

Registered number 00787446

Mercedes-Benz Grand Prix Ltd
Annual report
for the year ended 31 December 2014

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Mercedes-Benz Grand Prix Ltd

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Mercedes-Benz Grand Prix Ltd

Strategic report for the year ended 31 December 2014

The directors present their strategic report of the company for the year ended 31 December 2014.

Business model

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

The company carries out this activity through the operation of the MERCEDES AMG PETRONAS F1 Team, which is an entrant to the FIA Formula One World Championship. The company seeks to maximise the success of the team in the Championships by harnessing personnel, technology, finance and other resources to achieve a performance level that exceeds the competition.

The company's success is measured by its performance in the Championships and by reference to the financial parameters defined by its shareholders.

Strategy

The company's principal objective is to win the FIA Formula One World Championships.

The company's strategy is to achieve this principal objective in a manner that best represents the Mercedes-Benz brand and the interests of other commercial partners and to provide its stakeholders with success in F1 at the best value for money.

The company remains committed to cost reduction in F1 and will continue to work with the other competitor teams and other stakeholders to achieve this objective in a fair and transparent way.

Business environment

The 2014 F1 Championships saw substantial changes to the technical and sporting regulations, including the introduction of the new V6 hybrid power units which, together with limitations on the fuel flow rate, represented the most radical changes to the engine/power unit regulations in a generation. These new regulations produced exciting racing with cars that were over 33% more fuel efficient at the same performance levels, thereby providing a showcase for 21st century relevant automotive hybrid technology. The overall level of reliability of the new generation of F1 cars took many observers by surprise and was a huge achievement by the engineers across all of the teams.

The financial environment for F1 teams in 2014 remained tough, with increased cost pressure resulting from the significant degree of regulation change. Unfortunately, two of the privately owned teams were unable to complete the full season before entering administration and consequently there has been a renewed focus on initiatives to reduce the cost of competing in F1.

The 2014 F1 season comprised 19 races, which was the same as the previous season. A very successful revival of the Austrian GP and the first running of the new Russian GP in Sochi were added to the calendar, replacing the Indian and Korean events. A 20 race calendar for the 2015 season features the return of the Mexican GP after an absence of 23 years.

There were signs in 2014 that the F1 sponsorship market was beginning to recover following a number of years of stagnation due to the global recession.

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Strategic report for the year ended 31 December 2014 (continued)

Business review

As the company marked the 50th anniversary of its incorporation, it was fitting that 2014 turned out to be its most successful year ever with the MERCEDES AMG PETRONAS F1 Team becoming the first Mercedes-Benz works team to win the FIA Formula One World Championship for Constructors. Both the team's drivers, Lewis Hamilton and Nico Rosberg, were in contention for the World Driver's Championship up until the last race, with Hamilton clinching the title in Abu Dhabi. The team achieved a record number of sixteen race victories and fifteen other podium finishes, including a record-breaking eleven 1st/2nd results. Overall the team scored a record of 701 world championship points (2013: three wins and six other podium positions – 2nd in Constructors Championship with 360 points).

This remarkable level of sporting performance exceeded expectations and was due to the successful development of the whole W05 Hybrid race car package. We must pay tribute to our partners at Mercedes AMG High Performance Powertrains for producing the award winning PU106A Hybrid power unit, which set new standards in performance and fuel efficiency. Further acknowledgement must go to PETRONAS for the development of fuel and lubricants, which added further performance to the overall package. The directors would particularly like to congratulate the Brackley based workforce, the travelling race team and the race drivers for their determination, dedication and hard work that brought about such unprecedented success.

The financial results for the company were within the pre-defined parameters set by the shareholders and show a loss after tax of £76.9 million (2013: loss of £51.1 million), the key elements of which were:

- Turnover increased by £21.7 million due to higher sponsorship revenue and increased income from the Commercial Rights Holder flowing from improved on-track performance in 2013.
- Operating costs rose by £49.5 million due to significantly higher performance bonuses payable as a consequence of the record-breaking level of sporting performance and also increased costs arising from regulation change.
- An improved consortium tax relief position provided a benefit of £17.5 million (2013: £14.6 million).

As at 31 December 2014 the company had a net overdrawn position of £2.6 million and a creditor position within the group cash pooling arrangement of £87.5 million, which amounted to negative net liquid assets of £90.1 million (2013: £23.2 million). This reduction of £66.9 million in 2014 is principally due to the loss for the year of £76.9 million, partly offset by movements in working capital, the most significant of which was an increase in accrued performance bonuses that fall due for payment after the balance sheet date.

As a consequence of the 2014 financial results, the company had net liabilities of £87.0 million as at 31 December 2014 (2013: £10.2 million).

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks, which are reviewed by the board and appropriate processes put in place to monitor and mitigate them. The key business risks are as follows:

Competition

The company operates in the field of Formula One motor racing, which is acknowledged as the pinnacle of international motorsport and is naturally a highly competitive operating environment. This results in pressure to achieve not only the company's targets for sporting performance but also revenue generation from sponsorship and the Commercial Rights Holder. This risk is mitigated by the recruitment and retention of highly talented and experienced personnel, maintaining design, development, production and race circuit facilities at the highest level within Formula One, securing the services of the best available race drivers and strong technical relationships with Mercedes-Benz, PETRONAS and other partners.

Mercedes-Benz Grand Prix Ltd

Strategic report for the year ended 31 December 2014 (continued)

Interest and liquidity risk

The company's cash is managed on a group basis with cash balances held on intercompany accounts. These arrangements are managed on an arm's length basis with the group central treasury department.

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. These risks are managed on a group basis.

Future outlook

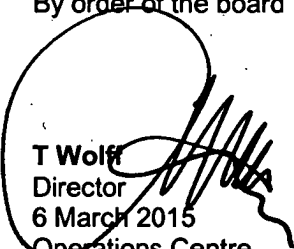
Now that the MERCEDES AMG PETRONAS F1 Team has been established as one of the top teams in F1, the challenge is to sustain that position by continuing to compete for the Championships in every season. The directors have every confidence that this goal can be achieved given the current platform of a world class workforce, the best race driver line-up, best in class technical infrastructure and support from Mercedes-Benz, PETRONAS and our other partners.

The agreement with the Commercial Rights Holder has provisions for significantly increased revenue flows based on sporting performance, some of which will be triggered in 2015 as a result of the team's performance in 2014. The directors are confident that the team will meet the required performance criteria for further revenue enhancements in the coming years. The future outlook for sponsorship revenues is also very promising. The company was very pleased to extend its long-term association with PETRONAS, which will continue to yield significant commercial and technical benefits. The extension of the PETRONAS agreement, a number of other significant sponsor renewals, some exciting new partnerships and further development of social media platforms mean that 2015 looks set to be a record year for sponsorship and other commercial revenues.

As stated previously, the company remains committed to achieving cost reduction in F1 in a fair and transparent way and is confident that arrangements can be put in place for all teams to reduce the overall cost of participation in F1, without detracting from the sporting and competitive attraction.

Consequently, the directors have every confidence in meeting the future expectations of our stakeholders in terms of both sporting and business performance.

By order of the board



T Wolff
Director
6 March 2015
Operations Centre
Brackley
Northants
NN13 7BD

Mercedes-Benz Grand Prix Ltd

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements of the company for the year ended 31 December 2014.

Dividends

The directors do not recommend payment of a dividend (2013: £nil).

Directors

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

R Berger
W Bernhard
S Kallenius
A Lauda
T Weber
T Wolff

Employees

The company maintains its commitment to proactive 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.

It is the company's policy to give full and fair consideration to suitable applications for employment by disabled persons having regard to their particular aptitudes and abilities. Disabled employees are eligible to participate in all training, career development and promotion opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue their employment or to be trained in other positions in the company.

Research and development

The activities of the company are all dedicated towards the design and development of a car to compete successfully in the FIA Formula One World Championship. The directors consider the investment in research and development to be integral to the continued success of the company.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that so far as they are each aware there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

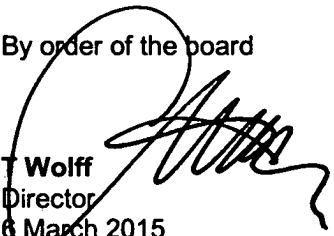
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Directors' report for the year ended 31 December 2014 (continued)

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



T Wolff
Director
6 March 2015
Operations Centre
Brackley
Northants
NN13 7BD

Statement of Directors' responsibilities in respect of the Strategic report and the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report and the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Mercedes-Benz Grand Prix Ltd

We have audited the financial statements of Mercedes-Benz Grand Prix Ltd for the year ended 31 December 2014 set out on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 8, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Mercedes-Benz Grand Prix Ltd (continued)

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.



Peter Selvey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Date: 10 March, 2015.

Mercedes-Benz Grand Prix Ltd

Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover	2	146,921	125,214
Cost of sales		(231,488)	(184,298)
Gross loss		(84,567)	(59,084)
Administrative expenses		(8,766)	(6,411)
Operating loss		(93,333)	(65,495)
Interest receivable and similar income	6	-	6
Interest payable and similar charges	7	(1,032)	(252)
Loss on ordinary activities before taxation		(94,365)	(65,741)
Tax on result on ordinary activities	8	17,482	14,642
Loss for the financial year	17	(76,883)	(51,099)

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

The notes on pages 15 to 26 form part of these financial statements.

The company has no recognised gains and losses other than those shown above. Accordingly no separate statement of total recognised gains and losses has been presented.

There are no differences between the result on ordinary activities before taxation and the result for the financial year and their historical cost equivalents.

Mercedes-Benz Grand Prix Ltd

Balance sheet as at 31 December 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	9	33,046	28,141
Heritage assets	10	903	649
		33,949	28,790
Current assets			
Stocks	11	1,366	1,285
Race car development		32,397	30,607
Debtors	12	28,076	21,562
Cash at bank and in hand		2,533	2,144
		64,372	55,598
Creditors – amounts falling due within one year	13	(182,449)	(93,397)
Net current liabilities		(118,077)	(37,799)
Total assets less current liabilities		(84,128)	(9,009)
Provisions for liabilities	14	(2,916)	(1,152)
Net liabilities		(87,044)	(10,161)
Capital and reserves			
Called-up share capital	16	-	-
Share premium account	17	44	44
Profit and loss account	17	(87,088)	(10,205)
Total shareholders' funds	18	(87,044)	(10,161)

The notes on pages 15 to 26 form part of these financial statements.

The financial statements were approved by the board of directors on 6 March 2015 and signed on its behalf by:

T Wolff
Director

Company registered number: 00787446

Mercedes-Benz Grand Prix Ltd

Cash flow statement for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Operating activities			
Net cash outflow from continuing activities		(4,538)	(7,811)
Returns on investment and servicing of finance			
Interest received		-	6
Interest paid		(1,032)	(252)
Net cash outflow from returns on investments and servicing of finance		(1,032)	(246)
Taxation – consortium / group relief		17,931	11,655
Purchase of tangible fixed assets		(10,596)	(6,346)
Sale of tangible fixed assets		79	108
Purchase of heritage assets		(254)	(49)
Sale of heritage assets		-	85
Net cash outflow for capital expenditure and financial investment		(10,771)	(6,202)
Net cash inflow / (outflow) before financing		1,590	(2,604)
Net cash flow from financing		-	-
Increase / (decrease) in net cash	19	1,590	(2,604)

The notes on pages 15 to 26 form part of these financial statements.

Mercedes-Benz Grand Prix Ltd

Reconciliation of operating loss to net cash outflow from operating activities

	2014 £'000	2013 £'000
Operating loss	(93,333)	(65,495)
Depreciation of tangible fixed assets	6,935	5,590
Profit on sale of fixed assets	(65)	(73)
Profit on sale of heritage asset	-	(35)
(Increase) / decrease in debtors	(6,963)	16,570
(Increase) / decrease in stocks	(81)	606
Increase in race car development	(1,790)	(9,043)
Increase in creditors	88,995	46,707
Increase / (decrease) in provisions	1,764	(2,638)
Net cash outflow from continuing activities	(4,538)	(7,811)

The notes on pages 15 to 26 form part of these financial statements.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2014

1 Principal accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The company has a group cash pooling agreement with its ultimate parent undertaking Daimler AG. The balances which form part of this arrangement as at 31 December 2014 are disclosed in these financial statements as 'Amounts owed to group undertakings – cash pooling'. In addition, the company's ultimate parent undertaking, Daimler AG, has indicated to the company that for at least 12 months from the date of approval of these financial statements it intends to, if required, make available financial support to assist the company in meeting its financial liabilities as and when they fall due. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern principle in the financial statements.

Turnover

Turnover, which excludes value added tax and trade discounts, represents 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.

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.

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.

Intangible assets

Intangible assets are stated at historic purchase cost. The cost of intangible assets includes the design and external costs for the development of cars to be utilised in racing seasons greater than one year from the balance sheet date.

Intangible assets are amortised over the useful life of the asset which in the case of development costs would be the season to which the development relates.

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Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Principal accounting policies (continued)

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 to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

	%
Leasehold land and buildings	5 – 20
Plant and machinery	10 – 40
Fixtures and fittings, computer equipment	10 – 50
Motor vehicles	10 – 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 life.

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

Heritage assets

The company's collection of historic cars and related assets are stated at historic purchase cost less a provision to recoverable amount.

The historic cars and related assets have an indefinite life and therefore are not depreciated.

The company maintains its collection of heritage assets to an excellent condition and any maintenance costs are charged to the profit and loss account when incurred.

Subject to management approval the company may dispose of any heritage assets from the collection.

Stocks

Stocks are stated at the lower of cost and net realisable value. A provision is made against any raw materials that are not expected to be utilised in relation to the following year's car.

Race car development

The company carries forward to the following year certain design and development costs incurred in the current year which relate to the production of next season's car. These are capitalised as a current asset.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Principal accounting policies (continued)

Provisions

(a) Provisions

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 provisions as the obligations are 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.

2 Turnover

Turnover represents sponsorships, prize money and other income relating to the company's principal activity.

3 Loss on ordinary activities before taxation

	2014	2013
	£'000	£'000
Depreciation of tangible fixed assets - owned assets	6,935	5,590
Profit on disposal of fixed assets	(65)	(73)
Profit on disposal of heritage assets	-	(35)
Operating lease charges		
- plant and machinery	37	37
- other assets	21,022	14,021
Foreign exchange (gain) / loss	(1,067)	576

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2014 (continued)

3 Loss on ordinary activities before taxation (continued)

	2014	2013
	£'000	£'000
Auditors' remuneration:		
Remuneration receivable by the company's auditors for the auditing of the annual financial statements	66	41
- other assurance services	-	-

4 Remuneration of directors

	2014	2013
	£'000	£'000
Aggregate emoluments	6,019	3,970
Company contributions to personal pension plan	-	-
	6,019	3,970

	2014	2013
	£'000	£'000
Highest paid director:		
Aggregate emoluments	6,019	3,970
Company contributions to personal pension plan	-	-
	6,019	3,970

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Employee information

The average number of persons employed by the company during the year was:

	2014	2013
By activity	Number	Number
Design, manufacturing and engineering	688	597
Administration	77	66
	765	663

	2014	2013
Staff costs	£'000	£'000
Wages and salaries	65,262	49,708
Social security costs	7,908	7,413
Company contributions to personal pension plan	226	35
	73,396	57,156

6 Interest receivable and similar income

	2014	2013
	£'000	£'000
Bank interest receivable	-	1
Cash pooling interest receivable	-	5
	-	6

7 Interest payable and similar charges

	2014	2013
	£'000	£'000
Cash pooling interest payable	1,032	252

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Tax on result on ordinary activities

The company has estimated taxation losses available to be carried forward of approximately £192 million (2013: £133 million) which will be available to reduce future taxable income.

	2014 £'000	2013 £'000
Current tax:		
United Kingdom corporation tax on result of the year	(7,612)	(8,961)
Adjustment in respect of previous years	(9,870)	(5,681)
Total current tax – consortium / group relief	(17,482)	(14,642)

The tax assessed for the year is higher than (2013: higher than) the standard effective rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Loss on ordinary activities before taxation	(94,365)	(65,741)
Result on ordinary activities multiplied by standard rate in the United Kingdom 21.5% (2013: 23.25%)	(20,288)	(15,285)
Effects of:		
Expenses not deductible for tax purposes	296	93
Difference between depreciation and capital allowances	(44)	(35)
Other timing differences	417	54
Research & development tax relief	(6,450)	(2,906)
Carried forward tax losses	18,457	9,118
Adjustment in respect of previous periods	(9,870)	(5,681)
Current tax for the year – consortium / group relief	(17,482)	(14,642)

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The unrecognised deferred tax asset at 31 December 2014 has been calculated based on the rates of 20% substantively enacted at the balance sheet date.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2014 (continued)

9 Tangible assets

	Short leasehold land and buildings including tenants improvements	Plant and machinery	Fixtures and fittings	Computer equipment	Motor vehicles	Assets under construction	Total
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2014	25,343	44,673	4,574	4,792	4,757	4,470	88,609
Additions	24	3,799	246	3,348	1,615	2,822	11,854
Transfers	-	2,054	-	2,406	10	(4,470)	-
Disposals	-	(626)	(172)	(309)	(171)	-	(1,278)
At 31 December 2014	25,367	49,900	4,648	10,237	6,211	2,822	99,185
Accumulated depreciation							
At 1 January 2014	(18,673)	(30,857)	(3,559)	(3,644)	(3,735)	-	(60,468)
Charge for the year	(890)	(3,822)	(151)	(1,526)	(546)	-	(6,935)
Disposals	-	612	172	309	171	-	1,264
At 31 December 2014	(19,563)	(34,067)	(3,538)	(4,861)	(4,110)	-	(66,139)
Net book value							
At 31 December 2014	5,804	15,833	1,110	5,376	2,101	2,822	33,046
At 31 December 2013	6,670	13,816	1,015	1,148	1,022	4,470	28,141

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Heritage assets

Cost and net book value	Historic cars and related assets £'000
At 1 January 2014	649
Additions	254
Disposals	-
At 31 December 2014	903

Five year financial summary of heritage asset transactions:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Additions	254	49	50	-	50
Disposals – net book value	-	50	12	-	-
Disposals – proceeds	-	85	12	-	-

11 Stocks

	2014 £'000	2013 £'000
Raw materials	1,366	1,285

12 Debtors

	2014 £'000	2013 £'000
Trade debtors	9,425	5,969
Amounts owed by group undertakings	2,570	3,191
Other debtors	649	-
Prepayments and accrued income	15,432	12,402
	28,076	21,562

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

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Notes to the financial statements for the year ended 31 December 2014 (continued)

13 Creditors – amounts falling due within one year

	2014 £'000	2013 £'000
Bank overdraft	5,114	6,315
Trade creditors	16,624	11,101
Amounts owed to group undertakings	878	1,103
Amounts owed to group undertakings – cash pooling	87,504	19,055
Taxation and social security	2,067	2,994
Accruals and deferred income	70,262	52,829
	182,449	93,397

Amounts owed to group undertakings are interest free, unsecured and have no fixed date of repayment with the exception of the cash pooling which accrues interest at a rate agreed with group central treasury.

14 Provisions for liabilities

	Property provision £'000	Sales tax provision £'000	Total £'000
At 1 January 2014	995	157	1,152
Charged to the profit and loss account	1,690	74	1,764
Amounts utilised during the year	-	-	-
At 31 December 2014	2,685	231	2,916

Property provision

This relates to an estimate for dilapidations and reinstatement costs in relation to the facility at Reynard Park, Brackley.

Sales tax provision

This relates to potential sales tax liabilities.

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2014 (continued)

15 Deferred tax

The unrecognised total potential deferred tax assets are as follows:

	2014	2013
Amount not recognised	£'000	£'000
Short term timing differences	(583)	(167)
Accelerated capital allowances	(902)	(709)
Losses	(38,400)	(26,657)
	(39,885)	(27,533)

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

16 Called up share capital

	2014	2013
	£	£
Allotted and fully paid		
1,000,000 ordinary shares of £0.0002 each	200	200

17 Reserves

	Share premium account	Profit and loss account
	£'000	£'000
At 1 January 2014	44	(10,205)
Loss for the financial year	-	(76,883)
At 31 December 2014	44	(87,088)

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2014 (continued)

18 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Loss for the financial year	(76,883)	(51,099)
Opening shareholders' funds	(10,161)	40,938
Closing shareholders' funds	(87,044)	(10,161)

19 Analysis of net debt

	2013 £'000	Cash flow £'000	2014 £'000
Cash at bank and in hand	2,144	389	2,533
Bank overdraft	(6,315)	1,201	(5,114)
Net funds as at 31 December	(4,171)	1,590	(2,581)

20 Financial commitments

At 31 December 2014 there were annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings 2014 £'000	Other 2014 £'000	Land and buildings 2013 £'000	Other 2013 £'000
Within one year	-	6,253	-	6,670
Within two and five years	55	19	-	42
After five years	1,332	-	1,332	-
	1,387	6,272	1,332	6,712

21 Capital commitments

The company had capital commitments of £2,352,000 at 31 December 2014 (2013: £2,025,000).

Mercedes-Benz Grand Prix Ltd

Notes to the financial statements for the year ended 31 December 2014 (continued)

22 Related party transactions

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

Name	Sales £'000	Purchases £'000	Amounts owed to £'000	Amounts owed by £'000
Daimler AG	983	19,728	87,546	209
Daimler Insurance Services UK Limited	-	236	-	-
Daimler Middle East & Levant FZE	50	-	-	50
Daimler South East Asia Pte. Ltd.	48	-	-	-
Daimler Trucks North America LLC	50	-	-	-
Mercedes AMG High Performance Powertrains Limited	6,935	1,595	769	2,118
Mercedes-AMG GmbH	1	480	16	-
Mercedes-Benz (China) Ltd	174	-	-	189
Mercedes-Benz do Brasil Ltda.	-	200	-	-
Mercedes Benz Espania S.A	8	-	-	-
Mercedes-Benz Financial Services UK Limited	-	114	33	-
Mercedes-Benz Japan Co. Ltd.	153	-	-	-
Mercedes-Benz Luxembourg S.A	8	-	-	-
Mercedes-Benz Malaysia Sdn Bhd	-	6	-	-
Mercedes-Benz Retail Group UK Limited	-	91	18	4
Mercedes-Benz UK Limited	195	181	-	-
Mercedes-Benz USA, LLC	37	-	-	-
Mercedes-Benz World	-	49	-	-
R.T.C. Management Company Limited	-	14	-	-
	8,642	22,694	88,382	2,570

The above are all related parties by virtue of being fellow companies of the ultimate shareholders of the company. The transactions are all at arms' length and relate to the provision of goods and services between the parties associated with the company's principal activity.

23 Ultimate parent company and controlling party

At 31 December 2014 the directors regarded Daimler UK Limited, a company incorporated in the United Kingdom, as the immediate parent company and immediate controlling party.

At 31 December 2014 the directors regarded Daimler AG, a company incorporated in Germany, as the ultimate parent company and the controlling party. Daimler AG is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. The consolidated statements of Daimler AG can be obtained from the company secretary, Mercedesstrasse 137, 70327 Stuttgart, Germany.