

RED BULL RACING LIMITED
(formerly known as Jaguar Racing Limited)

(Company No. 3120645)

REPORT AND FINANCIAL STATEMENTS

31ST DECEMBER 2003



RED BULL RACING LIMITED

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RED BULL RACING LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements of the company for the year ended 31st December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the management of a formula one motor racing team.

RESULTS AND REVIEW OF THE BUSINESS

The results for the year are set out on page 4.

On 12 November 2004 the entire share capital of Jaguar Racing Limited was acquired by Red Bull Racing Holdings Limited, a subsidiary of Red Bull Racing GmbH, an Austrian company which supplies energy drinks.

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who held office during the year are given below:

J S Allison	(appointed 18 May 2003 and resigned 28 th May 2004)
B C Birgbauer	(appointed 27 August 2004 and resigned 12 November 2004)
W J Cosgrove	(appointed 18 May 2003 and resigned 27 th August 2004)
K G Crampton	(appointed 27 August 2004 and resigned 24 September 2004)
R A Dover	(appointed 18 May 2003 and resigned 3 rd June 2004)
S G Dyble	(resigned 27 August 2004)
S Glanville	(appointed 29 September 2004 and resigned 12 November 2004)
J Greenwell	(appointed 2 December 2003 and resigned 27 August 2004)
I J Howard	(appointed 18 May 2003 and resigned 27 August 2004)
M F Marecki	(appointed 24 September 2004 and resigned 12 November 2004)
R Parry-Jones	(resigned 27 August 2004)
D J Pitchforth	(appointed 18 May 2003 and resigned 27 August 2004)
I R Pocock	(appointed 13 July 2004 and resigned 27 August 2004)
A J Purnell	(appointed 18 May 2003 and resigned 27 August 2004, re-appointed 12 November 2004)
N W Ressler	(resigned 27 August 2004)
P J Sherry Jr	(appointed 27 August 2004 and resigned 24 September 2004)
J Y Stewart OBE	(resigned 27 August 2004)
B D Williams	(appointed 24 September 2004 and resigned 12 November 2004)

None of the directors or their families had a notifiable interest in the share capital of the company or any other UK group company during the year under review.

Under Statutory Instrument 802 1985, the interests of the directors in the ultimate holding company, or any of its subsidiaries incorporated overseas, are not required to be disclosed.

EMPLOYEE INVOLVEMENT

The company's policy is to discuss and consult with employees on matters likely to affect their interests. Information on matters of concern to employees is provided through regular reports and bulletins which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.

RED BULL RACING LIMITED
REPORT OF THE DIRECTORS (Continued)

DISABLED PERSONS

It is the company's policy to offer equal opportunities to disabled persons, whether registered or not, who apply for job vacancies, having regard to their aptitudes and abilities in relation to the jobs they apply for.

Employees who become disabled whilst in the company's employment will be retained in employment wherever possible and will be given help with any necessary rehabilitation and training.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by company law to prepare financial statements that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2003. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

In accordance with Section 379a of the Companies Act 1985 (as amended by the Companies Act 1989), the company has elected to dispense with laying accounts before a general meeting, holding annual general meetings and the annual re-appointment of auditors.

By order of the Board



Laytons Secretaries Limited
Secretary

14 December 2004

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
RED BULL RACING LIMITED

We have audited the financial statements on pages 4 to 12 which comprise the profit and loss account, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for, and only for, the company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

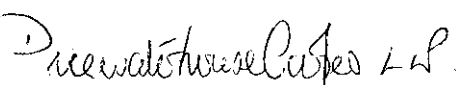
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

15 December 2004

RED BULL RACING LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 2003**

	<u>Notes</u>	<u>2003</u> <u>£'000</u>	<u>2002</u> <u>£'000</u>
TURNOVER	1	84,055	122,970
Cost of sales		<u>(73,955)</u>	<u>(104,867)</u>
GROSS PROFIT		10,100	18,103
Administrative costs; before exceptional costs		(8,607)	(15,315)
Exceptional costs		<u>(348)</u>	<u>(5,661)</u>
Total administrative costs	2	<u>(8,955)</u>	<u>(20,976)</u>
OPERATING PROFIT / (LOSS)		1,145	(2,873)
Interest receivable and similar income		38	231
Interest payable and similar charges	6	<u>(451)</u>	<u>(171)</u>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	732	(2,813)
Tax on profit / (loss) on ordinary activities	7	<u>435</u>	<u>723</u>
RETAINED PROFIT / (LOSS) FOR THE FINANCIAL YEAR	14	<u>1,167</u>	<u>(2,090)</u>

There are no gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.


The notes on pages 6 to 12 form part of these accounts

RED BULL RACING LIMITED**BALANCE SHEET****31ST DECEMBER 2003**

	<u>Notes</u>	<u>2003</u> £'000	<u>2002</u> £'000
FIXED ASSETS			
Tangible assets	8	15,931	13,463
CURRENT ASSETS			
Stocks	9	4,100	4,116
Debtors	10	14,251	10,225
Cash		2,264	426
		20,615	14,767
CREDITORS - amounts falling due within one year	11	(25,783)	(19,511)
NET CURRENT LIABILITIES		(5,168)	(4,744)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,763	8,719
PROVISIONS FOR LIABILITIES AND CHARGES	12	(948)	(71)
		9,815	8,648
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Profit and loss account	14	8,815	7,648
EQUITY SHAREHOLDERS' FUNDS	15	9,815	8,648

The financial statements on pages 4 to 12 were approved by the board of directors on
and were signed on its behalf by:

14 December 2004



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The notes on pages 6 to 12 form part of these accounts

RED BULL RACING LIMITED**NOTES TO THE ACCOUNTS****31ST DECEMBER 2003****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.

A summary of the more important accounting policies, which have been applied consistently, is set out below:

Turnover

Turnover represents sponsorship and promotional income, prize money, bonus payments and contributions towards the race programme.

Depreciation

Provision for depreciation of tangible fixed assets, 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
Fixtures and fittings	- 3 - 5 years
Vehicles	- 3 - 4 years
Office and workshop equipment	- 3 - 13 years
Wind Tunnel	- 20 years

Assets held under lease agreements

Tangible fixed assets acquired under finance leases are capitalised at cost and are written off over the shorter of their expected working lives or the lease term. The liabilities to the leasing companies are shown as obligations under finance leases within creditors. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the profit and loss account on bases appropriate to the terms of the agreements.

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

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value.

In respect of raw materials, consumables and racing spares, and race cars in the course of construction, cost is defined as purchase price on a first in, first out basis. In the case of racing spares and race cars in the course of construction, costs also include an appropriate proportion of production overheads based on the normal level of activity.

RED BULL RACING LIMITED**NOTES TO THE ACCOUNTS****31ST DECEMBER 2003****1. ACCOUNTING POLICIES (continued)****Deferred taxation**

A provision is made for deferred tax in so far as a liability or asset arose as a result of transactions that had occurred by the balance sheet date and gave rise to an obligation to pay more tax in future, or a right to pay less tax in future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

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.

Development Expenditure

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

Cash flow statement

The company is exempt under FRS1 (revised) from the requirement to prepare a cash flow statement, being a wholly-owned subsidiary undertaking of a group whose accounts, incorporating the results of the company, are publicly available.

2. TOTAL ADMINISTRATION COSTS

Included within total administration costs is an amount of £348,000 relating to an exceptional item. (2002: £5,660,831).

In 2002, an amount of £1,849,000 had been provided as a provision for impairment within assets in the course of construction in respect of a proposed wind tunnel.

Costs of £348,000 have been provided in relation to driver termination costs (2002: £2,156,143). In 2002, costs of £1,655,518 had been provided for employee redundancy costs.

The pension costs represent the amounts paid to directors to contribute to their personal pension plans. The company does not operate a company pension scheme.

RED BULL RACING LIMITED

NOTES TO THE ACCOUNTS

31ST DECEMBER 2003

6. INTEREST PAYABLE AND SIMILAR CHARGES	2003 £'000	2002 £'000
Bank overdraft	437	148
Finance leases	14	23
	<u>451</u>	<u>171</u>

The overdraft facility is secured by fixed and floating charges on the assets of the company.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES	2003 £'000	2002 £'000
<u>Tax charge for the year</u>		
UK corporation tax on profits		
Current year	-	-
Prior year	(1,426)	(42)
Total current tax charge	(1,426)	(42)
Deferred tax – origination and reversal of timing differences – current year	-	(681)
Deferred tax – origination and reversal of timing differences – prior year	991	-
	<u>(435)</u>	<u>(723)</u>
<u>Total tax charge</u>		
Tax Reconciliation		
Profit / (loss) before tax on Ordinary Activities	732	(2,813)
Expected tax charge/(credit) on profit/(loss) on ordinary activities	219	(844)
Non deductible items	10	151
Other timing differences	(229)	693
Adjustments to tax charge in relation to prior periods	(1,426)	(42)
	<u>(1,426)</u>	<u>(42)</u>

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements £'000	Assets in the course of construction £'000	Motor Vehicles £'000	Office and workshop equipment £'000	Land and Buildings £'000	Total £'000
Cost						
At 1 January 2003	3,233	-	2,794	12,667	7,967	26,661
Additions	547	2,542	22	2552	-	5663
Disposals	-	-	(34)	(11)	-	(45)
Transfers	-	-	-	-	-	-
At 31 December 2003	<u>3,780</u>	<u>2,542</u>	<u>2,782</u>	<u>15,208</u>	<u>7,967</u>	<u>32,279</u>
Depreciation						
At 1 January 2003	717	-	2,211	7,263	3,007	13,198
Charge for year	287	-	491	2,389	-	3,167
Disposals	-	-	(14)	(3)	-	(17)
At 31 December 2003	<u>1,004</u>	<u>-</u>	<u>2,688</u>	<u>9,649</u>	<u>3,007</u>	<u>16,348</u>
Net book value						
At 31 December 2003	<u>2,776</u>	<u>2,542</u>	<u>94</u>	<u>5,559</u>	<u>4,960</u>	<u>15,931</u>
At 31 December 2002	<u>2,516</u>	<u>-</u>	<u>583</u>	<u>5,404</u>	<u>4,960</u>	<u>13,463</u>

The net book value of fixed assets includes an amount of £128,650 (2002 - £147,596) in respect of assets held under finance leases.

RED BULL RACING LIMITED

NOTES TO THE ACCOUNT

31ST DECEMBER 2003

9. STOCKS	<u>2003</u> £'000	<u>2002</u> £'000
Raw materials, consumables and racing spares	3,436	3,448
Work in progress (race cars in the course of construction)	664	668
	<u>4,100</u>	<u>4,116</u>
10. DEBTORS	<u>2003</u> £'000	<u>2002</u> £'000
Amounts falling due within one year:		
Trade debtors	1,125	2,138
Amounts owed by group undertakings	10,115	3,242
Other debtors	744	997
Prepayments and accrued income	2,267	3,848
	<u>14,251</u>	<u>10,225</u>
11. CREDITORS - amounts falling due within one year	<u>2003</u> £'000	<u>2002</u> £'000
Bank overdraft	138	1,599
Obligations under finance leases	-	37
Trade creditors	1,683	1,788
Amounts owed to group undertakings	16,093	4,377
Corporation tax	-	4
Other taxes and social security	660	658
Other creditors	67	64
Accruals and deferred income	7,141	10,984
	<u>25,783</u>	<u>19,511</u>

RED BULL RACING LIMITED

NOTES TO THE ACCOUNTS

31ST DECEMBER 2003

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Onerous Lease £'000	Termination £'000	Total £'000
At 1 January 2003	71	-	71
Reclassified from accruals		600	600
Utilised during year	(71)	-	(71)
Charged to the P&L		348	348
At 31 December 2003	-	948	948

An amount of £348,000 (2002:nil) has been provided in the year as a provision for driver termination costs. This is expected to be utilised in 2004.

An amount of £600,000 was provided against employee termination costs. This is expected to be utilised in 2004/2005.

The movements in deferred taxation during the current and previous years are as follows:

	<u>2003</u> £'000	<u>2002</u> £'000
At 1 January 2003	(991)	(310)
Charge for the year (note 7)	991	(681)
At 31 December 2003	-	(991)

DEFERRED TAXATION

	Accelerated Capital Allowances £'000	Losses £'000	Other £'000	Total £'000
Deferred Tax Provided				
Brought forward	(423)	(268)	(300)	(991)
Credit for the year	2,046	(1,175)	120	991
Carried Forward	1,623	(1,443)	(180)	-

There is no unprovided deferred tax.

13. CALLED UP SHARE CAPITAL

	<u>2003</u> £'000	<u>2002</u> £'000
Authorised, allotted, called up and fully paid 1,000,000 Ordinary shares of £1 each	1,000	1,000

14. PROFIT AND LOSS ACCOUNT

	<u>2003</u> £'000	<u>2002</u> £'000
At 1 January	7,648	9,738
Profit / (loss) for the financial year	1,167	(2,090)
At 31 December	8,815	7,648

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2003</u> £'000	<u>2002</u> £'000
Opening shareholders' funds	8,648	10,738
Profit / (loss) for the year	1,167	(2,090)
Closing shareholders' funds	9,815	8,648

RED BULL RACING LIMITED**NOTES TO THE ACCOUNTS****31ST DECEMBER 2003****16. CAPITAL COMMITMENTS**

	<u>2003</u> £'000	<u>2002</u> £'000
Contracts placed for future capital expenditure not provided for in the financial statements	<u>294</u>	<u>258</u>

17. OPERATING LEASES

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

	<u>2003</u> <u>Land and</u> <u>buildings</u> £'000	<u>2002</u> <u>Land and</u> <u>buildings</u> £'000
Leases expiring:		
Less than one year	-	35
Between one and two years	-	-
Over five years	<u>617</u>	<u>564</u>

18. RELATED PARTY TRANSACTIONS

As the company was a wholly owned subsidiary of Ford Automotive Holdings, it has not disclosed details of transactions with other group companies by virtue of the exemption available contained within paragraph 3 of Financial Reporting Standard No. 8. There are no other related party transactions.

19. ULTIMATE PARENT UNDERTAKING

According to the register kept by the company, as at 31 December 2003, the immediate parent undertaking was Ford Automotive Holdings.

In the opinion of the directors, the ultimate parent undertaking and controlling party was Ford Motor Company, a company incorporated in the state of Michigan in the United States of America. Copies of Ford Motor Company financial statements may be obtained from the Ford Motor Company, The American Road, Dearborn, Michigan 48121, USA.

On 12 November 2004, the entire share capital of Jaguar Racing Limited was acquired by Red Bull Racing Holdings Limited, a subsidiary of Red Bull GmbH.