Registration number: 01545332

Formula One Management Limited

Strategic Report, Directors' Report and Financial Statements

for the Year Ended 31 December 2020

Formula One Management Limited

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Formula One Management Limited

Glossary of abbreviated terms

The following abbreviated terms are used in the Strategic Report, Directors' Report and the Financial Statements:

(i) Abbreviations of the names of parent and subsidiary entities

"Delta Topco"	Delta Topco Limited (parent company of Formula 1)
"Formula 1" or "Group"	Delta Topco and its subsidiaries
"FOWC"	Formula One World Championship Limited (a Formula 1 subsidiary)
"Liberty"	Liberty Media Corporation (the ultimate parent undertaking of Formula 1)
"SLEC"	SLEC Holdings Limited (a Formula 1 subsidiary)

(ii) Other abbreviations used

"the Championship"	FIA Formula One World Championship®
"CRH"	Commercial Rights Holder
"EU"	European Union
"FIA"	Fédération Internationale de l'Automobile
"FRS 101"	Financial Reporting Standard 101 'Reduced Disclosure Framework'
"GAAP"	Generally Accepted Accounting Principles
"GP"	Grand Prix™
"IAS"	International Accounting Standard
"IFRS"	International Financial Reporting Standard

Formula One Management Limited

Company Information

Directors	Mr D Llowarch Ms S Woodward Hill
Registered office	No. 2 St. James's Market London SW1Y 4AH
Auditor	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL

Formula One Management Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their Strategic Report, Directors' Report and Financial Statements for the year ended 31 December 2020, with abbreviations used defined in the Glossary of abbreviated terms (see page 1).

Principal activity
The company's principal activity remains the provision of management, administrative and technical services in connection with the FIA Formula One World Championship® ("the Championship") and its events.

During the year the company continued to provide services to FOWC, the Commercial Rights Holder ("CRH") to the Championship and the company's immediate parent (see note 29), as well as to several other Formula 1 companies. The company receives management fees in respect of its services and activities, which include the provision of technical support and broadcast services at all the races on the Championship calendar, and, as it is the employer of the Group's UK staff, it also recharges personnel costs incurred on behalf of other Group companies.

Parent company
On 23 January 2017 the company's then ultimate parent undertaking Delta Topco Limited ("Delta Topco") was acquired by Liberty Media Corporation ("Liberty"). Delta Topco and its subsidiaries are collectively referred to herein as "Formula 1" or the "Group".

Review of the business
The outbreak of COVID-19 and the resulting ongoing global coronavirus pandemic had a significant effect on the company's own, and Formula 1's wider, performance during 2020. This saw the cancellation or postponement of the first 10 races of the 2020 Championship season, with racing only able to start in July and, even then, with only 17 races staged compared to the 22 originally scheduled (2019-21 races). The revised calendar with its reduced number of races also saw a heavier than normal weighting of European events and the inclusion of three "double headers", which saw two races take place at the same circuit on consecutive weekends. All but three races took place behind closed doors with no fans in attendance, and the others operated with significantly reduced capacity to ensure COVID-19 secure environments. These factors significantly reduced the scope of the company's activities, its services to FOWC and its revenues from recharges of fees and costs to FOWC and other Group companies. The negative effects of COVID-19 on the company show clearly in its results for the year, as summarised in the table below, as whilst the revised calendar and various management initiatives helped reduce costs, and the Group itself ultimately reported positive operating results, the limitations on its own activities led the company to report a reduced profit for the year.

The company's key financial and other performance indicators during the year were as follows:

	2020 £m	2019 £m	Change £m	Change %
Intra-group management fees and recharges	**162.3**	218.8	(56.5)	(26%)
Other turnover	**8.8**	9.8	(1.0)	(10%)
Turnover (see note 7)	**171.1**	228.6	(57.5)	(25%)
Cost of sales and operating expenses	**(163.7)**	(216.4)	52.7	(24%)
EBITDA (see note 11)	**15.7**	19.0	(3.3)	(17%)
Profit before taxation	**7.3**	9.8	(2.5)	(26%)
Average number of employees	**529**	506	23	5%
Events on Championship calendar	**17**	21	(4)	(19%)

As noted, the rearranged 2020 Championship calendar ultimately consisted of 17 Events (2019-21 Events), 5 fewer than originally scheduled. In the challenging environment significant flexibility was required to deliver a calendar of real substance: 5 new events were included in the revised calendar, including 2 which had not staged a Championship race previously, and in addition 3 circuits staged double headers. 2020's season did not start until early July, with all 17 events then taking place in a condensed period through to mid-December. Prevailing conditions and local government regulations allowed fans in attendance at only 3 races, albeit in reduced numbers at each.

The reduction in the company's activities during 2020 saw its revenues fall by £57.5m (25%) to £171.1m (2019-£228.6m), driven by lower intra-group management fees and recharges. These totalled £162.3m, £56.5m (26%) below prior year equivalent (2019-£218.8m). Other miscellaneous income and technical recharges was less materially affected by scope change in the company's operations in 2020, generating £8.8m, £1m (10%) below the prior year's equivalent revenues (2019-£9.8m).

The company's revised operations during the coronavirus pandemic underpinned a significant fall in its combined cost of sales and operating expenses in 2020, which were reported £52.7m (24%) lower than the prior year at a combined £163.7m (2019-£216.4m).

Cost of sales include costs incurred in respect of freight, travel and logistical activities, television production and post-production services, and other race and Championship related technical support. These costs were significantly lower in 2020 at £77.9m (2019-£105.9m), driven by a combination of the differing and shorter race calendar, with a significantly reduced number of more expensive non-European races to operate at, and due to the significantly reduced scope of activities at the track due to the operational restrictions during the coronavirus pandemic which saw steps taken in 2020 to reduce travelling headcount and perform more technical and TV production activities at the company's offices in the UK.

Administrative expenses were also significantly lower during the year at £85.8m as compared to the prior year (2019-£110.5m), driven by lower personnel costs arising from reduced staff bonuses and voluntary pay cuts from senior management and the furloughing of certain staff during periods in which racing was suspended between March and early July, and as a result of various cost saving initiatives in areas including legal and professional fees and discretionary marketing expenditure.

These factors led the company to report EBITDA profit for the year (see note 11) of £15.7m (2019- EBITDA of £19.0m).

Despite the recruitment freeze in place for most of the year, the company's average number of employees increased by 23 (5%) to 529 (2019-506), reflecting the full year impact of the significant post-Liberty acquisition programme of recruitment that continued through 2019. The company continues to employ Formula 1's UK based staff, recharging to fellow Group companies elements of the costs of those UK staff who perform work on behalf of the other subsidiaries.

Taking into account the very challenging business environment faced in 2020, the directors consider the performance of the company during the year to be in line with revised expectations following the onset of the coronavirus pandemic. The directors continue to believe the company is in a sound position at the balance sheet date, and is well positioned to return to a fuller scope of activities and quickly recover its historic levels of performance once prevailing conditions improve. The potential ongoing effects of, and risks arising from, the coronavirus pandemic on the company and the Group in 2021 are discussed in the principal risks and uncertainties section below and in the directors' going concern considerations in relation to the approval of these financial statements.

Principal risks and uncertainties

The review of risks and uncertainties contains certain forward-looking statements. These statements have been made by the directors in good faith based on the information available to them at the time of their approval of this report. They should be treated with caution due to the inherent uncertainties arising, which relate to events, and depend on circumstances, that may or may not occur in the future.

Business risk

With the company's primary business function being to provide services in connection with the Championship, the company's principal risks are closely aligned with those of FOWC, the Championship's CRH.

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In 2001 SLEC, a fellow Group company, entered into and funded a series of agreements, the counterparties to which were itself, other Group companies and the Fédération Internationale de l'Automobile ("FIA"), and under which the FIA continues to provide regulatory services and one of the Group companies, FOWC, became the CRH to the Championship for a period of 100 years commencing from 1 January 2011.

Under an agreement with FOWC the company continues to provide services to the CRH and receives fees in respect of its activities, which include the provision of technical support and broadcast services to the Championship.

From 2013 to 2020, FOWC was party to a bilateral agreement with each Formula 1 team, securing the relevant team's commitment to continue participating in the Championship until 31 December, 2020. In August 2020, FOWC, SLEC, the FIA and the teams entered into the 2021 Concorde Agreement, securing the commitment of the teams to continue participating in the Championship from 1 January, 2021 until 31 December, 2025, and governing the relationship between the parties during that period. The 2021 Concorde Agreement is made up of two separate documents: (a) the 2021 Concorde Commercial Agreement between FOWC, SLEC and each of the teams; and (b) the 2021 Concorde Governance Agreement between FOWC, SLEC, the FIA and each of the teams. As was the case pursuant to the previous bilateral contracts, the 2021 Concorde Agreement provides, among other things, for the participation of the teams in the Championship during the term of the agreement, and provides for Formula 1 to make prize fund payments to the teams.

Fundamentally, Formula 1 is a global business with a diverse portfolio of contracts, customers and activities, relatively few of which are affected by the terms and consequences of the UK's exit from the EU ("Brexit"). However, as Formula 1 operates its business principally through UK-based subsidiaries and a number of the Championship's events take place within the borders of the EU, Brexit and the terms of the recently agreed EU-UK Trade and Cooperation Agreement ("Trade Deal") will have some degree of operational impact on the Group. The Group therefore continues to work with its advisors, logistics partners, other F1 stakeholders and UK and other governmental authorities to assess in detail how the Trade Deal will affect its operations, and to identify appropriate mitigating actions to prevent significant disruption to the 2021 Championship, its European events and other aspects of the Group's operations that could be affected. Based on its assessments and plans to date, the Group has identified that the principal operational challenges will relate to the movement of equipment and personnel to and from European races, but in these, and other, areas, whilst the new rules may lead to additional administrative and operational burdens, the Group is confident identified solutions will mitigate their impact, and any associated additional costs will be limited.

Whilst some uncertainty therefore remains as to the final impact of Brexit on Formula 1's business, the directors do not consider the risks to be significant, expect them to be mitigated in due course and therefore continue to believe Brexit will not have a material effect on the business.

COVID-19 and risks for the company

At the time of approving these financial statements members of the Group's senior management, including the directors, therefore continue to actively monitor the ongoing impact of the coronavirus pandemic, addressing the consequences, and assessing other potential risks arising and how their impact on the wider Group can be mitigated.

Given the unpredictability of the coronavirus pandemic's effect in different countries, the differing rules set by local governmental authorities around the world, and with continuing uncertainty as to when the coronavirus pandemic will recede and allow a return to more normal levels of business activity, in making plans for the 2021 season the Group is continuing to mitigate the associated risks wherever possible, and to liaise closely and actively communicate closely with its employees, the FIA, the teams, race promoters, government authorities in race jurisdictions, commercial partners and other stakeholders. On a daily basis, the Group continues to closely monitor applicable travel and public health restrictions as well as health and safety, travel and other advice and guidance issued by the UK Government, and other national and civil governments, and will take necessary decisions with those other stakeholders to continue to adjust its plans as required to address risks, and indeed pursue opportunities, as they arise.

As at the time of approval of these financial statements a 23 race 2021 Championship calendar is scheduled, and race promoters are making necessary preparations to stage those events. Having successfully completed 17 races in 2020, should the coronavirus pandemic continue to create challenges for the staging of the 2021 season the Group is confident that it has procedures in place to be able to once again successfully deliver a significant race calendar, whilst being flexible in meeting any requirements and restrictions in the jurisdictions where races will take place.

The ongoing coronavirus pandemic makes it reasonably likely that some of the planned events could be cancelled in due course, and if that happens the Group will take steps to maintain as significant a calendar as possible, adding other venues if needed and where logistically deliverable, or, as an alternative, giving consideration to running more than one race at certain circuits as happened in 2020. Flexibility may continue to be needed, but as has been seen already from amendments made to the original published 2021 calendar, with plans in place to stage replacement races at Imola and Portimao and the shuffling of the calendar to allow a later date for the Australian Grand Prix™ ("GP"), the Group will make changes as necessary to meet its aim of delivering a schedule with race numbers in excess of what was achieved in 2020.

Given the ongoing challenges faced as a result of the coronavirus pandemic, it remains likely that at early seasons events, and potentially later into the year, events may once again take place, as in 2020, under conditions that will either prevent or limit certain of the Group's normal race-related business activities. For example, the operation of the Paddock Club hospitality service is likely to be compromised at any event required to take place as a closed race without spectators, or at events with limited attendance and/or strict social distancing requirements. However, in line with the views of many external forecasts and with progress now being made in the distribution of vaccines, Formula 1 believes that conditions suggest the effects of the coronavirus pandemic will reduce as the year progresses and the ability to operate a broader level of business activities will return. Whilst it is acknowledged that there can be no certainty as to when widespread vaccination is achieved in any particular country, or that vaccines will prove wholly effective against COVID-19 variants, the experience gained from, and the protocols which allowed racing in, the second half of 2020, suggest that even if prevailing conditions remain difficult and restrictive, providing travel exemptions remain for elite sport and its participants, a significant race calendar can be delivered.

As addressed in note 7 to these financial statements, the company generates its revenues from services provided to FOWC and other Group companies, many of which are provided in connection with, or at, events. If events are cancelled and cannot be rescheduled there will be an adverse impact on the company's revenues, as was seen during 2020, and even if most events can take place in 2021, it cannot be discounted that services provided at events may be reduced, either because the venue is closed to spectators, guests and other members of the public or because fans and commercial partners are prevented from, or choose to not, travel to or attend major events in countries and regions perceived to be higher risk.

Considering the impact on 2021 revenue generation of potential event cancellation or attendance restrictions, in line with the experience in 2020 certain revenues derived from rights for, or services delivered by the company or the Group at cancelled or scaled-back events would most likely not be earned, and revenues from fixed fees arising from rights related to the 2021 Championship season could be subject to pro-rata or other negotiated reduction if the number of Championship events that ultimately take place in 2021 either falls below the varying level of minimum event numbers specified by certain applicable contracts or if the period of the year that the 2021 Championship takes place across is significantly shortened. It is also likely that the sale of other rights or services by both the company and the Group may be compromised to some degree, as discussed above. However, as was the case in 2020, lost revenues would be offset to some degree by cost savings, as cancellation of events or scaling back of activities would result in certain event-focused costs falling or not being incurred at all, and the Prize Fund payments made by the Group to the competing teams would be lower. As was the case in 2020, if the start of the season was delayed, or event cancellation once the season started led to a significant period with no racing, the Group would also take protective measures to minimise its operating costs and suspend all but essential and strategically important expenditure.

Whilst there remains continuing uncertainty as to the time period over which COVID-19 will impact both the Group and the company, there remain a wide range of theoretical scenarios and outcomes that are possible, featuring varying numbers of events and race locations, and different assumptions about the scope of revenue and cost generating activities. However, it is the directors' current base expectation, consistent with most external forecasts, that 2021 will see some improvement in conditions as the coronavirus pandemic recedes, and longer term the virus and its effects will be eliminated such that the disruption and its impact on the Group's financial results and position will prove temporary, as has always seemed likely. Against this backdrop, the Group and the company are continuing to focus on what are considered to be the more realistic scenarios for 2021, reflecting current plans for the 2021 season, the experience of operating in the challenging conditions of 2020, and in the expectation that whilst operations will face some further disruption, likely restrictions on its activities and on fan attendance, there will be some easing as the year progresses.

At the time of their approval, in the directors' judgement the effects of the ongoing coronavirus pandemic have not required any post-balance sheet adjustment to be made to, or specific additional disclosure of the potential impact of the virus to be provided in respect of, any of the company's balance sheet assets and liabilities reported as at 31 December 2020.

The directors believe the arrangements identified above will help the company continue to mitigate the principal risks to which it is exposed, namely its ability to continue to undertake its principal activity as business manager to the CRH to the Championship which is able to effectively exploit the rights for the term of its agreement with the FIA.

Other risks
Other risks and uncertainties are regularly monitored by the directors and no significant change is expected to this activity during the forthcoming year.

Statement by the directors in performance of their statutory duties in accordance with section 172(1) of the Companies Act 2006

The company's directors consider, both individually and together, that they have acted in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its sole shareholder, FOWC (see note 29). They have also considered the company's other stakeholders and matters set out in section 172(1)(a) to (f) of the Companies Act 2006 in the decisions taken during the financial year ended 31 December 2020.

Long term strategy and decision making
The directors of the company recognise the importance of taking decisions for the long term and analysing the likely consequence of each key decision. In taking decisions the directors seek to apply and maintain the highest standards of business conduct, and given the company has a single shareholder, the directors are not at risk of acting unfairly between its members when making them.

As noted, the company is part of the Group and with all companies within the Group wholly owned, long term strategy is determined at the Group level with decisions and activities then delegated to its individual companies. Whilst the main objectives of the company and certain strategic decisions will be set/taken at a Group level, consideration does still need to be given to the individual interests of the company. Given that in addition to being directors of the company, Mr Llowarch and Ms Woodward Hill are also members of the Group's executive management, being respectively its Chief Financial Officer and its General Counsel, they are able to consider any decisions to be taken both in the context of the interests of the wider Group and its detailed strategy, and in the interests of the company.

The Group's strategy, which continues to be published and is available on the Group's corporate website (https://corp.formula1.com), sets out to deliver long-term value to both its ultimate owner Liberty, and to other stakeholders including the company. The strategy also promotes the Group's other aims, which include to grow the sport and its fan base, and to ensure the Championship's long-term sustainability, and continues to be built around six strategic priorities:

- Race: Increase competitiveness and unpredictability on track;
- Engage: Produce world-class spectacles for fans on and off track;
- Perform: Drive value for our stakeholders;
- Sustain: Deliver sustainable and efficient operations;
- Collaborate: Create win-win relationships with our partners; and
- Empower: Build an engaged, high-performing organisation.

Whilst the coronavirus pandemic caused considerable operational and commercial disruption during 2020, leading to the introduction of specific risk and operational management activities to support strategic decision making, the Group's broader long term strategy and ambitions remain unchanged.

As noted, the onset of the coronavirus pandemic severely disrupted the company and the Group's operations during 2020, and required significant changes to its business operations and decision making processes to operate effectively and manage risk in a challenging and rapidly evolving environment across the year. Following the first emergence of the virus Formula 1 first saw challenges in its operations during February 2020, and the Group immediately convened a committee constituted of members of its executive and senior management, including Mr Llowarch and Ms Woodward Hill, to take responsibility for overseeing the Group's planning, its operational strategy and the execution of its activities in response to the crisis, including any issues arising for the company. The committee met up to three times a week throughout the remainder of the year and continues to operate as the business plans for the 2021 Championship season.

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With the coronavirus pandemic leading all races originally scheduled for the first half of 2020 to be either cancelled or postponed, the Group was required to operate with considerable strategic flexibility in order to reorganise the Championship calendar based on the ambition to stage between 15 and 18 races in the second half of the year. In fulfilling this aim through the staging of 17 races between 5 July and 13 December 2020, the Group secured agreements to race at a number of circuits that were not on the original calendar, liaising with other commercial stakeholders to deliver as many of their contracted rights as possible, but always whilst placing the highest priority on the safety and well-being of the Group's employees, the Championship's participants and other stakeholders in the sport. In this light it was critical for the company to reduce, as much as possible, the volumes of travelling personnel and equipment, and in that regard decisions were taken to significantly accelerate an element of the Group's longer term strategy to increase the proportion of the company's TV production and other technical services that during race weekends are performed away from the track at the Group's offices in Biggin Hill in the UK. The company's plans for a significant increase in remotely-conducted activities and services were therefore accelerated during the period of the initial coronavirus pandemic lockdown, such that when F1 returned to racing in July both the volume of equipment required at the track and the number of staff needing to attend events were significantly reduced, so reducing the scale of operational challenges and those exposed to virus risk from travelling. Travelling staff were supported by a comprehensive and regular programme of virus testing, as were those required to be on site to provide services from the company's technical office at Biggin Hill.

Following completion of the 2020 season, the company and the Group's attention is now focused on plans for the 2021 Championship and its events. Expectation is that, as a minimum, early season events will continue to face disruption from the coronavirus pandemic, and many of the operational measures used in 2020 will still be required. As noted, the Group's planning and response to the coronavirus pandemic continues to be overseen by the COVID-19 response committee, which is expected to continue to operate until such time as the business is able to return to more normal operation. The directors remain confident that the company and the Group, together with our other stakeholders, will continue to be able to adapt successfully to the ongoing challenges of the coronavirus pandemic, with the aim of completing the published Championship calendar of 23 races and increasing the scope of its commercial activities as, and when, conditions allow.

Maintaining a reputation for high standards of business conduct
The Group seeks to maintain its high business standards, ensuring that wherever its subsidiaries are operating in the world, their business is conducted with integrity, and in compliance with the law and the Formula 1 Code of Conduct. The Code, which includes the Group's anti-bribery and corruption policy, has been adopted by each Formula 1 subsidiary, including the company, and applies to every officer and employee of the Group.

In addition to the requirements of its subsidiaries, officers and employees, the Group also expects third parties who perform services for Formula 1 to apply or adopt internal policies that are consistent with this Code. In that regard the Group's compliance team conduct KYC checks and other due diligence work on any potential partners the company considers doing business with.

As the subsidiary of a US public company, Liberty, the company and the wider Group are also required to comply with additional requirements, including the Foreign Account Tax Compliance Act (FATCA) and certain aspects of the 2002 Sarbanes-Oxley Act ("SOX"). SOX requires the Group to establish and maintain robust internal control structures and procedures for financial reporting, to report on their effectiveness, and have that effectiveness tested and assessed annually by its external auditors. The conclusions of the work on SOX for the 2020 year are that the Group continues to operate a robust and effective control environment.

Engagement with key stakeholders
In addition to the company's parent and other fellow subsidiary companies of Formula 1, the directors consider the company's key stakeholders to be its employees; the FIA and F1's competing Teams; the Championship's race promoters and broadcasters; other key suppliers; Liberty; and the Group's external lenders.

We recognise the importance of the contribution of our employees and, as such, continue to support their development, to monitor, measure and set targets for their performance, and to reward them through company-wide participation in our discretionary employee bonus plan.

Despite the challenging circumstances of 2020, which have seen a large number of our employees working remotely from home during the continued coronavirus pandemic, we have provided our employees with regular opportunities to participate in discussions that canvas opinions and deal with concerns regarding varying aspects of our business including diversity and inclusion, job satisfaction, wellbeing, health and safety, sustainability and climate related issues. Key areas of focus have included how the business can support remote working through IT and other developments, and actions taken to support the well-being of our staff during the coronavirus pandemic. All concerns and feedback have been shared with senior management meetings and addressed through developing appropriate HR/H&S policy and practices, and effective internal communications. In addition, the company has introduced new platforms for engaging with our staff, including social media solutions and an expanded internal communications facility.

The company communicates regularly with employees through our intranet, virtual and face to face staff briefings and various meetings at divisional and company level to generate awareness of company initiatives and performance. Employees also engage in the development of the business via our Ideas Pool portal where they can suggest any company improvements, including technical innovations and wellbeing suggestions. During 2020 the company introduced a further new platform to address topical issues that relate to wellbeing, and diversity and inclusion. In addition, the benefits platform and provision has been revamped and revised.

With the onset of the coronavirus pandemic, staff wellbeing has been even more important in 2020, and as such every attempt has been made to ensure that our people are in a safe working environment whether working in the office or remotely in the UK or when travelling. The company has taken multiple steps to reduce the risk of the virus spreading, including provision of PPE and the operation of a strict COVID-19 testing programme. In addition 'Let's Talk' sessions have been implemented to cover topics such as resilience and healthy lifestyles. In addition, the company has changed its private health provider to one that focusses on proactive positive health and provides a broader range of supporting services and guidance.

As part of its broader sustainability agenda, the Group has committed to a diversity and inclusion strategy, as part of which during 2020 it has taken steps to ensure that we create opportunities for a wider range of people from diverse backgrounds to join our company and develop the skills required to build strong, long lasting careers.

The company endorses equality of opportunity at every level of its business, and has a stated policy to offer equal opportunities to all persons, with our key criteria for selection, promotion, training and reward being the ability to do the job to the required standard. We will not discriminate on any grounds unrelated to performance. The company remains committed to supporting individuals affected by disability during the course of their employment.

The directors, together with the Group's other senior management, ensure continued close collaboration with the FIA and the F1's competing Teams. This collaboration includes regular meetings of the F1 Commission; other technical, sporting, commercial and financial consultation meetings between Formula 1, the FIA and each of the F1 Teams (both individually and together); and frequent ad hoc meetings between the Group's executive leadership and other senior members of the FIA and the Teams. Matters discussed during 2020 included the terms for the 2021 Concorde Agreement, the future regulatory, commercial and governance framework for the Championship, together with other ongoing sporting matters, including the impact of, and plans for mitigating, the risks arising from the coronavirus pandemic. Whilst the new financial regulations will take effect from 2021, the effects of COVID-19 led all parties to agree to defer the planned introduction of new technical regulations for 2021 into 2022. In August 2020 the FIA and Formula 1 confirmed that all ten of the currently participating teams had signed the new 2021 Concorde Agreement. This followed extensive discussions between the parties, with the agreement setting out the framework for the governance of the Championship through to, and including, the 2025 season, and securing the continued participation of the Teams. The Group believes the agreement secures the long-term sustainable future for Formula 1 and combined with the new regulations that will come into force in 2022, will reduce the financial and on track disparities between the Teams, helping to level the playing field and creating closer racing on the track. All parties believe closer racing will attract more fans to the sport, benefitting every stakeholder, and continuing to increase the global growth of the sport and their respective businesses.

Following the usual comprehensive pre-season broadcaster workshop in early 2020 to discuss developments and the plans for the year ahead with broadcasters who contract with the company to carry F1 on their channels, the effects of the coronavirus pandemic resulted in no races in the first half of the year, and, once racing returned in July, attendance and travel restrictions prevented many broadcasters from being able to attend races and have the levels of face-to-face contact with the Group's management that they would enjoy in more normal times. However, throughout the year management maintained regular contact with broadcasters, providing additional alternative programming in the period when there were no races taking place and running an additional virtual broadcast workshop to support broadcasters ahead of the season restart in July. Management maintained close communication with broadcasters to ensure they remained supportive of the Group's plans to rebuild the race calendar, to address the commercial issues arising and to propose and agree certain exceptional fee relief arrangements for 2020. Detailed questionnaires are usually used to assess both broadcaster satisfaction and views on the quality of the Group's TV production both in the middle, and at the end, of each season, with actions taken by the Group to address any concerns. However, due to the effects of the ongoing coronavirus pandemic the Group decided to postpone these questionnaires for 2020 and they will be reinstated for the new 2021 season. The company and the Group were very grateful for the significant level of support and understanding of all its broadcast partners during a challenging year for all.

The company and the Group maintain regular ongoing engagement throughout the year with the various promoters who stage the Championship's events. The challenging circumstances during the year required significant commercial and operational flexibility from both the Group and the promoters, who worked very effectively together to allow the staging of the 17 races that ultimately made up the Championship, including two circuits which had never before held a Championship race, and 3 others that were also not originally included on the 2020 race calendar.

In addition to the detailed and regular liaison with all individual promoters to address issues and challenges arising with their events, the Group usually undertakes various engagement activities during the course of the year including an annual general meeting at the start of the year, twice yearly marketing and commercial workshops to discuss its strategy, operational plans, branding and event related collaboration opportunities with the promoters, together with an end of season meeting. The prevailing conditions in 2020 required the summer workshop and the end of season meeting to be held virtually given the ongoing impact of the coronavirus pandemic, which also led the Group to postpone its end of season satisfaction questionnaire to assess progress made in the year.

Due to the coronavirus pandemic the company was required to make variations to its existing race promotion agreements with each race promoter, whether in respect of cancelled, rearranged or events that were still able to be staged on their original scheduled date. In addition the company also negotiated and entered into new race promotion agreements for two additional Italian races that joined the revised calendar (at Mugello and Imola circuits) together with other replacement races staged in Turkey, Germany and Portugal, although at the date on which the financial statements are approved, the risks arising from the global Covid-19 coronavirus pandemic continue to pose risks for the currently published calendar.

With race promotion contract expiry dates not all coterminous, in any year a number of race promotion agreements will come up for renewal. During 2020 the company was successful in renewing a number of race contracts for the future on satisfactory terms, and a new agreement was also signed in relation to a new race contract with Saudi Arabia, which is planned join the Championship calendar in 2021.

The company's senior management and the company's procurement department engage with the company's other key suppliers via regular calls and meetings, site visits and, when conditions allow, face to face meetings at Championship events in order to build strong and lasting relationships. Topics that are addressed include access to sites at race weekends and the timely communication of new projects, which continue to improve the Group's supplier engagement model. The company has an established procurement policy and follows processes for engaging with suppliers, which include the negotiation of clear terms and conditions in line with the Group's required standards, and statements of work which set out deliverables and targets against which supplier performance can be measured. The company's delegated authorities are set such that material contracts can only be executed by the company's directors, and therefore all such arrangements are assessed against strategic aims before execution. During the course of 2020, with the challenging operating conditions and many changes to the Group's original plans for the year, particularly the significant change to the race calendar, the procurement team worked extensively with suppliers in order to mitigate and defer costs where races were cancelled or postponed, or services were temporarily not required, and to agree new terms for events that were added at short notice to the calendar. In the case of suppliers who still attended races, steps were taken to ensure that all FIA and event COVID-19 protocols were observed. Close management of all key suppliers was maintained throughout the year, keeping them informed as soon as changes in our requirements were apparent, and allowing them the best opportunity to manage the impact of these changes on their respective businesses.

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Strategic Report for the Year Ended 31 December 2020

The directors, together with the Group's other senior management, regularly discuss material strategic and operational matters with senior Liberty executives, some of whom sit on the boards of certain Group companies, including Delta Topco, and this process continued throughout 2020. As a US listed company, Liberty has significant public reporting obligations, and given Formula 1 is a material subsidiary, the Group is required to fulfil significant reporting requirements to Liberty on a quarterly and annual basis. These include the requirement for the Group to be compliant with, and report to it on, certain SOX requirements as discussed above. The Group also continues to assist Liberty with investor relations activities, contributing to Liberty's quarterly earnings calls and annual investor day.

The company has a number of trading relationships with other subsidiary companies of Formula 1, including sub-licensing arrangements, the provision of intra-group services for which it receives fees, various intra-group loans and other trading balances. Formula 1's subsidiaries work together to pursue and deliver the Group's strategy and targets and ensure that any intra-group arrangements are in the interests of both parties. This often requires day to day management co-operation and operational liaison to ensure the terms of any trading arrangements and the terms of any agreements relating to intra-group loans and trading balances are followed and that any required support is provided. Despite the challenges of 2020, these activities continued as per normal.

The company, together with several other Group companies, is party to and guarantees the Group's external borrowing arrangements. The Group provides quarterly management reports and compliance certificates to external lenders, holds periodic update calls and liaises on a regular basis with the agent who oversees the facilities on behalf of lenders. The Group also meets on a regular basis with the rating agencies to update them on its progress and expectations for the future. During 2020 various discussions were held with lenders and the rating agencies to keep them informed of developments and to provide updates on the impact of the coronavirus pandemic on the business. A waiver from reporting against the Group's leverage covenant until 31 March 2022 was secured as the Group proactively looked to manage and mitigate risks arising from COVID-19.

Other stakeholder considerations
The directors recognise the importance of certain other stakeholders in the success of both the company and the Group as a whole, including the Championship's fans and other key commercial partners, including its sponsors. The Group's wider engagement with such stakeholders is discussed in the financial statements of the Group companies primarily responsible for overseeing the relevant relationships, and the section 172 (1) statements required of any of its subsidiaries are published on the Group's corporate website.

The community and the environment
During 2019 the Group announced an ambitious environmental sustainability plan for F1, and in January 2020 signed up to the United Nations' Sports for Climate Action Framework, underlining its commitment to becoming more environmentally conscious in the future. Despite the challenges of the year, the Group continued to progress its planning and to take actions in line with its sustainability strategy, and, following a review by the FIA, its progress was reflected in November 2020 when Formula 1 was awarded a 3 star rating under the FIA's Environmental Accreditation programme, the highest attainable level of such award.

The sustainability plan targets the Championship to have a net-zero carbon footprint by 2030, with related initiatives addressing both the cars and on-track activity, and the other race operations, including logistics and travel, of both the Group and other stakeholders in the sport. In addition, the Group aims to ensure all Formula 1 races are sustainable by 2025 through the use of appropriate materials at all events, the elimination of single-use plastics and ensuring all waste is reused, recycled or composted. Additional incentives and tools will be offered to every fan to find a greener way to reach the race, and focus will be placed on ensuring circuits and facilities enhance both fan wellbeing and nature, also providing opportunities for local people, businesses and causes to get more involved in the race weekend.

Prior to the return to racing at the start of July 2020, Formula 1 announced a new #WeRaceAsOne initiative, in support of the #PurposeDriven movement launched by the FIA. #WeRaceAsOne will be a platform for all the environmental sustainability and diversity and inclusion initiatives of Formula 1, and is aimed at tackling the biggest issues facing our sport and global communities. Following the launch of #WeRaceAsOne, the Group set out further actions and measures to increase diversity and inclusion across Formula 1. This included the establishment of a D&I Task Force to listen, understand and identify the right initiatives to help us deliver our goals (for example the development of employment and education opportunities for under-represented groups across Formula 1, promoting careers in STEM (science, technology, engineering and maths)).

Alongside the Task Force we announced plans to finance, primarily but not exclusively, internships and apprenticeships within Formula 1 for under-represented groups to ensure they have the opportunity to fulfil their potential and have access to a promising career in the sport. The Group continues to support F1 in Schools, a global social enterprise working with committed industry partners to provide an exciting educational experience through the magnetic appeal of Formula 1, with the key objective of changing children's perceptions of the STEM subjects.

The directors fully subscribe to the aims of the plan, details of which are available from the Group's corporate website, and the company will pursue any required actions to contribute to its successful delivery.

The Group takes steps to support communities in the countries in which it operates. For example, in January 2020 the Group organised an auction of F1 valuable memorabilia and experiences in order to raise money to help those affected by the Australian bushfires. F1's race promoters, although somewhat hindered by the coronavirus pandemic in 2020, also continue to be actively engaged with Formula 1's sustainability plan, supporting community projects such as F1 in Schools and pursuing their own corporate social responsibility initiatives locally.

Approved by the Board on 18 March 2021 and signed on its behalf by:

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Mr D Llowarch

Director

Results and dividends
The results for the year are shown in the Profit and Loss Account on page 22.

Matters required to be reported under section 416(4) of the Companies Act 2006
The company has chosen, as permitted under section 414C(11) of the Companies Act 2006, to discuss matters related to its employees and its key business relationships within its Strategic Report rather than the Directors' Report, as they are considered of strategic importance.

Future developments
The directors consider the developments detailed in the Strategic Report leave the company well positioned to continue to perform satisfactorily in the future.

Going concern
The company's business activities, together with the factors likely to affect its future development, its financial position and its risk exposures, are described in the Strategic Report above, noting the importance of the activities of the wider Group in supporting the company's own business and the continued impact of the coronavirus pandemic on the Group's ongoing business activities. The ongoing uncertainty arising from the coronavirus pandemic and its potential continued impact has to be considered from the point of view of its anticipated effect on both the company and the rest of the Group when adopting the going concern basis in these financial statements.

Unlike the challenge in April 2020 of considering, for going concern purposes, the then-largely unknown possible effects of the virus when approving the 2019 financial statements, the coronavirus pandemic and its effects are no longer a new development and the Group's experience of operating and successfully delivering a 17 race Championship in the second half of 2020, leave the Group optimistic as to its ability to continue to operate effectively in 2021. The Group expects, and is planning for, the 2021 season to start in Bahrain as scheduled, with the Bahrain GP due to take place on 28 March 2021. Therefore, as discussed, whilst it is likely that the scope of the Group's activities may continue to be somewhat compromised, particularly in the first few months of the season, it is expected, and reflected, in the Group's 2021 budget that conditions will improve as the year progresses and its financial results will be less severely impacted than in 2020, when despite the challenging circumstances the Group was still able to generate positive financial returns from its operations.

Whilst the Group's 2021 budget has been prepared including significant levels of contingency to protect against the ongoing effects of the coronavirus pandemic, it indicates an improvement in expectations for financial performance in 2021 and underlines the Group's belief that performance will return quickly to historic levels once conditions allow. As such, if the budget projections are proved accurate, the Group will be in a stable and liquid position. However, given the uncertainty as to how long the coronavirus pandemic will impact the business, management continue to monitor and consider possible alternative scenarios in its trading performance and cash flow. As such, the Group has prepared a cash flow forecast for a period of at least 12 months from the date of approval of these accounts which includes severe but plausible downside scenarios. The severe but plausible downside scenarios reflect the circumstances and limited scope of activities seen in 2020 repeated throughout the forecast period. In such a scenario the Group is projected to deliver an improved level of financial performance on 2020. The severe but plausible downside scenarios indicate that the Group will continue to have sufficient funds to meet its liabilities as they fall due for that period.

Additionally, should fewer than 17 races take place, the directors are confident that the Group would have access to significant, readily-available liquidity to support its operations or access to additional funding if needed, as is discussed below. Given the success of the Group in successfully navigating 2020 and staging 17 races, and with the development and ongoing roll out of vaccine programmes globally, the significantly more severe scenario of no races being able to take place in the coming season which was considered at the time of approval of the 2019 financial statements is now considered sufficiently remote to be no longer plausible.

When considering liquidity, the directors note that the Group reported available cash on balance sheet of $265.4m at 31 December 2020, and in addition has access to a $500m revolving credit facility ("RCF"), which was wholly undrawn at 31 December 2020 and remains undrawn at the time of approval of these financial statements. The RCF remains available to the Group until November 2023 and the need to test a single EBITDA to net debt leverage ratio against a quarterly 8.25x test measure requirement has been temporarily waived by the lenders of the RCF ("the RCF Lenders"), with testing to be resumed from the quarter ending 31 March 2022. During the period of the waiver the Group is required to test a requirement for quarterly minimum liquidity to be above $200m. Liquidity for this purpose is defined as the sum of cash on balance sheet and undrawn and available RCF, and as at 31 December 2020 this was measured at $765.3m. Needing a simple majority consent to obtain the waiver, the Group received unanimous consent from all nine banks who are RCF Lenders with only a modest fee being paid to secure the agreed amendments to the terms of the RCF.

The circumstances and assumptions of the severe but plausible downside scenario would see the coronavirus pandemic's effects across 2021 as a whole mirror its effect on 2020 and therefore require widespread vaccination to prove far less effective than it is currently expected to be at the time of approving these accounts. In such circumstances the severe but plausible downside scenario projects the Group to breach its leverage covenant when it is again required to be tested at 31 March 2022, although the scenario also projects that the Group's RCF would be fully undrawn at that date. It is noted that, even when the waiver period expires in more than 12 months time, the leverage covenant will only be tested thereafter if the RCF remains in place, so its early cancellation would eliminate the test requirement completely and make the question of any future breach academic. As such, and with the continued expectation that the Group's financial performance will recover strongly once the coronavirus pandemic has receded, underpinned by some $6.73bn of future core revenues under contract at 31 December 2020, in circumstances where a covenant breach was likely at 31 March 2022 the Group would either consider terminating the RCF or negotiating with the RCF Lenders to extend the period of the covenant waiver, or make other necessary amendments to the terms of the facility. Based on the historic support and strong, longstanding relationships with the RCF Lenders, and their unanimous support and the low costs charged for granting the ongoing waiver, the Group and the directors remain confident that any consent required for a further waiver would be given.

Notwithstanding the fact that the severe but plausible downside scenario does not indicate the Group will have a requirement for additional funding, the directors believe that if additional temporary support was required in 2022 from its RCF Lenders it would be secured, and even if in the unlikely event that the Group was unable to generate sufficient support for any necessary request, that alternative actions would be available to it, including raising additional or alternative third party financing, or securing support from its ultimate parent Liberty. On 23 April 2020 Liberty confirmed in a press release that it had positioned significant available liquidity to support the Group and enhance the Formula 1 business as required, by reattributing certain liquid assets under its ownership. With Liberty having reconfirmed their intention to provide support to the Group should it be required, and with those liquid assets still in place, the directors believe Liberty continues to have the ability to provide this support if needed. As such, and also supported by Delta Topco's own confirmation that, during the period, it intends to provide any additional financial support to the company and its fellow subsidiaries should it be required, the directors believe the company will have access to significant and sufficient liquidity to support its operations, including any additional funding as may be needed in the going concern period and beyond.

As one of the key trading subsidiaries of the Group, the revenues and returns generated by the company contribute towards the servicing, and compliance with the terms, of the Group's external financing arrangements. As is the case with other Group companies, the company is an obligor under the Group's $2.9bn Senior Loan facilities and these facilities are secured by fixed and floating charges over the present and future assets of the Group's main operating companies. The terms of the facilities see no covenants required to be tested in respect of the Senior Loans and no impending maturities, as the loans are not repayable until February 2024.

Whilst the eventual overall impact on the Group and the company of, and the period that will be affected by, the coronavirus pandemic remains uncertain, for the reasons discussed above, including the indicative parental financial support of Delta Topco and Liberty should it be required, the directors are confident that the company has adequate resources to continue to meet all liabilities as and when they fall due for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

Environmental report
The directors have provided the following environmental report under the Streamlined Energy and Carbon Reporting Framework ("SECR") implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the Regulations"). This is the first year that the report is required and so comparative data has not been presented. Additional information concerning the company's environmental strategy can be found in the Strategic Report.

Emissions and energy consumption
The company has followed a widely recognised methodology described within The Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (Revised Edition) to determine the company's organisational boundaries and to scope the company's greenhouse gas ("GHG") emissions.

To fulfil the requirements of SECR we have measured our UK energy consumption and the associated GHG emissions as classified within Scopes 1 and 2 as well as a mandatory element of Scope 3 relating to emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel used.

We account for 100% of the GHG emissions from UK energy use as a consequence of the company's actions. This includes energy consumption at all our premises (electricity, gas and diesel fuel), operation of facilities during the race events (including diesel fuel), and transport activities (diesel and other fuel) where the journey starts or ends in the UK. The operation of diesel generators (at both our premises and race facilities) has been included in the data as a Scope 1 emission because it is considered material to our operations, although it is not a mandatory requirement of the Regulations for it to be to included.

The table below summarises energy consumption for the year ended 31 December 2020:

	2020 Energy use kWh
Combustion of gas (Scope 1)	875,485
Purchased electricity (Scope 2)	2,928,698
Consumption of fuel for the purposes of transport (Scope 1)	340,028
Consumption of fuel for the purposes of transport (Scope 3)	3,040
Combustion of other fuel (Scope 1)	1,203,630
	5,350,881

During the year, Formula One Management Limited recorded GHG emissions from:

- Combustion of gas (which includes activities involving the combustion of gas from stationary or mobile activities including for the purposes of transport) of 161.60 tonnes of CO_2e per year
- Purchased electricity (which includes electricity purchased for the company's own use, including for the purpose of transport) of 682.80 tonnes of CO_2e per year
- Purchased transport fuel (which includes activities involving the consumption of fuel for the purposes of transport (but not other activities)) of 87.70 tonnes of CO_2e per year
- Combustion of other fuel (which includes activities involving the combustion of diesel fuel for our generators) of 307.70 tonnes of CO_2e per year

The emissions data below details emissions in tCO_2e analysed by Scope.

Formula One Management Limited

Directors' Report for the Year Ended 31 December 2020

Summary of Scope 1 (direct) GHG emissions for the year ended 31 December 2020:

	2020 Emissions tCO_2e
Combustion of gas	162
Consumption of fuel for the purposes of transport	87
Combustion of other fuel	308
	556

Summary of Scope 2 (indirect) GHG emissions for the year ended 31 December 2020:

	2020 Emissions tCO_2e
Purchased electricity	683

Summary of Scope 3 (other indirect) GHG emissions for the year ended 31 December 2020:

	2020 Emissions tCO_2e
Consumption of fuel for the purposes of transport	1

The company reported total energy usage of 5,350,881kWh and associated total emissions of 1,240tCO_2e for the year.

The annual energy consumption reported above was calculated based on recorded consumption data for the financial year ended 31 December 2020.

Energy consumption has been collected and aggregated for all of the company's premises and operational activities. The data has been based on verifiable sources, with any missing data being estimated. Where the energy usage is paid for as part of service charges, consumption figures have been estimated in the absence of visibility of the actual consumption figures. In such cases, the energy usage estimations have been calculated based on occupied floor areas and well-recognised energy consumption benchmarks published within the Chartered Institute of Building Service Engineers CIBSE Guide F publication.

Transport energy calculations have been based on mileage travelled by the company's HGV and LGV fleets which includes mileage from journeys starting or ending within the UK during our European races. The energy associated with business travel undertaken by our employees (grey fleet) has been obtained from mileage claims, and the average car was assumed for calculation purposes. For our HGV and LGV fleet energy calculations, manufacturer's fuel efficiency figures were used.

Fuel consumption data for diesel fuel consumed within our mobile generators operated at our premises and at our race events has been obtained from purchase invoices.

The UK Government approved conversion factors for company reporting (as published by Department for Business, Energy & Industrial Strategy (BEIS) in Greenhouse gas reporting: conversion factors 2020) have been used during the undertaking of the carbon foot-printing exercise.

Intensity ratio based on Emissions per unit of occupied floor area

Intensity ratios compare emissions data with an appropriate business metric or financial indicator which allows a comparison of energy efficiency performance over time with other similar types of organisation. Management have chosen to use GHG gas emissions in tCO_2e per square metre of total floor area of our premises as an appropriate measure for the company and in the year ended 31 December 2020 report the intensity ratio as 0.1025 tCO_2/m^2. This measure will be monitored on an ongoing basis in future years.

Energy efficiency action taken
The company is actively looking to reduce its energy consumption and associated GHG emissions and is trying to improve its environmental impact by reducing carbon emissions.

In the year ended 31 December 2020 the company has taken the following initiatives:
-Switched electricity tariffs at its Biggin Hill premises to 100% renewable sources
-Invested in the Mains network capacity to stop diesel generator use and rely on Mains power for Grands Prix TV production at its Biggin Hill site
-Switched gas provision to biomethane and carbon-offset gas supply
-Reviewed LGV leases and ran test drives, with a view to switching to electric or hybrid model vehicles in 2021
-Continued with the installation of energy efficient light fittings at its Biggin Hill site
-Replaced several aged AC units with modern efficient units.

Directors of the company
The directors who held office during the year were as follows:

Mr D Llowarch

Ms S Woodward Hill

Non adjusting events after the financial period
Issues arising from the global outbreak of COVID-19 are discussed in the Strategic Report in more detail, in the section titled 'COVID-19 and risks for the company' (see page 5). As disclosed in note 30 no adjusting or disclosable post-balance sheet events have been identified arising from COVID-19.

Disclosure of information to the auditor
Each director has taken the necessary steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of, and of which they know the auditor is unaware.

Reappointment of auditor
The auditor, KPMG LLP, will be deemed reappointed in accordance with section 487 of the Companies Act 2006.

Approved by the Board on 18 March 2021 and signed on its behalf by:
DocuSigned by:
....
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Mr D Llowarch
Director

Formula One Management Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 accounting 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 Formula One Management Limited

Opinion

We have audited the financial statements of Formula One Management Limited (the "company") for the year ended 31 December 2020 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 5.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management and inspection of policy documentation as to the company's high-level policies and procedures to prevent and detect fraud including the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Performing walkthroughs and obtaining understanding of key processes.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Independent Auditor's Report to the Members of Formula One Management Limited

As required by auditing standards, and taking into account possible pressures to meet targets, our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because contracts are typically not complex and revenue recognition, which in most cases is linked directly to specific races or an entire championship season, requires minimal judgement.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the company-wide fraud risk management.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, those containing unexpected words or descriptions, those posted by unexpected individuals and unbalanced or non-standard format journals.
- Assessing significant accounting estimates and judgements for bias.
- Reviewed certain contracts and commission arrangements for evidence of unusual or unexpected items. Requested third party confirmations for certain contracts to confirm terms in place.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas where non-compliance could have a more material effect: health and safety regulations, employment law and anti-bribery and corruption legislation acknowledging the company's business activities with governmental agencies and public officials. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report
The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Independent Auditor's Report to the Members of Formula One Management Limited

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities
As explained more fully in their statement set out on page 18, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
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.

Paul Smeulders (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

19 March 2021

Formula One Management Limited

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Turnover	7	171,128	228,631
Cost of sales		(77,908)	(105,938)
Gross profit		93,220	122,693
Administrative expenses		(85,772)	(110,450)
Other operating income	8	1,117	-
Operating profit	9	8,565	12,243
Loss on disposal of property, plant and equipment	10	(9)	(75)
Profit on ordinary activities before interest		8,556	12,168
Interest receivable and similar income	12	8	3
Interest payable and similar expenses	12	(1,222)	(2,324)
Profit before tax		7,342	9,847
Tax on profit on ordinary activities	16	(1,095)	(2,119)
Profit for the financial year		6,247	7,728

The above results were derived from continuing operations.

Formula One Management Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020 £ 000	2019 £ 000
Profit for the year	6,247	7,728
Other comprehensive income, net of tax	-	-
Total comprehensive income for the year	6,247	7,728

Formula One Management Limited

(Registration number: 01545332)
Balance Sheet as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Intangible assets	17	62	38
Tangible fixed assets	18	13,144	11,523
Right-of-use assets	19	17,447	21,310
		30,653	32,871
Current assets			
Debtors due within one year	20	72,591	64,188
Debtors due after more than one year	21	4,026	2,380
Cash at bank and in hand	22	53	329
		76,670	66,897
Creditors: Amounts falling due within one year	23	(59,210)	(54,796)
Net current assets		17,460	12,101
Total assets less current liabilities		48,113	44,972
Creditors: Amounts falling due after more than one year	24	(16,234)	(19,340)
Provisions for liabilities	25	(1,500)	(1,500)
Net assets		30,379	24,132
Capital and reserves			
Called up share capital	26	1	1
Profit and Loss account		30,378	24,131
Shareholders' funds		30,379	24,132

Approved by the Board on 18 March 2021 and signed on its behalf by:

DocuSigned by:

ADC27DC786C24D5...

Mr D Llowarch
Director

Formula One Management Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	1	16,403	16,404
Total comprehensive income	-	7,728	7,728
At 31 December 2019	1	24,131	24,132
Total comprehensive income	-	6,247	6,247
At 31 December 2020	1	30,378	30,379

The notes on pages 26 to 45 form an integral part of these financial statements.

Formula One Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, and incorporated and domiciled in England and Wales.

The address of its registered office is:
No. 2 St. James's Market
London
SW1Y 4AH

These financial statements were authorised for issue by the Board on 18 March 2021.

2 Basis of preparation

Abbreviations used in these financial statements are defined in the Glossary of abbreviated terms (see page 1).

These financial statements were prepared in accordance with FRS 101 and under historical cost accounting rules.

The financial information is presented in GBP pounds (£) sterling and all values are rounded to the nearest thousand (£000) except where otherwise indicated.

New standards, interpretations and amendments effective
None of the new standards, interpretations and amendments adopted by the company for the first time for its annual reporting period commencing 1 January 2020 have had a material effect on the financial statements.

3 Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position and its risk exposures, are described in the Strategic Report above, noting the importance of the activities of the wider Group in supporting the company's own business and the continued impact of the coronavirus pandemic on the Group's ongoing business activities. The ongoing uncertainty arising from the coronavirus pandemic and its potential continued impact has to be considered from the point of view of its anticipated effect on both the company and the rest of the Group when adopting the going concern basis in these financial statements.

Unlike the challenge in April 2020 of considering, for going concern purposes, the then-largely unknown possible effects of the virus when approving the 2019 financial statements, the coronavirus pandemic and its effects are no longer a new development and the Group's experience of operating and successfully delivering a 17 race Championship in the second half of 2020, leave the Group optimistic as to its ability to continue to operate effectively in 2021. The Group expects, and is planning for, the 2021 season to start in Bahrain as scheduled, with the Bahrain GP due to take place on 28 March 2021. Therefore, as discussed, whilst it is likely that the scope of the Group's activities may continue to be somewhat compromised, particularly in the first few months of the season, it is expected, and reflected, in the Group's 2021 budget that conditions will improve as the year progresses and its financial results will be less severely impacted than in 2020, when despite the challenging circumstances the Group was still able to generate positive financial returns from its operations.

Whilst the Group's 2021 budget has been prepared including significant levels of contingency to protect against the ongoing effects of the coronavirus pandemic, it indicates an improvement in expectations for financial performance in 2021 and underlines the Group's belief that performance will return quickly to historic levels once conditions allow. As such, if the budget projections are proved accurate, the Group will be in a stable and liquid position. However, given the uncertainty as to how long the coronavirus pandemic will impact the business, management continue to monitor and consider possible alternative scenarios in its trading performance and cash flow. As such, the Group has prepared a cash flow forecast for a period of at least 12 months from the date of approval of these accounts which includes severe but plausible downside scenarios. The severe but plausible downside scenarios reflect the circumstances and limited scope of activities seen in 2020 repeated throughout the forecast period. In such a scenario the Group is projected to deliver an improved level of financial performance on 2020. The severe but plausible downside scenarios indicate that the Group will continue to have sufficient funds to meet its liabilities as they fall due for that period.

3 Going concern (continued)

Additionally, should fewer than 17 races take place, the directors are confident that the Group would have access to significant, readily-available liquidity to support its operations or access to additional funding if needed, as is discussed below. Given the success of the Group in successfully navigating 2020 and staging 17 races, and with the development and ongoing roll out of vaccine programmes globally, the significantly more severe scenario of no races being able to take place in the coming season which was considered at the time of approval of the 2019 financial statements is now considered sufficiently remote to be no longer plausible.

When considering liquidity, the directors note that the Group reported available cash on balance sheet of $265.4m at 31 December 2020, and in addition has access to a $500m revolving credit facility ("RCF"), which was wholly undrawn at 31 December 2020 and remains undrawn at the time of approval of these financial statements. The RCF remains available to the Group until November 2023 and the need to test a single EBITDA to net debt leverage ratio against a quarterly 8.25x test measure requirement has been temporarily waived by the lenders of the RCF ("the RCF Lenders"), with testing to be resumed from the quarter ending 31 March 2022. During the period of the waiver the Group is required to test a requirement for quarterly minimum liquidity to be above $200m. Liquidity for this purpose is defined as the sum of cash on balance sheet and undrawn and available RCF, and as at 31 December 2020 this was measured at $765.3m. Needing a simple majority consent to obtain the waiver, the Group received unanimous consent from all nine banks who are RCF Lenders with only a modest fee being paid to secure the agreed amendments to the terms of the RCF.

The circumstances and assumptions of the severe but plausible downside scenario would see the coronavirus pandemic's effects across 2021 as a whole mirror its effect on 2020 and therefore require widespread vaccination to prove far less effective than it is currently expected to be at the time of approving these accounts. In such circumstances the severe but plausible downside scenario projects the Group to breach its leverage covenant when it is again required to be tested at 31 March 2022, although the scenario also projects that the Group's RCF would be fully undrawn at that date. It is noted that, even when the waiver period expires in more than 12 months time, the leverage covenant will only be tested thereafter if the RCF remains in place, so its early cancellation would eliminate the test requirement completely and make the question of any future breach academic. As such, and with the continued expectation that the Group's financial performance will recover strongly once the coronavirus pandemic has receded, underpinned by some $6.73bn of future core revenues under contract at 31 December 2020, in circumstances where a covenant breach was likely at 31 March 2022 the Group would either consider terminating the RCF or negotiating with the RCF Lenders to extend the period of the covenant waiver, or make other necessary amendments to the terms of the facility. Based on the historic support and strong, longstanding relationships with the RCF Lenders, and their unanimous support and the low costs charged for granting the ongoing waiver, the Group and the directors remain confident that any consent required for a further waiver would be given.

Notwithstanding the fact that the severe but plausible downside scenario does not indicate the Group will have a requirement for additional funding, the directors believe that if additional temporary support was required in 2022 from its RCF Lenders it would be secured, and even if in the unlikely event that the Group was unable to generate sufficient support for any necessary request, that alternative actions would be available to it, including raising additional or alternative third party financing, or securing support from its ultimate parent Liberty. On 23 April 2020 Liberty confirmed in a press release that it had positioned significant available liquidity to support the Group and enhance the Formula 1 business as required, by reattributing certain liquid assets under its ownership. With Liberty having reconfirmed their intention to provide support to the Group should it be required, and with those liquid assets still in place, the directors believe Liberty continues to have the ability to provide this support if needed. As such, and also supported by Delta Topco's own confirmation that, during the period, it intends to provide any additional financial support to the company and its fellow subsidiaries should it be required, the directors believe the company will have access to significant and sufficient liquidity to support its operations, including any additional funding as may be needed in the going concern period and beyond.

As one of the key trading subsidiaries of the Group, the revenues and returns generated by the company contribute towards the servicing, and compliance with the terms, of the Group's external financing arrangements. As is the case with other Group companies, the company is an obligor under the Group's $2.9bn Senior Loan facilities and these facilities are secured by fixed and floating charges over the present and future assets of the Group's main operating companies. The terms of the facilities see no covenants required to be tested in respect of the Senior Loans and no impending maturities, as the loans are not repayable until February 2024.

3 Going concern (continued)

Whilst the eventual overall impact on the Group and the company of, and the period that will be affected by, the coronavirus pandemic remains uncertain, for the reasons discussed above, including the indicative parental financial support of Delta Topco and Liberty should it be required, the directors are confident that the company has adequate resources to continue to meet all liabilities as and when they fall due for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

4 Disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment, because the share-based payment arrangement concerns the instruments of another group entity;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:

  (i) paragraph 79(a)(iv) of IAS 1;

  (ii) paragraph 118(e) of IAS 38 Intangible Assets;

  (iii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 39(c), 40A, 40B ,40C, 40D and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraphs 52, 58, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

5 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Revenue recognition
Revenue recognition is determined using the principles of IFRS 15 Revenue from Contracts with Customers, which are applied through the application of the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

The company generates revenue from services provided to FOWC, the CRH to the Championship and other Group companies. Under the terms of its agreement with FOWC, the company charges for costs incurred in respect of the services and activities it performs, including the provision of worldwide travel services, technical support and broadcast services at all races on the Championship calendar, and associated head office and "back office" services. The operating costs incurred in providing the services include costs of personnel, worldwide travel, technical support and broadcast services at all races on the Championship calendar, along with associated head office costs. In addition the company charges other fellow Formula 1 subsidiaries for personnel and other costs incurred on their behalf. Other revenue also includes technical support services to television broadcasters, the Championship's participating teams and other third parties. Revenues can therefore relate to (i) services associated with an entire Championship season, (ii) services related to a specific Championship event, (iii) services related to a specific period, typically a calendar year, or (iv) services with more ad hoc performance obligations.

Revenues that relate to services provided for an entire Championship season are recognised evenly on an event by event basis, with revenues relating to specific Championship events being recognised on the occurrence of the events concerned. Revenues that relate to services provided over a period of time are recognised evenly over that time period. Otherwise, revenues that do not meet these criteria are recognised when the services are provided.

The transaction price is determined by fees typically specified in the contract or are based on cost recharges. Occasional multi-year contracts specify a fee for each Championship season, event or period, falling within each year of the contract. If a contract contains multiple distinct performance obligations but does not specify a specific fee for each element, a separate standalone value is identified for each performance obligation, with the overall transaction price then allocated to each performance obligation in proportion to its standalone value relative to the total standalone value of all performance obligations.

Interest receivable
Income is recognised as interest accrues using the effective interest rate ("EIR") method; that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded by the company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the Profit and Loss account. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in the Profit and Loss account.

5 Accounting policies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or the Profit and Loss account, are also recognised in other comprehensive income or the Profit and Loss account, respectively).

Tax

The tax expense for the period comprises current and deferred tax. Tax is charged or credited to the Profit and Loss account except where it relates to items charged or credited to other comprehensive income or directly to equity, in which case the tax is recognised in other comprehensive income or in equity.

Current tax is the expected tax payable for the year based on the tax rates and laws enacted or substantively enacted at the balance sheet date, plus any adjustments to tax payable in respect of previous periods.

Tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the taxes relate to the same taxation authority and to the same taxable entity or to different entities which intend to settle the current tax assets and liabilities on a net basis.

Deferred tax is recognised on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts relevant for tax purposes. Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the underlying temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax is not recognised on temporary differences that arise on the initial recognition of goodwill or on the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. Deferred tax is not recognised in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Profit and Loss account in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Profit and Loss account in the expense category consistent with the function of the intangible asset, including cost of sales and administrative expenses.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Profit and Loss account when the asset is derecognised.

5 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and impairment losses. The carrying value of such assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation. Such cost includes the cost of replacing part of the tangible fixed asset. When significant parts of tangible fixed assets are required to be replaced at intervals, the company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in the Profit and Loss account as incurred.

A tangible fixed asset and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Profit and Loss account when the asset is derecognised.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives as follows:

Asset class	**Depreciation method and rate**
Long leasehold land and buildings	straight-line over remaining term of the lease
Plant, machinery and vehicles	25% reducing balance basis
Furniture, fittings and equipment	25% reducing balance basis
Aircraft	over 10 years on a straight-line basis

Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Leases

The company as lessee

At inception of a contract, the company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

-Obtain substantially all the economic benefits from the use of the underlying asset, and;
-Direct the use of the underlying asset, such as direct how and for what purpose the asset is used.

Where contracts contain a lease coupled with an agreement to sell other goods or services (i.e. non-lease components), the non-lease components have been treated as separate components from the lease components and have been accounted for by applying other relevant and applicable accounting standards.

(a) Initial recognition and measurement

At the lease commencement date, the company recognises a right-of-use asset for the right to use the underlying asset for the lease term, and a lease liability for the obligation to make lease payments. The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs and an estimate of restoration, removal and dismantling costs. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the company's incremental borrowing rate.

5 Accounting policies (continued)

If the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which the asset is located or restore the underlying asset to the condition required by the terms of the lease, a provision is recognised and measured under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

(b) Subsequent measurement

The right-of-use assets are depreciated to the earlier of the end of the useful life of the asset, or the lease term using the straight-line method because this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the company is reasonably certain to extend that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, in accordance with the company's policy on impairment of non-financial assets, and also adjusted for certain re-measurements of the lease liability.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

(c) Short-term and low value leases

The company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The company's financial instruments consist of trade debtors, cash and cash equivalents, intra-group receivables, trade creditors and intra-group payables.

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of financial assets and financial liabilities at initial recognition.

All financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments classified as "at amortised cost" and financial assets "at fair value through other comprehensive income" ("FVOCI") are included within the carrying value of such instruments. Transaction costs directly attributable to the acquisition of financial instruments which are classified as "fair value through profit and loss" ("FVPL") are recognised immediately in the Profit and Loss account.

Financial Assets

(a) Classification and subsequent measurement

All recognised financial assets are classified as either financial assets at amortised cost, FVOCI or FVPL. The company currently has no financial assets classified as either FVOCI or FVPL.

Financial assets at amortised cost

Financial assets that meet the following conditions are classified as 'financial assets at amortised cost':

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest; and
- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The asset was not acquired principally for the purpose of selling in the near term or management for short-term profit taking (held for trading).

5 Accounting policies (continued)

Financial assets at amortised cost are subsequently measured at amortised cost using the EIR method. The EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial instrument. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income or finance costs in the Profit and Loss account.

Financial assets at amortised cost are subject to impairment review. Gains and losses are recognised in the Profit and Loss account when the asset is derecognised, modified or impaired.

(b) Impairment of financial assets

The company assesses financial assets at amortised cost for impairment and recognises an impairment loss allowance that reduces the carrying amount of the assets. The impairment loss, as required by IFRS 9, is based on expected credit losses ("ECL") and reflects forward looking information. The ECL is first recognised on the date of initial recognition of the asset.

The simplified approach is used under IFRS 9 for assessing the potential impairment of short-term trade receivables, long-term trade receivables, accrued income and lease receivables, with the general approach used for other financial assets.

The simplified approach:
Under IFRS 9's simplified approach, the impairment loss is based on credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL) and is calculated, for a class of assets, as the weighted average of credit losses where the weights are the probabilities of default. Factors such as historical credit loss experience, future economic climate and forward-looking factors specific to the debtors are taken into account when estimating the probability of default.

The general approach:
Impairments are assessed and recognised in three stages to reflect the potential variation in credit quality of financial assets:

-Stage 1: items that have not deteriorated significantly in credit quality since initial recognition. For these items, the ECL is based on credit losses that result from default events that are possible within the next 12 months (a 12 month ECL) and is calculated as lifetime losses from default inside 12 months weighted by the probability of default in 12 months
-Stage 2: items that have deteriorated significantly in credit quality since initial recognition but do not have objective evidence of a credit loss event. For these items, the ECL is equal a lifetime ECL and interest is calculated based on the gross carrying value of the asset
-Stage 3: items that have objective evidence of impairment at the reporting date. For these items the ECL is also equal to a lifetime ECL but the interest is calculated based on the net carrying value of the asset.

The amount of credit loss is calculated as the present value of estimated cash shortfalls discounted at the financial asset's original EIR.

(c) Financial assets held by the company

(i) Trade debtors

Trade debtors are amounts due from customers for commercial rights sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors that do not contain a significant financing component or for which the company has applied the practical expedient under IFRS 15 are recognised initially at the transaction price under IFRS 15. Otherwise they are initially measured at fair value. They are subsequently measured at amortised cost less provision for impairment.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, deposits and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Term deposits with an initial maturity of more than three months are treated as other current financial assets.

5 Accounting policies (continued)

Financial liabilities

(a) Classification and measurement
All recognised financial liabilities are subsequently measured at either amortised cost or fair value. Financial liabilities that are not held for trading and are not designated as at fair value through profit and loss are classified as 'Financial liabilities measured at amortised cost' and are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts that are subsequently measured at amortised cost are determined based on the EIR method (see above). The company's financial liabilities include trade and other creditors and intra-group payables. All of the company's financial liabilities are classified as 'Financial liabilities measured at amortised cost'.

(i) Trade payables
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the EIR method.

(ii) Intra-group payables
Intra-group payables are initially recognised at the transaction price and subsequently measured at amortised cost using the EIR method.

Provisions
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit and Loss account net of any reimbursement.

6 Judgements and key sources of estimation uncertainty

The preparation of historical financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosures of contingent liabilities, at the end of the reporting period. Uncertainty in making these judgements, assumptions and estimates can result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In preparing the financial statements management have made certain judgements, estimates and assumptions which are considered to have a significant effect on the amounts recognised in the historical financial information and where significant uncertainty may exist, with the risk that a material adjustment to the carrying amounts of assets and liabilities may be required within the next financial year.

Those judgements, estimates and assumptions are discussed below.

COVID-19 impact on going concern considerations
As discussed in note 3 and in the Directors' Report to these financial statements, in light of the ongoing issues caused by the outbreak of COVID-19, management have had to carefully consider the potential impact of the crisis on the going concern consideration. In order to support the preparation of the financial statements on a going concern basis, the Group has considered both its 2021 budget, its base case expectation for 2022 and various alternative scenarios, including cash flow modelling, which assess on a broadly conservative basis the currently foreseeable range of impacts on the Group's financial performance in 2021, through the end of the going concern period ending 12 months from approval of these financial statements, and through the balance of 2022. The scenario modelling has then been used to assess liquidity requirements and availability.

6 Judgements and key sources of estimation uncertainty (continued)

The directors' deliberations have also been supported by the indication of intended financial support received by the company from Delta Topco, and the similar confirmation of intent received by Delta Topco from Liberty such that the directors have concluded the company will have access to sufficient liquidity across the going concern period in all foreseeable or plausible scenarios.

Taxation
Deferred tax assets are recognised for all unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and reversal of the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Lease term
Judgements have been applied in determining whether it is reasonably certain that extension options on certain property leases will be exercised. Where management have judged that it is reasonably certain that an extension option will be exercised, the lease term has been treated as running to the end of the extension period. The effect of this has been to increase the amount of the lease liabilities and right-of-use assets on the Balance Sheet.

7 Turnover

Turnover represents invoiced amounts, stated net of value added tax.

The analysis of the company's turnover for the year from continuing operations is as follows:

	2020 £ 000	2019 £ 000
Intra-group management fees and recharges	162,292	218,828
Other	8,836	9,803
	171,128	228,631

The company is exempt from the requirements of IFRS 8 to disclose segmental information.

8 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020 £ 000	2019 £ 000
UK Coronavirus Job Retention Scheme credit	1,117	-

Other operating income reported by the company during 2020 totalled £1,117k (2019-Nil) and represents what are expected to be one-off payments received by the company from the UK Government's Coronavirus Job Retention Scheme, in respect of elements of salaries of employees placed, with their consent, on Government-supported furlough during the period when the Championship was suspended between mid-March and early July, and as a result many of the company's operations did not, and could not, operate. The company continued to pay all furloughed staff a minimum of 80% of their basic salary during furlough.

9 Operating profit

Arrived at after charging/(crediting)

	2020 £ 000	2019 £ 000
Amortisation expense (see note 17)	11	15
Depreciation expense on tangible fixed assets (see note 18)	2,523	2,116
Depreciation on right-of-use assets (see note 19)	4,603	4,659
Foreign exchange losses/(gains)	904	(198)
Expense on short term leases	880	320

10 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2020 £ 000	2019 £ 000
Loss on disposal of property, plant and equipment	(9)	(75)

11 Reconciliation of non-GAAP measures

The directors' discussion of the company's financial performance in the Strategic Report includes reference to Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA"), a measure which is intended to assist readers in analysing the underlying performance of the company. The measure is non-GAAP in nature and therefore a reconciliation to the equivalent GAAP measure is provided below.

	2020 £ 000	2019 £ 000
EBITDA		
Operating profit	8,565	12,243
Add: amortisation expense (see notes 9 and 17)	11	15
Add: depreciation expense on tangible fixed assets (see notes 9 and 18)	2,523	2,116
Add: depreciation expense on right-of-use assets (see notes 9 and 19)	4,603	4,659
EBITDA	15,702	19,033

12 Interest payable and receivable

	2020 £ 000	2019 £ 000
Interest receivable and similar income		
Interest income on bank deposits	4	-
Other finance income	4	3
Total interest receivable and similar income	8	3
Interest payable and similar expenses		
Interest expense on lease liabilities	(1,058)	(1,314)
Other finance costs	(164)	(1,010)
Total interest payable and similar expenses	(1,222)	(2,324)

13 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	45,144	60,495
Social security costs	5,384	5,988
Pension costs, defined contribution scheme	2,762	2,605
	53,290	69,088

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2020 No.	2019 No.
Management and administration	238	218
Technical	289	286
Directors	2	2
	529	506

During the year the average number of employees of the company increased by 23 staff (5%) to 529.

All of Formula 1's principal activities are based in the UK, and its UK based employees continue to be employed by the company, which acts as a service company for the Group and on an annual basis recharges personnel costs to fellow Group companies which it incurs on their behalf.

14 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £ 000	2019 £ 000
Remuneration	2,741	3,368

The above represents remuneration paid to 2 (2019-2) executive directors who served throughout the year. Remuneration paid to these individuals and disclosed above was paid in respect of all services provided to Formula 1 in the period that they served as directors of the company. Certain elements of that cost continue to be recharged to other Group companies.

In respect of the highest paid director:

	2020 £ 000	2019 £ 000
Remuneration	1,368	1,689
Company contributions to money purchase pension schemes	5	10
	1,373	1,699

During the year the number of directors who were receiving benefits was as follows:

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	1	1

During the year, the company made contributions of £5k (2019-£10k) to money purchase pensions schemes on behalf of 1 of the directors (2019-1).

During the year 2 directors (2019-2) were granted stock options under Liberty's executive incentive plans. Neither director exercised any stock options in the year (2019-Nil).

15 Auditor's remuneration

	2020 £ 000	2019 £ 000
Audit of the financial statements	46	44
Other fees paid to auditor		
Audit fees incurred on behalf of other UK Formula 1 subsidiaries	619	598
Tax advisory services	96	160
Other non-audit services	288	293
	1,003	1,051

Tax advisory services are predominantly related to advice received on international tax matters.

The company incurs fees in addition to those in respect of the audit of its financial statements. These fees include non-audit services incurred on behalf of other UK-based Group companies which are recharged where appropriate.

16 Taxation

Tax charged in the Profit and Loss account:

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax	-	460
UK corporation tax adjustment to prior periods	(359)	66
Payment to fellow Formula 1 subsidiaries for Group taxation relief	2,177	939
Group relief adjustment to prior periods	974	32
Total current income tax	2,792	1,497
Deferred taxation		
Arising from origination and reversal of temporary differences	(832)	608
Adjustments in respect of prior periods	(595)	14
Effect of tax rate change on opening deferred tax balances	(270)	-
Total deferred taxation	(1,697)	622
Tax charged in the Profit and Loss account	1,095	2,119

Tax charged to the Profit and Loss account differs from tax calculated by applying the average rate of corporation tax in the UK of 19% (2019-19%) to the result before tax for the period. The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before tax	7,342	9,847
Corporation tax at standard rate	1,395	1,871
Expenses not deductible for tax purposes	43	207
Adjustments to prior periods-current tax	615	98
Adjustments to prior periods-deferred tax	(595)	14
Impact of deferred tax rate change	(270)	(71)
Effect of foreign exchange rates on Group relief	(93)	-
Total tax charge	1,095	2,119

Changes in tax rates and factors affecting the future tax charge

Under Finance Act 2016, the UK standard rate of corporation tax was scheduled to reduce from 19% to 17% from 1 April 2020. In March 2020, the UK Government confirmed that the reduction in the UK standard rate of corporation tax to 17% would be cancelled in Finance Act 2020, which was substantively enacted on 17th March 2020. As a result of this, deferred tax balances at 31 December 2020 have been recognised at 19% (2019-17%) of the underlying temporary differences, being the rate at which they are now expected to unwind, and a corresponding deferred tax credit of £270k has been booked to the Profit and Loss account.

On 3 March 2021 the UK Government announced its intention to increase the main rate of UK corporation tax from 19% to 25%, with effect from 1 April 2023. At the time of signing these accounts, the legislation to effect this proposed change was neither enacted nor substantively enacted. Indicatively, the effect of restating the deferred tax asset at 31 December 2020 at the proposed new 25% rate, rather than the currently enacted 19% rate, would be to increase that asset by £1.3m.

16. Taxation (continued)

Deferred tax assets and liabilities

	Asset £ 000	Liability £ 000	2020 Net £ 000	Asset £ 000	Liability £ 000	2019 Net £ 000
Accelerated capital allowances	3,992	-	3,992	2,295	-	2,295
	3,992	-	3,992	2,295	-	2,295

Deferred tax movement during the year

	Accelerated tax depreciation £ 000	Net tax assets/ (liabilities) £ 000
At 1 January 2019	2,917	2,917
Recognised in income	(622)	(622)
At 31 December 2019	2,295	2,295
Recognised in income	1,697	1,697
At 31 December 2020	3,992	3,992

Deferred tax assets have been recognised in respect of deductible temporary differences because the company's financial projections indicate that sufficient taxable profits will be available in future periods against which the reversing temporary differences can be offset. Those projections reflect the directors' current base expectation, consistent with most external forecasts, that, with the rollout of vaccines and improved treatments, COVID-19 and its related consequences will be controlled in due course, and that the disruption caused by the virus, and its impact on the company's financial results and position, will prove temporary.

17 Intangible assets

	Other intangible assets £ 000
Cost or valuation	
At 1 January 2020	295
Additions	35
At 31 December 2020	330
Amortisation	
At 1 January 2020	257
Amortisation charge	11
At 31 December 2020	268
Carrying amount	
At 31 December 2020	62
At 31 December 2019	38

17 Intangible assets (continued)

Intangible assets represent purchased software licences with a term in excess of 12 months.

18 Tangible fixed assets

	Leasehold improvements £ 000	Plant, machinery and vehicles £ 000	Furniture, fittings and equipment £ 000	Aircraft £ 000	Total £ 000
Cost or valuation					
At 1 January 2020	13,146	7,373	4,493	3,881	28,893
Additions	226	2,223	1,702	-	4,151
Disposals	-	(168)	(4)	-	(172)
At 31 December 2020	13,372	9,428	6,191	3,881	32,872
Depreciation					
At 1 January 2020	8,501	2,557	2,886	3,426	17,370
Charge for the year	440	1,600	483	-	2,523
Eliminated on disposal	-	(161)	(4)	-	(165)
At 31 December 2020	8,941	3,996	3,365	3,426	19,728
Carrying amount					
At 31 December 2020	4,431	5,432	2,826	455	13,144
At 31 December 2019	4,645	4,816	1,607	455	11,523

19 Lease assets and liabilities

The company has entered into various commercial leases for the use of technical, IT and TV production equipment, a commercial vehicle fleet and office premises. These leases have an average life of between three and five years.

In addition to the leases discussed above, on 24 February 2017 the company signed a lease agreement for its new head office in St. James' Market in London which required fit out and was available for occupation at the end of July 2017. The lease has a term of 15 years with a tenant only break option after 10 years. Management have judged that it is reasonably certain that the tenant only break option will not be exercised and therefore the lease term has been treated as running for 15 years.

There are no restrictions placed upon the company by entering into these leases.

19 Lease assets and liabilities (continued)

Right-of-use assets

The Balance Sheet includes the following right-of-use assets relating to leases:

	Leasehold properties £ 000	Plant, machinery and vehicles £ 000	Total £ 000
Cost or valuation			
At 1 January 2020	17,964	7,823	25,787
Additions	737	3	740
Disposals	-	(218)	(218)
At 31 December 2020	18,701	7,608	26,309
Depreciation			
At 1 January 2020	1,743	2,734	4,477
Charge for the year	1,975	2,628	4,603
Eliminated on disposal	-	(218)	(218)
At 31 December 2020	3,718	5,144	8,862
Carrying amount			
At 31 December 2020	14,983	2,464	17,447
At 31 December 2019	16,221	5,089	21,310

Leases included in creditors

	2020 £ 000	2019 £ 000
Current lease liabilities (see note 23)	3,460	4,326
Long term lease liabilities (see note 24)	16,234	19,340

20 Debtors due within one year

	Note	2020 £ 000	2019 £ 000
Trade debtors		2,450	1,017
Provision for impairment of trade debtors		-	(9)
Net trade debtors		2,450	1,008
Amounts due from other Formula 1 companies		66,295	53,894
Amounts receivable from other Liberty companies	28	143	53
Accrued income		18	20
Prepayments		2,933	3,294
Other debtors		170	130
Other tax recoverable		1	5,789
Income tax asset		581	-
Total debtors due within one year		72,591	64,188

Amounts due from other Formula 1 companies are trading balances on which no interest is charged.

20 Debtors due within one year (continued)

No ECL has been provided on amounts due from other Formula 1 companies and related parties because under the simplified approach for trade receivables, the probability of default is considered to be extremely remote because the Group has considerable financial resources. As such the lifetime ECL is deemed to be immaterial and so no impairment has been recognised. In addition no ECL has been provided on other debtors because the balances are at Stage 1 of IFRS 9's general approach impairment model i.e. they have not deteriorated significantly in credit quality since initial recognition. The probability of default is considered to be extremely remote. As such the ECL in the next 12 months is deemed to be immaterial and so no impairment has been recognised.

21 Debtors due after more than one year

	Note	2020 £ 000	2019 £ 000
Prepayments		34	85
Deferred tax assets	16	3,992	2,295
Total debtors due after more than one year		4,026	2,380

£34k (2019-£85k) of prepayments are classified as non-current. These relate to pre-paid software costs to be recognised in the Profit and Loss account in the years 2020 to 2022.

£3.9m (2019-£2.3m) of deferred tax assets are classified as non-current.

22 Cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	53	329

From January 2018 the company and most of Formula 1's other subsidiaries started to participate together in a cash pooling arrangement operated by the Group's principal bank. Under the arrangement, each participating subsidiary's account balances are swept in real time into accounts held by FOWC, the subsidiary that acts as principal to the arrangement. Intra-group receivables or payables with FOWC are then recognised accordingly.

23 Creditors: Amounts falling due within one year

	Note	2020 £ 000	2019 £ 000
Current lease liabilities	19	3,460	4,326
Trade creditors		3,178	5,228
Accrued expenses		24,267	36,846
Amounts due to other Formula 1 companies		10,439	3,579
Amounts due to other Liberty companies		1,489	2,122
Social security and other taxes		15,902	2,095
Other creditors		475	600
		59,210	54,796

Amounts due to other Formula 1 companies and other Liberty companies are trading balances on which no interest is charged.

24 Creditors: Amounts falling after more than one year

	Note	2020 £ 000	2019 £ 000
Long term lease liabilities	19	16,234	19,340

25 Provisions for liabilities

	Other provisions £ 000
At 1 January 2020	1,500
At 31 December 2020	1,500

Other provisions represent a provision for dilapidation costs in connection with the company's St. James' Market offices.

26 Share capital

Allotted, called up and fully paid shares

	2020 No.	2020 £	2019 No.	2019 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

27 Commitments

Capital commitments
Capital commitments are amounts contracted for, but not provided for, in these financial statements and relate to items of property, plant and equipment. The company had capital commitments of Nil at 31 December 2020 (2019- £0.7m).

Guarantees and other financial commitments
The Group's third party loan facilities and hedging arrangements are secured by fixed and floating charges (including share pledges and security over intra-group and book debts) over the present and future assets of the Group's main operating companies (of which the company is one), with cross guarantees as appropriate (including from the company).

28 Related party transactions

The company has taken advantage of the exemption under FRS 101 not to disclose transactions with wholly-owned Liberty subsidiaries.

Expenditure with and payables to related parties

2020	Parent £ 000
Rent charged	25

29 Parent and ultimate parent undertaking

The company's immediate parent undertaking is FOWC, a company incorporated in England and Wales and a wholly-owned subsidiary of Liberty.

As at the balance sheet date Liberty, a Nasdaq listed company incorporated in the United States of America, is the parent undertaking of the smallest and largest group for which publicly available group financial statements are prepared which include the results of the company. Liberty's consolidated accounts are publicly available from 12300 Liberty Blvd, Englewood, CO 80112, USA. Liberty is considered to be, in the opinion of the directors, the ultimate parent undertaking of the company.

30 Non adjusting events after the financial period

COVID-19

In the period since 31 December 2020 and as of the date of approval of these financial statements the company has been addressing issues arising from the continued COVID-19 pandemic. In the directors' judgement COVID-19 has not required any post-balance sheet adjustment to be made to, or specific disclosure of the potential impact of the virus to be provided in respect of, any of the company's balance sheet assets and liabilities reported as at 31 December 2020, although there remains evident economic risk exposures for its business in 2021 and potentially beyond, as discussed at length in the Strategic Report.