



RED BULL RACING LIMITED

REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 2015

Company No. 03120645

MONDAY



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COMPANIES HOUSE

Directors

H Marko
D Mateschitz
C E J Horner

Secretary

Laytons Secretaries Limited
2 More London Riverside
London SE1 2AP

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

Company No. 03120645

Strategic Report

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.

Under regulations where the power unit is the most significant competitive influence, the team's race performance and championship position has been impacted by limitations in this area. The team finished fourth in the Constructors' Championship despite maintaining the highest quality chassis development and race operation.

Higher costs reflecting the expense and complexity of supply and packaging of power units under the current regulations, have been offset by lower result based expenditure and other savings.

The team continues to maintain a robust budgetary control framework to ensure tight management of costs.

Turnover for the year reduced to £181,429,000 (2014 : £204,637,000).

Principle risks and uncertainties

Competitive Risks

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 been strong in recent years.

Legislative Risks

The company operates in the exciting, dynamic but challenging environment of Formula One. The principle rule maker in the sport is the FIA. Changes in regulations by the FIA can have a material impact on a team's competitive capabilities with significant commercial consequences.

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.

Use of Derivatives

The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

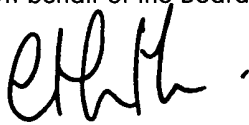
Strategic Report (continued)

Exposure to price, credit, liquidity and cash flow 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.

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.

On behalf of the Board.



C E J Horner
Director

28 January 2016

Company No. 03120645

Directors' report

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

Directors

The directors who served the company during the year were as follows:

H Marko

D Mateschitz

C E J Horner

Results and dividends

The profit for the year after taxation amounted to £2,141,000 (2014 – profit of £539,000). The directors do not recommend a final dividend (2014– £nil).

Future developments

Red Bull Racing retains significant continuity of partners and personnel to support continued strong performance. After five successful seasons together, three of which as title sponsor, Red Bull and Infiniti have ended their partnership. Red Bull is very pleased to welcome new partnerships including TAG Heuer and Puma, and the enhanced exposure of Red Bull energy drinks for the 2016 contender.

Financial Instruments

Details of financial instruments are provided in the Strategic Report on page 2 within the section of principal risks and uncertainties.

Going concern

The financial statements are prepared on a going concern basis as the Directors believe there will be sufficient cash available to meet liabilities as and when they fall due. The company's ultimate parent undertaking, Red Bull GmbH, confirmed to the Directors that it has no plans or intentions that would materially affect the ordinary operations of the company within the next 12 months or the carrying value or classification of its assets and liabilities at 31 December 2015 and has no plans or intentions to demand repayment of intercompany loans unless the company has the facilities to repay them.

Directors' report (continued)

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 company'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.

Re-appointment of Auditors

In accordance with s.487 of the Companies Act 2006, Ernst & Young LLP are deemed reappointed as auditor of the Company.

On behalf of the Board



C E J Horner
Director

28 January 2016

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Independent auditors' report

to the members of Red Bull Racing Limited

We have audited the financial statements of Red Bull Racing Ltd for the year ended 2015 which comprise the Statement of Income, the Statement of Financial Position and the Statement of Changes in Equity and the related notes 1 to 14. 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) including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the strategic report, directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its 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.

Independent auditors' report (continued)

to the members of Red Bull Racing Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Julie Carlyle (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
29 January 2016

Income Statement

for the year ended 31 December 2015

	Notes	2015 £000	2014 £000
<i>Turnover</i>	2	181,429	204,637
Cost of sales		<u>(177,753)</u>	<u>(199,669)</u>
<i>Gross profit</i>		3,676	4,968
Administrative Expenses		<u>(2,759)</u>	<u>(3,980)</u>
<i>Operating profit</i>	3	917	988
Gain on revaluation of investment property		1,400	-
(Loss)/profit on disposal of tangible fixed assets		<u>(30)</u>	<u>1</u>
<i>Profit on ordinary activities before taxation</i>		2,287	989
Tax on profit on ordinary activities	5	<u>(146)</u>	<u>(450)</u>
<i>Profit for the financial year</i>		<u><u>2,141</u></u>	<u><u>539</u></u>

The income statement has been prepared on the basis that all operations are continuing.

The notes on pages 12 to 23 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2015

Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Non- distributable reserve</i>	<i>Total share- holders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2014	1,000	3,219	1,100	5,319
Profit for the year	-	539	-	539
At 31 December 2014	1,000	3,758	1,100	5,858
Profit for the year	-	741	1,400	2,141
At 31 December 2015	<u>1,000</u>	<u>4,499</u>	<u>2,500</u>	<u>7,999</u>

Statement of Financial Position

at 31 December 2015

	Notes	2015 £000	2014 £000
<i>Fixed assets</i>			
Tangible assets	6	10,188	9,495
<i>Current assets</i>			
Debtors	7	21,551	16,165
Cash at bank and in hand		<u>2,181</u>	<u>2,378</u>
		23,732	18,543
<i>Creditors: amounts falling due within one year</i>	8	<u>(25,921)</u>	<u>(22,180)</u>
<i>Net current liabilities</i>		<u>(2,189)</u>	<u>(3,637)</u>
Total assets less current liabilities		<u>7,999</u>	<u>5,858</u>
<i>Capital and reserves</i>			
Called up share capital	9	1,000	1,000
Non-distributable reserve		2,500	1,100
Profit and loss account		4,499	3,758
<i>Shareholders' funds</i>		<u>7,999</u>	<u>5,858</u>

These financial statement were approved by the Board on 28 January 2016 and signed on its behalf by



C E J Horner
Director

Notes to the financial statements

at 31 December 2015

1. Accounting policies

Statement of compliance

Red Bull Racing Ltd is a limited liability company incorporated in England. The registered office is Building 2, Bradbourne Drive, Tilbrook, Milton Keynes, MK7 8AT.

The entity's financial statements have been prepared in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, as it applies to the financial statements of the entity for the year ended 31 December 2015.

The entity transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 14.

Red Bull Racing is a qualifying entity and applies the reduced disclosures framework, the exemptions for cashflow statement and related party disclosures have been taken. Red Bull Technology Limited is the parent identified in the definition of the term qualifying entity whose accounts of Red Bull Racing Limited are consolidated into. The financial statements of Red Bull Technology Limited can be obtained from Companies House.

Basis of preparation and change in accounting policy

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

Judgements and key sources of estimation uncertainty

The preparation of the 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 year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revaluation of investment properties

The company carries its investment property at fair value, with changes in fair value being recognised in the income statement. The company engaged independent valuation specialists to determine fair value at 31 December 2015.

Research and development

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

Operating leases

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

Notes to the financial statements

at 31 December 2015

1. Accounting policies (continued)

Investment properties

Investment properties are stated at fair value.

The carrying values of tangible investment properties are reviewed for revaluation and impairment on a regular basis as deemed appropriate by the Directors as well as when events or changes in circumstances indicate the carrying value may not be recoverable.

A gain or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

The company engages with an independent valuation specialist to determine fair value at 31 December 2015 which we did not deem to be different to market value. The key assumptions used to determine the fair value of investment properties are further explained in note 6.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated 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:

Motor vehicles	–	3 to 4 years
Office and workshop equipment	–	3 to 7 years
Freehold land and buildings	–	20 years

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

Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value.

Pensions

The company contributes to a defined contribution scheme administered by an independent pension provider. Contributions are charged to the profit and loss in the period they arise.

Impairment of non-financial assets

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 December 2015

1. Accounting policies (continued)

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.

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 exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

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.

2. 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.

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

Notes to the financial statements

at 31 December 2015

3. Operating profit

This is stated after charging/ (crediting):

	2015 £000	2014 £000
Research and development expenditure to be written off	8,501	2,545
Depreciation of owned assets	1,105	816
Loss/(profit) on disposal of fixed assets	30	(1)
Foreign exchange differences	423	660
Above the line tax credit recognised in the year	(1,328)	(485)

Audit costs for the current year of 2015 were borne by the parent undertaking.

4. Staff costs

(a) Staff Costs

	2015 £000	2014 £000
Wages and salaries	6,003	7,214
Social security costs	734	895
Pension	238	219
	<u>6,975</u>	<u>8,328</u>

The average monthly number of employees, including directors during the year was made up as follows:

	No.	No.
Racing and production	59	58
Administration	<u>2</u>	<u>2</u>
	<u>61</u>	<u>60</u>

Notes to the financial statements

at 31 December 2015

4. Staff costs (continued)

(b) Directors' remuneration

	2015	2014
	£000	£000
Aggregate remuneration in respect of qualifying services	<u>859</u>	<u>1,028</u>

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

	2015	2014
	£000	£000
Remuneration	<u>859</u>	<u>1,028</u>

In 2015 the highest paid director was a member of personal pension plans which received company contributions of £48,000 (2014 - £41,000)

Certain directors are also directors of other undertakings within the Red Bull group, of which Red Bull Racing Limited is a subsidiary. The directors' remuneration for the year was paid by other group undertakings, of which the proportion allocated to the company is insignificant.

The amounts disclosed above represent the remuneration for the qualifying services of the Directors of the Company.

Notes to the financial statements

at 31 December 2015

5. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015 £000	2014 £000
Current tax:		
UK corporation tax at 20.25% (2014: 21.49%)	444	450
Tax overprovided in previous years	(298)	-
Total current tax	<u>146</u>	<u>450</u>
Deferred tax:		
Total deferred tax (note 5 (d))	-	-
Tax on profit on ordinary activities	<u>146</u>	<u>450</u>

(b) Factors affecting the current tax charge for the year

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 20.25% (2014- 21.49%). The differences are explained below:

	2015 £000	2014 £000
Profit before tax on ordinary activities	<u>2,287</u>	<u>989</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	463	212
Effects of:		
Items not deductible for tax (including impact of R&D enhanced deduction)	168	105
Depreciation in excess of capital allowances	(179)	70
Income not taxable	(283)	-
Adjustment from previous periods	(298)	-
Revaluation of investment property	264	-
Other timing differences	11	63
Total tax expenses (note 7(a))	<u>146</u>	<u>450</u>

Notes to the financial statements

at 31 December 2015

5. Tax (continued)

(c) Factors that may affect future tax charges

Finance Act 2015 was enacted on 18 November 2015 and introduced a reduction in the headline rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020.

At present, it is not envisaged that any tax will become payable in the foreseeable future.

(d) Deferred tax

The deferred tax asset / (liability) included in the balance sheet is as follows:

	2015 £000	2014 £000
Owned fixed assets realised through use	264	-
Revaluation of Investment Property	(264)	-
	<u>-</u>	<u>-</u>
		£000
At 1 January 2015		-
Deferred tax liability on revaluation of investment property		(264)
Deferred tax asset recognised		<u>264</u>
At 31 December 2015		<u>-</u>

Notes to the financial statements

at 31 December 2015

6. Tangible fixed assets

	<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
Cost:					
At 1 January 2015	370	674	5,607	13,242	19,893
Additions	-	-	464	-	464
Disposals	(62)	-	(163)	-	(225)
Revaluations	-	-	-	1,400	1,400
Transfers	(308)	-	308	-	-
At 31 December 2015	-	674	6,216	14,642	21,532
Depreciation:					
At 1 January 2015	-	581	3,567	6,250	10,398
Provided during the year	-	40	748	317	1,105
Disposals	-	-	(159)	-	(159)
At 31 December 2015	-	621	4,156	6,567	11,344
Net book value:					
At 31 December 2015	-	53	2,060	8,075	10,188
At 1 January 2015	370	93	2,040	6,992	9,495

Fixed asset note

The net book value of freehold land and buildings comprises Freehold Investment properties at a fair valuation of £5,900,000. (2014 - £4,500,000) The investment property was valued by an independent valuer who is a member of The Royal Institution of Chartered Surveyors, White Commercial Surveyors Limited, on the basis of fair value in December 2015. The historical cost of investment properties included at valuation was £3,676,000 (2014 - £3,676,000).

The critical assumptions made relating to the valuations are set out below:

	2015	2014
Yields	4.5%	5.9%

Notes to the financial statements

at 31 December 2015

6. Tangible fixed assets (continued)

	£000
Fair Value:	
At 1 January 2015	4,500
Gain on valuation	1,400
At 31 December 2015	<u>5,900</u>

7. Debtors

	2015 £000	2014 £000
Amounts falling due within one year:		
Trade debtors	12,990	4,939
Other debtors	-	51
Other taxes	763	705
Prepayments and accrued income	<u>7,798</u>	<u>10,470</u>
	<u>21,551</u>	<u>16,165</u>

8. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	541	489
Amounts owed to group undertakings	6,595	9,479
Other taxes and social security	475	289
Other creditors	55	53
Accruals and deferred income	<u>18,255</u>	<u>11,870</u>
	<u>25,921</u>	<u>22,180</u>

Notes to the financial statements

at 31 December 2015

9. Allotted and issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2015</i>	<i>No.</i>	<i>2014</i>
		<i>£000</i>		<i>£000</i>
Ordinary shares of £1 each	1,000,000	<u>1,000</u>	1,000,000	<u>1,000</u>

10. Capital commitments

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Contracts placed for future capital expenditure not provided for in the financial statements	<u>21</u>	<u>33</u>

11. Operating lease agreements where the company is lessor

The company holds an investment property, as disclosed in note 6, which is let to third parties. At 31 December 2015 the company had annual receipts from non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire:		
Within one year	252	252
In two to five years	1,007	1,007
Beyond five years	<u>608</u>	<u>860</u>

Notes to the financial statements

at 31 December 2015

12. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into and trading balances outstanding at 31 December 2015 are as follows:

	<i>Relationship</i>	<i>Sponsorship/ other income £000</i>	<i>Purchase of goods and services £000</i>	<i>Sales of goods and services £000</i>	<i>Recharged costs £000</i>	<i>Amounts owed from/(to) related party £000</i>
	Ultimate Parent undertaking					
2015		10,136	–	–	–	–
2014		26,861	–	–	–	–
	Fellow subsidiaries					
2015		–	2	44	2	–
2014		202	4	878	46	(3)

13. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Red Bull Technology Limited which prepares group financial statements, copies of which are available from Companies House.

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.

Notes to the financial statements

at 31 December 2015

14. Transition to FRS 102

Reconciliation of equity at 1 January 2014 and 31 December 2014

The company transitioned to FRS 102 from the previous UK GAAP as at 1 January 2014. The impact from the transition to FRS 102 is as follows:

	31 December 2014 £000	1 January 2014 £000
<i>Equity under previous UK GAAP</i>	5,858	5,319
<i>Equity under FRS 102</i>	5,858	5,319

Investment Property

Prior to adoption of FRS 102, revaluation gains and losses on investment properties were recognised in the Statement of Total Recognised Gains and Losses.

Under FRS 102 such gains and losses are recognised within the income statement. The revaluation reserve under UK GAAP has been reclassified as non-distributable reserves.

Reconciliation of profit and loss for the year ended 31 December 2014

	£000
<i>Profit for the year ended 31 December 2014 under previous UK GAAP</i>	539
<i>Profit for the year ended 31 December 2014 under FRS 102</i>	539