments under non-cancellable operating leases as at 31 December

	<i>Land and buildings</i> 2009 £'000	<i>Land and buildings</i> 2008 £'000
Leases expiring		
Between one and five years	634	634
Over five years	315	315

Notes to the financial statements

at 31 December 2009

16. Related party transactions

The company has taken advantage of the exemption available to companies that are at least 90% owned and whose parent company's consolidated financial statements are publicly available not to disclose transactions with group companies under provisions of FRS 8. This exemption has been claimed for transactions with companies within the Red Bull Technology Limited group.

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into and trading balances outstanding at 31 December 2009 are as follows:

Name	Relationship	Purchases		Sales of fixed assets	Recharges of goods & Services	Amounts owed from/(to) related party
		Sponsorship/ other income	of goods and services			
		£'000	£'000	£'000	£'000	£'000
Red Bull GmbH	Parent company					
2009		96,856	39	6	41	-
2008		78,965	-	-	-	-
Scuderia Toro Rosso	Fellow subsidiary					
2009		-	27	943	465	-
2008		-	27	-	2,312	(27)
Other Related Parties*	Fellow subsidiary					
2009		-	4	-	28	(4)
2008		33	-	-	-	-

* This relates to transactions with Team Red Bull Inc, Salzburg Sport GmbH, Red Bull Espana, Red Bull Company Ltd, Red Bull Australia and Red Bull FZE

17. Ultimate parent undertaking

The company's immediate parent undertaking is Red Bull Technology Limited which prepares consolidated financial statements, copies of which are available from Carmelite 50 Victoria Embankment, Blackfriars, London EC4Y 0LS.

In the opinion of the directors, the ultimate parent undertaking and controlling party for which group financial statements are drawn up and of which the company is a member is Red Bull GmbH, a company incorporated in Austria. Copies of financial statements can be obtained from Am Brunnen 1, 5330 Fuschl am See, Austria.