



RED BULL RACING LIMITED

REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 2018

Company No. 03120645



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 a controlled cost base to be the principal Key Performance Indicators to assess progress towards strategic goals.

The team finished third in the Constructors Championship with 419 points, again the strongest of the independent teams. Performance improved through the season and the team achieved 4 wins and 13 podiums, however reliability has been an achilles heel.

Costs remain tightly controlled and increases to a large extent reflect performance bonuses.

Two significant changes were announced during the year.

- After 12 years together and 4 double Championship wins, the team will switch from Renault power units to Honda for 2019.
- The "honey badger", Daniel Ricciardo leaves the team after 5 seasons, with Pierre Gasly stepping up after impressing at Toro Rosso.

Red Bull Racing partnerships continue to develop. The mutual benefits with premium brands generate success on and off track.

Turnover for the year increased to £245,145,000 (2017 – £231,306,000).

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.

Strategic Report (continued)

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.

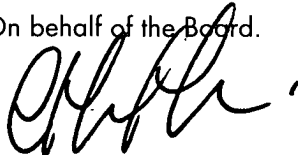
Exposure to price, credit, liquidity and cash flow risk

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.

There are suitable procedures in place to minimise and monitor credit exposure.

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

22 January 2019

Company No. 03120645

Directors' report

The directors present their report and financial statements for the year ended 31 December 2018.

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 £923,000 (2017 – profit of £575,000). No interim dividend was paid (2017 – £NIL). The directors do not recommend the payment of a final dividend.

Future developments

Red Bull Racing retains significant continuity of partners and personnel to support continued strong performance.

Liberty Media objectives for Formula One as a marketing platform align closely with Red Bull Racing.

The company is mindful that under the new Commercial and Regulatory framework, post 2020, that Formula One needs to remain attractive for Red Bull's continued support.

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 from date of signing or the carrying value or classification of its assets and liabilities at 31 December 2018 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

22 January 2019

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 AUDITOR'S REPORT TO THE MEMBERS OF RED BULL RACING LIMITED

Opinion

We have audited the financial statements of Red Bull Racing for the year ended 31st December 2018 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31st December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page...], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Ernst + Young LLP

Stuart Darrington (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

23 January 2019

Income Statement

for the year ended 31 December 2018

	Notes	2018 £000	2017 £000
<i>Turnover</i>	2	245,145	231,306
<i>Cost of sales</i>		<u>(239,606)</u>	<u>(226,711)</u>
<i>Gross profit</i>		5,539	4,595
<i>Administrative expenses</i>		<u>(4,673)</u>	<u>(3,484)</u>
<i>Operating profit</i>	3	866	1,111
<i>Gain on revaluation of investment property</i>		<u>600</u>	<u>-</u>
<i>Loss on disposal of tangible fixed assets</i>		<u>-</u>	<u>(2)</u>
<i>Profit on ordinary activities before investment income, interest and taxation</i>		1,466	1,109
<i>Bank interest receivable</i>		<u>4</u>	<u>1</u>
<i>Profit on ordinary activities before taxation</i>		1,470	1,110
<i>Tax on profit on ordinary activities</i>	5	<u>(547)</u>	<u>(535)</u>
<i>Profit for the financial year</i>		<u><u>923</u></u>	<u><u>575</u></u>

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

The notes on pages 13 to 23 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2018

Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Non- distributable reserve £000</i>	<i>Total share- holders' funds £000</i>
At 1 January 2017	1,000	884	2,500	4,384
Profit for the year	–	575	–	575
At 31 December 2017	1,000	1,459	2,500	4,959
Profit for the year	–	323	600	923
At 31 December 2018	1,000	1,782	3,100	5,882

Company No. 03120645

Statement of Financial Position

at 31 December 2018

	Notes	2018 £000	2017 £000
<i>Fixed assets</i>			
Tangible assets	6	9,794	9,284
<i>Current assets</i>			
Debtors	7	24,447	28,191
Cash at bank and in hand		<u>2,702</u>	<u>176</u>
		27,149	28,367
<i>Creditors: amounts falling due within one year</i>	8	<u>(31,061)</u>	<u>(32,692)</u>
<i>Net current liabilities</i>		<u>(3,912)</u>	<u>(4,325)</u>
Total assets less current liabilities		<u>5,882</u>	<u>4,959</u>
<i>Capital and reserves</i>			
Called up share capital	9	1,000	1,000
Non-distributable reserve		3,100	2,500
Profit and loss account		1,782	1,459
<i>Shareholders' funds</i>		<u>5,882</u>	<u>4,959</u>

These financial statement were approved by the Board on 22 January 2019 and signed on its behalf by



C E J Horner

Director

Notes to the financial statements

at 31 December 2018

1. Accounting policies

Statement of compliance

Red Bull Racing Limited 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 2018.

Red Bull Racing is a qualifying entity and applies the disclosure exemptions for the cash flow statement and related party disclosure as set out in FRS102, paragraph 1.12. 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 on a going concern basis, 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 statement of financial position 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.

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 2018

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 recognised in the profit and loss account for the year and subsequently transferred to the non-distributable reserve.

The company engages with an independent valuation specialist to determine fair value at 31 December 2018 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 2018

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 statement of financial position 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 statement of financial position 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 statement of financial position 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 statement of financial position date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the statement of financial position 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.

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

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

Notes to the financial statements

at 31 December 2018

3. Operating profit

This is stated after charging/(crediting):

	2018 £000	2017 £000
Auditors' remuneration – non-audit fees relating to taxation services	44	17
Research and development recognised in the year	13,782	12,617
Depreciation of owned assets	935	1,037
Loss on disposal of fixed assets	–	2
Foreign exchange loss / (gain)	17	(197)
Above the line tax credit recognised in the year	(1,171)	(1,237)
	<u> </u>	<u> </u>

Audit costs for 2018 and 2017 were borne by the parent undertaking.

4. Staff costs

(a) Staff Costs

	2018 £000	2017 £000
Wages and salaries	7,778	8,084
Social security costs	1,042	1,037
Pension	147	132
	<u> </u>	<u> </u>
	<u>8,967</u>	<u>9,253</u>

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

	No.	No.
Racing and production	51	56
Administration	2	2
	<u> </u>	<u> </u>
	<u>53</u>	<u>58</u>

Notes to the financial statements

at 31 December 2018

4. Staff costs (continued)

(b) Directors' remuneration

	<i>2018</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>
Aggregate remuneration in respect of qualifying services	<u>1,370</u>	<u>1,265</u>

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

	<i>2018</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>
Remuneration	<u>1,370</u>	<u>1,265</u>

In 2018 the highest paid director was a member of personal pension plans which received company contributions of £4,000 (2017 – £4,000)

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 2018

5. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2018 £000	2017 £000
Current tax:		
UK corporation tax at 19.00% (2017 – 19.25%)	440	423
Tax overprovided in previous years	107	112
Total current tax	<u>547</u>	<u>535</u>
Deferred tax:		
Total deferred tax (note 5 (d))	-	-
Tax on profit on ordinary activities	<u>547</u>	<u>535</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 19.00% (2017 – 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit before tax on ordinary activities	<u>1,470</u>	<u>1,110</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%)	279	213
<i>Effects of:</i>		
Items not deductible for tax	47	168
Movement in unrecognised deferred tax	114	89
Income not taxable	-	(47)
Adjustment from previous periods	107	112
Total tax expenses (note 5(a))	<u>547</u>	<u>535</u>

Notes to the financial statements

at 31 December 2018

5. Tax (continued)

(c) Factors that may affect future tax charges

Finance Act 2016 was enacted on 15 September 2016 and introduced a reduction in the headline rate of corporation tax to 19% from 1 April 2017 and to 17% 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 statement of financial position is as follows:

	<i>2018</i> <i>£000</i>	<i>2017</i> <i>£000</i>
Owned fixed assets realised through use	214	199
Revaluation of Investment Property	<u>(214)</u>	<u>(199)</u>
	<u>-</u>	<u>-</u>
		£000
At 1 January 2018		-
Deferred tax liability on revaluation of investment property		(15)
Deferred tax asset recognised		<u>15</u>
At 31 December 2018		<u>-</u>

Notes to the financial statements

at 31 December 2018

6. Tangible fixed assets

	<i>Motor vehicles</i> £000	<i>Office and workshop equipment</i> £000	<i>Freehold land and buildings</i> £000	<i>Total</i> £000
Cost:				
At 1 January 2018	899	7,494	14,642	23,035
Additions	763	82	–	845
Disposals	–	(651)	–	(651)
Revaluation			600	600
At 31 December 2018	1,662	6,925	15,242	23,829
Depreciation:				
At 1 January 2018	660	6,091	7,000	13,751
Provided during the year	90	628	217	935
Disposals	–	(651)	–	(651)
At 31 December 2018	750	6,068	7,217	14,035
Net book value:				
At 31 December 2018	912	857	8,025	9,794
At 1 January 2018	239	1,403	7,642	9,284

Fixed asset note

The net book value of freehold land and buildings comprises Freehold Investment properties at a fair valuation of £6,500,000. (2017 – £5,900,000) 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 2018. The historical cost of investment properties included at valuation was £3,676,000 (2017 – £3,676,000).

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

	2018	2017
Yields	4.5%	4.5%

Notes to the financial statements

at 31 December 2018

6. Tangible fixed assets (continued)

	£000
Fair Value:	
At 1 January 2018	5,900
Gain on valuation	600
At 31 December 2018	<u>6,500</u>

7. Debtors

	2018 £000	2017 £000
Amounts falling due within one year:		
Trade debtors	11,464	7,911
Amounts owed by group undertakings	–	3,681
Other debtors	1,358	1,129
Prepayments and accrued income	<u>11,625</u>	<u>15,470</u>
	<u>24,447</u>	<u>28,191</u>

8. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	2,634	1,499
Amounts owed to group undertakings	12,919	–
Other taxes and social security	478	2,262
Other creditors	46	19
Accruals and deferred income	<u>14,984</u>	<u>28,912</u>
	<u>31,061</u>	<u>32,692</u>

No dividends were paid or settled via intercompany (2017 - £NIL). Intercompany balances are interest-free and payable if called upon.

Notes to the financial statements

at 31 December 2018

9. Allotted and issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2018</i>	<i>No.</i>	<i>2017</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>2018</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>
Contracts placed for future capital expenditure not provided for in the financial statements	<u>41</u>	<u>-</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 2018 the company had annual receipts from non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2018</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire:		
Within one year	333	110
In two to five years	1,136	-
Beyond five years	<u>-</u>	<u>-</u>

Lease income recognised in the period was £216,000 (2017 - £252,000).

Notes to the financial statements

at 31 December 2018

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 2018 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					
2018	68,616	–	–	(123)	–
2017	56,541	–	–	29	–
Fellow subsidiaries					
2018	–	–	–	(464)	–
2017	–	–	–	(5,952)	–

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.