Registered Number 00787446

Brawn GP Limited

(formerly Honda GP Limited)
Annual report
for the year ended 31 December 2008

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for the year ended 31 December 2008

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Directors' report for the year ended 31 December 2008

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

Principal activity

The principal activity of the company is the design, development, manufacture, supply, test and racing of Formula One motor racing cars.

Review of business and future developments

On-track performance fell below expectations in 2008. However, with significant regulation change and by making good use of the investment that had been made in both facilities and technical leadership and organisation, the directors considered that the team was well prepared to make a more competitive challenge in the 2009 season.

Following Honda's announcement on 5 December 2008 of its intention to withdraw from Formula One, the director's reassessed the strategic direction of the Company with the conclusion that the Company should continue to compete in the FIA Formula One World Championship with a new ownership structure independent from Honda.

The financial performance of the team in 2008 was in line with the budgets approved by Honda Motor Co., Ltd.

Post balance sheet events

As noted above, on 5 December 2008, Honda Motor Company announced its intention to withdraw from Formula One and subsequent to the year end this was concluded, when on 5 March 2009 Ross Brawn acquired the entire share capital of the company. As a result of this purchase Ross Brawn is now considered the ultimate controlling party.

The name of the Company changed on 6 March 2009 from Honda GP Limited to Brawn GP Limited.

On 5 August 2009, the company entered into a new Concorde Agreement with the other Formula One teams, the FIA and FOA Ltd, the Formula One commercial rights holder. This agreement governs the commercial aspects of the sport and confirms the commercial position of the team within the FIA Formula One World Championship until 2012.

Results and dividends

The results for the year are shown on page 6. The directors do not recommend payment of a dividend (2007: £Nil).

Financial risk management

The Company's operations expose it to a variety of financial risks that include, to a greater or lesser degree, the effects of changes in interest rates, liquidity risk, credit risk and foreign exchange risk.

Interest and liquidity risk

Up to the end of 2008 the Company's ultimate parent undertaking, Honda Motor Co., Ltd managed the interest rate and liquidity risks associated with the Company's operations in the context of the whole Honda Group, as disclosed in the financial statements of that company. The Company was financed by intercompany borrowings. Following the change of ownership referred to above, the cash position of the team is monitored regularly and appropriate mechanisms have been implemented to manage these risks.

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Directors' report for the year ended 31 December 2008 (continued)

The company paid interest on intercompany borrowings at a rate of interest determined by the group. No financial instruments were used by the Company during the year to manage interest rate costs, and therefore no hedge accounting has been applied.

Credit risk

The company's exposure to credit risk is primarily through its sponsorship contracts and it has implemented policies that require appropriate credit checks on potential sponsors during the negotiation of new contracts. Any specific risks are brought to the attention of management and are reassessed regularly.

Foreign exchange risk

The company is exposed to movements in foreign exchange rates as a result of revenue receipts and operating costs in currencies other than sterling. Up to the end of 2008 Honda Motor Co. Ltd, the Company's ultimate parent, managed the Company's foreign exchange risk and, as a consequence, the Company does not place forward exchange contracts. Following the change of ownership referred to above, the company has now adopted an appropriate foreign exchange risk management strategy.

Research and development

Research and development expenditure is written off in the year in which it is incurred. The activities of the company are all dedicated towards the design and development of a car to compete successfully in Formula One motor racing. Accordingly it is not possible to quantify separately the total costs relating to this aspect of the company's activities.

Directors and their interests

The directors who served during the year and up to the date of signing the financial statements were as follows:

N Fry	
N Kerr	
Y Wada	(resigned on 31 March 2008)
H Abe	(appointed on 1 April 2008 and resigned on 5 March 2009)
R Brawn	(appointed on 5 March 2009)
C McGrory	(appointed on 5 March 2009)
J Marsden	(appointed on 5 March 2009)
G Blair	(appointed on 5 March 2009)

Employees

The company maintains its commitment to pro-active programmes for involving its employees in company affairs. This is achieved in a variety of ways, including the regular publication of newsletters and staff briefings and by consultations with staff committees. Regular staff attitude surveys are undertaken and a number of suggestion schemes are in operation, providing a regular flow of ideas for improving efficiency and performance.

It is the policy of the company that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The company is prepared to modify procedures or equipment wherever this is practicable, so that full use can be made of an individual's abilities.

Directors' report for the year ended 31 December 2008 (continued)

Donations

During the year the company made charitable donations amounting to £65,996 (2007: £266,654). £11,100 was donated to local community charities to improve local community facilities. The balance of £54,896 was donated through the *earthdreams* programme to environmental projects focusing on mobility, sustainability, technology and education.

Going concern

The directors consider that the prevailing cash position and future cash flows will provide the funds necessary to allow the company to continue trading for at least twelve months from the date of signing of these financial statements and consequently the financial statements have been prepared on a going concern basis.

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 the 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 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Statement as to disclosure of information to auditors

All the directors in office at the time the report is approved, confirm that so far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Brawn GP Limited
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Directors' report for the year ended 31 December 2008 (continued)

Independent auditors

The auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board

N Kerr
Director
Date 26 August 2009

Independent auditors' report to the members of Brawn GP Limited

We have audited the financial statements of Brawn GP Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 into 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Reading
27 August 2009

Brawn GP Limited
(formerly Honda GP Limited)

Profit and loss account for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Turnover	2	**170,403**	149,258
Cost of sales		**-**	-
Gross profit		**170,403**	149,258
Administrative expenses		**(166,499)**	(146,990)
Operating profit	3	**3,904**	2,268
Interest receivable and similar income	6	**53**	255
Interest payable and similar charges	7	**(2,640)**	(2,523)
Result on ordinary activities before taxation		**1,317**	-
Tax on result on ordinary activities	8	**3,070**	-
Result for the financial year	18	**4,387**	-

The results for the years above are derived entirely from continuing operations.

The company has no recognised gains and losses other than the result above and therefore no separate statement of total recognised gains and losses has been presented.

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

Brawn GP Limited
(formerly Honda GP Limited)

Balance sheet as at 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	9	**43,288**	54,971
Investments	10	**-**	-
		43,288	54,971
Current assets			
Stock	11	**6,412**	12,757
Debtors	12	**7,883**	10,962
Cash at bank and in hand		**649**	457
Cash at bank and in hand restricted		**93**	93
		15,037	24,269
Creditors – Amounts falling due within one year	13	**(32,523)**	(55,135)
Net current liabilities		**(17,486)**	(30,866)
Total assets less current liabilities		**25,802**	24,105
Creditors – Amounts falling due after more than one year	14	**(30,945)**	(33,635)
Provisions for liabilities and charges	16	**(183)**	(183)
Net liabilities		**(5,326)**	(9,713)
Capital and reserves			
Called-up share capital	17	**-**	-
Share premium account	18	**44**	44
Profit and loss account	18	**(5,370)**	(9,757)
Total equity shareholders' deficit	19	**(5,326)**	(9,713)

The financial statements on pages 6 to 21 were approved by the board of directors on 26 August 2009 and were signed on its behalf by:

N Fry
Director

Brawn GP Limited
(formerly Honda GP Limited)

Cash flow statement for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Operating activities			
Net cash inflow from continuing activities (see page 9)		**6,315**	10,535
Returns on investment and servicing of finance			
Interest received		**62**	246
Interest paid		**(2,658)**	(2,467)
Net cash outflow from returns on investments and servicing of finance		**(2,596)**	(2,221)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(3,012)**	(16,417)
Sale of tangible fixed assets		**56**	5
Net cash outflow from capital expenditure and financial investment		**(2,956)**	(16,412)
Net cash inflow / (outflow) before financing		**763**	(8,098)
Financing			
Proceeds of issue of new loans		**8,500**	12,200
Repayment of loans		**(9,065)**	(12,000)
Net cash (outflow) / inflow from financing		**(565)**	200
Increase / (decrease) in net cash	20	**198**	(7,898)

Reconciliation of operating profit to net cash inflow from operating activities

	2008 £'000	2007 £'000
Operating profit	**3,904**	2,268
Depreciation of tangible fixed assets	**13,996**	8,387
(Profit) / loss on sale of fixed assets	**(20)**	14
Decrease in debtors	**6,140**	2,922
Decrease / (increase) in stock	**6,345**	(5,238)
(Decrease) / increase in creditors	**(24,050)**	1,999
Increase in provisions	**-**	183
Net cash inflow from operating operations	**6,315**	10,535

Notes to the financial statements for the year ended 31 December 2008

1 Principal accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of accounting

The directors consider that the prevailing cash position and future cash flows will provide the funds necessary to allow the company to continue trading for at least twelve months from the date of signing of these financial statements and consequently the financial statements have been prepared on a going concern basis.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling (£) at rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are translated into sterling (£) at the rate of exchange ruling at the date of the transaction. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided so as to write off the cost of tangible fixed assets, using the following rates and bases to reduce by annual instalments the cost, less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The useful economic lives of the assets are reassessed periodically. The principal annual rates used for this purpose are:

	%
Leasehold buildings	10 - 15
Plant and machinery	10 - 25
Fixtures and equipment, computer equipment	10 - 50
Motor and commercial vehicles	20

Assets under construction are not depreciated until they are ready for use, when they are transferred to the relevant asset class and depreciated over their useful economic lives.

Impairment reviews are performed when evidence emerges that the net book value may not be recoverable.

Investments

Investments in subsidiary undertakings are stated in the balance sheet of the company at cost, less amounts written off where there has been permanent impairment in value. Impairment reviews are performed when evidence emerges that the net book value may not be recoverable.

Notes to the financial statements for the year ended 31 December 2008 (continued)

1 Principal accounting policies (continued)

Stock

Stock is stated at the lower of cost and net realisable value. All the costs incurred on raw materials and components acquired in respect of the next year's car are included in stock and are expensed in the year in which full race testing of the car commences, together with an element of overheads. A provision is made against any raw materials and components that are not expected to be utilised in relation to next year's car.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Provisions

(a) Agreement for lease

A provision is recognised when the company has a present obligation as a result of a past event and a reliable estimate can be made of the amount of the obligation. Discounting has not been applied to the provision as the obligation is expected to be settled in the near future.

(b) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

Research and development

Research and development expenditure is written off in the year in which it is incurred. The activities of the company are all dedicated towards the design and development of a car to compete successfully in Formula One motor racing. Accordingly it is not possible to quantify separately the total costs relating to this aspect of the company's activities.

Turnover

Turnover, which excludes value added tax and trade discounts represents the invoiced value of goods and services supplied, sponsorships, prize money and other income relating to the company's principal activity and is recognised in the year to which it relates once collectability is reasonably assured.

Notes to the financial statements for the year ended 31 December 2008 (continued)

1 Principal accounting policies (continued)

Pension scheme

The company does not operate a pension scheme. During 2008, the company made contributions to personal pension schemes in respect of eligible employees.

Consolidation

The financial statements contain information about Brawn GP Limited as an individual company and do not contain consolidated financial information as the parent of a group. The directors consider that the amounts involved are not material as the subsidiary undertaking is a dormant company.

Related parties

The company is a wholly owned subsidiary of Honda Motor Co., Ltd and is included within the consolidated financial statements of Honda Motor Co., Ltd, which are publicly available. The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the group.

2 Turnover

The turnover is derived from only one class of business and this arises in the United Kingdom.

3 Operating profit

Operating profit is stated after charging/(crediting):	2008 £'000	2007 £'000
Depreciation of tangible fixed assets:		
- owned assets	**13,996**	8,387
(Gain) / loss on disposal of fixed assets	**(20)**	14
Operating lease charges		
- plant and machinery	**343**	554
- other assets	**837**	541
Foreign exchange loss / (gain)	**903**	(277)

Auditors' remuneration:	2008 £'000	2007 £'000
Remuneration receivable by the company's auditors for the auditing of the annual financial statements	**59**	55
Fees payable to company's auditors and its associates for other services:		
- services relating to taxation	**48**	56

Notes to the financial statements for the year ended 31 December 2008 (continued)

4 Directors' emoluments

	2008 £'000	2007 £'000
Aggregate emoluments	**661**	625
Company contributions to personal pension plan	**85**	77
	746	702

Highest paid director:	2008 £'000	2007 £'000
Aggregate emoluments	**502**	479
Company contributions to personal pension plan	**63**	60
	565	539

The above details of directors' emoluments for 2008 and 2007 do not include the emoluments of Y Wada or H Abe, which were paid by a fellow group company. It was not possible to identify separately the amounts that relate to their services to this company and as such no amounts are set out in the table above.

5 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2008	2007
Design, manufacturing and engineering	**651**	605
Administration	**66**	62
	717	667

Staff costs (for the above persons)	2008 £'000	2007 £'000
Wages and salaries	**38,470**	31,429
Social security costs	**4,040**	3,591
Company contributions to personal pension plan	**823**	308
	43,333	35,328

6 Interest receivable and similar income

	2008 £'000	2007 £'000
Bank interest receivable	**53**	255

Notes to the financial statements for the year ended 31 December 2008 (continued)

7 Interest payable and similar charges

	2008 £'000	2007 £'000
Interest payable on bank overdraft	41	38
Interest payable on group loans	2,599	2,485
	2,640	2,523

8 Tax on result on ordinary activities

The company has estimated taxation losses available to be carried forward of approximately £151 million (2007: £148 million) which will be available to reduce future taxable income.

	2008 £'000	2007 £'000
Current tax:		
UK corporation tax on result of the year	-	-
Adjustment in respect of previous periods	(3,070)	-
Total current tax	(3,070)	-

The tax assessed for the year is equal to (2007: equal to) the standard effective rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

	2008 £'000	2007 £'000
Result on ordinary activities before tax	1,317	-
Result on ordinary activities multiplied by standard rate in the UK 28.5% (2007: 30%)	375	-
Effects of:		
Expenses not deductible for tax purposes	48	101
Depreciation in excess of capital allowances	1,648	2,072
Other timing differences	767	110
R&D tax relief	(2,838)	(2,283)
Adjustment in respect of previous periods	(3,070)	-
Current tax credit for the year	(3,070)	-

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

Notes to the financial statements for the year ended 31 December 2008 (continued)

9 Tangible fixed assets

Cost	Leasehold land and buildings including tenants improvements £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Assets under construction £'000	Total £'000
At 1 January 2008	27,297	26,388	4,322	7,252	4,269	8,579	78,107
Additions	87	717	70	170	191	1,114	2,349
Transfers	296	4,625	237	3,006	222	(8,386)	-
Disposals	(749)	(16)	(734)	(2,088)	(119)	-	(3,706)
At 31 December 2008	**26,931**	**31,714**	**3,895**	**8,340**	**4,563**	**1,307**	**76,750**
Accumulated depreciation							
At 1 January 2008	(8,092)	(6,982)	(3,058)	(3,576)	(1,428)	-	(23,136)
Charge for the year	(3,507)	(6,499)	(545)	(2,586)	(859)	-	(13,996)
Disposals	749	10	716	2,083	112	-	3,670
At 31 December 2008	**(10,850)**	**(13,471)**	**(2,887)**	**(4,079)**	**(2,175)**	-	**(33,462)**
Net book value							
At 31 December 2008	**16,081**	**18,243**	**1,008**	**4,261**	**2,388**	**1,307**	**43,288**
At 31 December 2007	19,205	19,406	1,264	3,676	2,841	8,579	54,971

During the year the directors reviewed the useful economic lives of assets and have reassessed the lives of assets included within the leasehold land and buildings including tenants improvements, plant and machinery and computer equipment categories. The effect of this change has resulted in additional depreciation being charged of £612,000 in relation to leasehold land and buildings including tenants improvements, £1,713,000 in relation to plant and machinery and £910,000 in relation to computer equipment.

Notes to the financial statements for the year ended 31 December 2008 (continued)

10 Fixed asset investments

	Subsidiary undertaking £
At 1 January 2008 and 31 December 2008	1

The directors believe that the book value of the investment is supported by the underlying net assets.

Interest in subsidiary undertaking:

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of shares held	Principal activities
Advantage CFD Limited	Great Britain	Ordinary shares of £1 each	100%	Dormant

11 Stock

	2008 £'000	2007 £'000
Raw materials and components	**6,412**	12,757

12 Debtors

	2008 £'000	2007 £'000
Amounts falling due within one year		
Trade debtors	**358**	211
Amounts owed by group undertakings	**631**	1,010
Prepayments and accrued income	**6,894**	9,741
	7,883	10,962

Amounts owed by group undertakings are interest free, unsecured and have no fixed date of repayment.

Notes to the financial statements for the year ended 31 December 2008 (continued)

13 Creditors – Amounts falling due within one year

	2008 £'000	2007 £'000
Group loans (Note 15)	**11,190**	9,065
Bank overdraft (Note 15)	**-**	6
Trade creditors	**5,574**	5,300
Amounts owed to group undertakings	**5,430**	7,644
Other taxation and social security	**1,751**	2,217
Accruals and deferred income	**8,578**	30,903
	32,523	55,135

Included in the group loans is an amount of £2,265,000 (2007: £2,265,000) payable in four quarterly instalments commencing on 31 March 2009 and carries interest at the three month Sterling Libor rate plus 0.25%. £3,050,000 (2007: £3,050,000) is payable in two equal instalments of £1,525,000 commencing on 15 May 2009 and carries interest at 5.98% fixed. £3,750,000 (2007: £3,750,000) is payable in two equal instalments of £1,875,000 commencing on 20 May 2009 and carries interest at 5.66% fixed. The balance of £2,125,000 is payable in two equal instalments of £1,062,500 commencing on 28 May 2009 and carries interest at 4.38% fixed.

Included within amounts owed to group undertakings is an inter-company current account of £3,640,000 (2007: £5,500,000) which carries interest at the Bank of England base rate. £1,640,000 (2007: £2,039,000) carries interest at the bank funding rate plus 0.30%. The remaining balance is interest free, unsecured and has no fixed date of repayment.

14 Creditors – Amounts falling due after more than one year

	2008 £'000	2007 £'000
Group loans (Note 15)	**30,945**	33,635

Included within group loans is an amount of £14,720,000 (2007: £16,985,000) payable in twenty-six quarterly instalments commencing on 31 March 2010 and carries interest at the three month Sterling Libor rate plus 0.25%. £6,100,000 (2007: £9,150,000) is payable in four instalments of £1,525,000 commencing 15 May 2010 and carries interest at 5.98% fixed. £3,750,000 (2007: £7,500,000) is payable in two instalments of £1,875,000 commencing 20 May 2010 and carries interest at 5.66% fixed. The balance of £6,375,000 is payable in six instalments of £1,062,500 commencing on 28 May 2010 and carries interest at 4.38% fixed.

Brawn GP Limited
(formerly Honda GP Limited)

Notes to the financial statements for the year ended 31 December 2008 (continued)

15 Loans and other borrowings

	2008 £'000	2007 £'000
Group loans	**42,135**	42,700
Bank overdraft	**-**	6
	42,135	42,706
Maturity of financial liabilities		
In one year or less, or on demand	**11,190**	9,071
In more than one year, but not more than two years	**11,190**	9,065
In more than two years, but not more than five years	**14,094**	16,644
In more than five years	**5,661**	7,926
	42,135	42,706

On the 5 March 2009 the company repaid all group loans.

16 Provisions for liabilities and charges

	Demolition provision £'000
At 1 January 2008	183
Charged to the profit and loss account	-
At 31 December 2008	**183**

On 6 July 2007 the company entered into an agreement for lease relating to Unit 7 Reynard Park Brackley. Upon completion of the agreed conditions the company must reimburse the landlord the sum of £183,000.

The unrecognised total potential deferred tax liability/(asset) are as follows:

Amount not recognised	**2008 £'000**	2007 £'000
Excess of capital allowances over depreciation	**-**	(2,768)
Short term timing differences	**(792)**	-
Losses	**(42,405)**	(41,450)
	(43,197)	(44,218)

A deferred tax asset has not been recognised in the year as it is uncertain that the asset will crystallize in the foreseeable future.

Notes to the financial statements for the year ended 31 December 2008 (continued)

17 Called-up share capital

	2008 £	2007 £
Authorised		
1,000 ordinary shares of £1 each	**1,000**	1,000
Allotted, called-up and fully paid		
111 ordinary shares of £1 each	**111**	111

18 Reserves

	Share premium account £'000	Profit & loss account £'000
At 1 January 2008	44	(9,757)
Result for the year	-	4,387
At 31 December 2008	**44**	**(5,370)**

19 Reconciliation of movement in equity shareholders' deficit

	2008 £'000	2007 £'000
Result for the financial year	**4,387**	-
Opening equity shareholders' deficit	**(9,713)**	(9,713)
Closing equity shareholders' deficit	**(5,326)**	(9,713)

Notes to the financial statements for the year ended 31 December 2008 (continued)

20 Reconciliation of net cash flow to movement in net debt

	2008 £'000	2007 £'000
Increase / (decrease) in net cash	**198**	(7,898)
Cash outflow / (inflow) from loans	**565**	(200)
Change in net debt arising from cash flows	**763**	(8,098)
Movement in net debt in the year	**763**	(8,098)
Net debt at 1 January	**(42,156)**	(34,058)
Net debt at 31 December	**(41,393)**	(42,156)

21 Analysis of net debt

	2007 £'000	Cash flow £'000	Exchange movement £'000	**2008 £'000**
Cash at bank and in hand restricted	93	-	-	**93**
Cash at bank and in hand	457	192	-	**649**
Overdraft	(6)	6	-	**-**
	544	198	-	**742**
Debt due within one year	(9,065)	(2,125)	-	**(11,190)**
Debt due after more one year	(33,635)	2,690	-	**(30,945)**
Net debt as at 31 December	(42,156)	763	-	**(41,393)**

22 Financial commitments

At 31 December 2008 there were annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings 2008 £'000	**Other 2008 £'000**	Land and buildings 2007 £'000	Other 2007 £'000
Within one year	**-**	**31**	-	32
Within two and five years	**-**	**189**	-	405
After five years	**935**	**-**	935	-
	935	**220**	935	437

Notes to the financial statements for the year ended 31 December 2008 (continued)

23 Capital commitments

The company had capital commitments of £122,000 at 31 December 2008 (2007: £2,202,000).

24 Related party transactions

During the year the company undertook the related party transactions as listed below:

Name	Sales £'000	Purchases £'000	Amounts due to £'000	Amounts due from £'000
RTC Management Company Ltd	-	135	37	-
	-	**135**	**37**	**-**

Nigel Kerr is a director on the board of Brawn GP Limited and RTC Management Company Limited. All other transactions have been undertaken between entities in the group.

25 Post balance sheet events

As noted above, on 5 December 2008, Honda Motor Company announced its intention to withdraw from Formula One and subsequent to the year end this was concluded, when on 5 March 2009 Ross Brawn acquired the entire share capital of the company. As a result of this purchase Ross Brawn is now considered the ultimate controlling party.

On 5 August 2009, the company entered into a new Concorde Agreement with the other Formula One teams, the FIA and FOA Ltd, the Formula One commercial rights holder. This agreement governs the commercial aspects of the sport and confirms the commercial position of the team within the FIA Formula One World Championship until 2012.

26 Ultimate parent company and controlling party

According to the register kept by the company, Honda GP Holdings Limited had a 100% interest in the equity share capital of Brawn GP Limited at 31 December 2008, and as such was the company's immediate parent company.

At 31 December 2008 the directors regarded Honda Motor Co., Ltd, a company incorporated in Japan, as the ultimate parent company and the controlling party. Honda Motor Co., Ltd is the parent undertaking of the largest group of undertakings to consolidate these financial statements. The consolidated statements of Honda Motor Co., Ltd can be obtained from the Company Secretary, 1-1 Minami-Aoyama, 2- Chrome, Minatu-Ku, Tokyo, 107-8556.