Company Registration No: 1806337

LOTUS RENAULT GP LTD

Report and Financial Statements

31 December 2010

LOTUS RENAULT GP LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

CONTENTS

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The principal activity of the Company is the running of a Formula One Racing team

In December 2010, Renault sold its remaining shares in the Company to Genii Capital, and Lotus Group PLC also became a title sponsor alongside Renault As a result of this new partnership the Company has changed its name to Lotus Renault GP Limited

Turnover during the year, comprising mainly sponsorship income and prize money, amounted to £82,160,580 (2009 £161,059,759), and the loss after taxation for the financial year was £34,279,373 (2009 profit £4,830,185)

Revenue reduced significantly by 49%, due primarily to the absence of a title sponsor for the season, and a decrease in contribution from Renault reflecting the change in ownership structure

Operating costs were reduced by £26 million A significant part of this saving relates to the change in the Team's driver line up

On track the Team improved on its 2009 performance finishing 5th overall in the constructors' championship

Robert Kubica secured fifteen top 10 results, including a 2nd place podium position at the Australian GP and a 3rd place podium position at the Monaco GP and Belgium GP The Team also used the driving services of Vitaly Petrov who contributed 27 points to the Team's total of 163 in his first year in Formula One

In the Drivers' Championship, Robert Kubica finished the season in 8th place and Vitaly Petrov was 13th

Looking forward, the Company is confident that its partnership with Group Lotus will provide a good base for long term stability, and hopes through a reorganised Commercial function to attract further partners in the year ahead On track, the Team expects to continue its level of recent improvement in order to achieve regular podium places

The Directors consider that presentation of key financial and performance indicators, as determined by CA 2006 s417, would not enhance disclosures already contained in this report

SUBSEQUENT EVENT

In February 2011 the Team's driver Robert Kubica was seriously injured whilst taking part in a rally in Italy As a consequence he has been unable to drive at the start of the 2011 season and the timing of his return has not yet been determined The Team has therefore chosen to engage Nick Heidfeld as Robert's temporary replacement

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are of the opinion that a thorough risk management process is adopted through regular financial review The risks and uncertainties facing the Company might be broadly grouped as Competitive, Legislative, and Financial

- Competitive Risks

The Company's financial performance is subject to significant variation where its principal sponsors pay bonuses in respect to results achieved on track Such results also combine to affect a proportion of the Company's income from TV prize money in the following season, as well as generally impacting on the Company's ability to generate sponsorships in the future

- Legislative Risks

As a competitor in the FIA Formula One World Championship, the Team is subject to the International Sporting Code, the current F1 Technical and Sporting Regulations, and the provisions laid out in the 2009 Concorde Agreement or such similar agreements The Company works with its employees, agents and advisors, and also the governing body to ensure its compliance

- Financial Risks

The Company uses overdraft facilities, loans, cash, and trade payables and receivables directly in the course of its ongoing operations The Company seeks to minimise exposure to exchange risk through matching currency assets and expenditure to income and borrowings

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2009- £nil) The loss for the year of £34,279,373 (2009 – Profit £4,830,185) has been added to the deficit on the profit and loss account

RESEARCH AND DEVELOPMENT

Information relating to research and development expenditure on racing cars is given in note 1 to the financial statements

DIRECTORS

The following served as directors during the year

B Rey	(resigned 5th February 2010)
L Chedorge	(resigned 17th February 2010)
G Lopez	(appointed 5th February 2010)
E Lux	(appointed 5th February 2010)
B Bell	(appointed 5th February 2010, resigned 4th October 2010)
JF Caubet	(appointed 17th February 2010, resigned 6th December 2010)
E Boullier	(appointed 5th October 2010, resigned 6th December 2010)
D Bahar	(appointed 20th December 2010)
S Zainal	(appointed 3rd March 2011)
P Thompson	(Joint Secretary, resigned 21st April 2011)
B Mercer	(Joint Secretary, appointed 21st April 2011)

EMPLOYEES

Applications for employment of disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of a person who does not suffer from a disability

The company has arrangements for providing information to employees, involving employees in the company's performance and achieving awareness amongst employees of the factors affecting the company's performance

GOING CONCERN

The Accounts have been prepared on the going concern basis as it is anticipated that the owners will continue to support the operation of the company as a Formula 1 team for the foreseeable future Further information is provided in note 1

DIRECTORS' REPORT

DIRECTORS INDEMNITY

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006 Such qualifying third party indemnity provision remains in force as at the date of approval of the directors' report

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow Directors and the group's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to have made himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITORS

Ernst and Young have expressed a willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors and signed on behalf of the Board on 4th July 2011

Gerard Lopez

Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The dırectors are responsıble for preparıng the Dırectors' Report and the financıal statements ın accordance wıth applıcable law and regulatıons

Company law requıres the dırectors to prepare financıal statements for each financıal year Under that law the dırectors have elected to prepare the financıal statements ın accordance wıth Unıted Kıngdom Generally Accepted Accountıng Practıce (Unıted Kıngdom Accountıng Standards and applıcable law) Under company law the dırectors must not approve the financıal statements unless they are satısfied that they gıve a true and faır vıew of the state of affaırs of the company and of the profit or loss of the company for that perıod In preparıng these financıal statements, the dırectors are requıred to

- select suıtable accountıng polıcıes and then apply them consıstently,
- make ȷudgments and accountıng estımates that are reasonable and prudent,
- state whether applıcable UK Accountıng Standards have been followed, subȷect to any materıal departures dısclosed and explaıned ın the financıal statements,
- prepare the financıal statements on the goıng concern basıs unless ıt ıs ınapproprıate to presume that the company wıll contınue ın busıness

The dırectors are responsıble for keepıng adequate accountıng records that are suffıcıent to show and explaın the company's transactıons and dısclose wıth reasonable accuracy at any tıme the financıal posıtıon of the company and enable them to ensure that the financıal statements comply wıth the Companıes Act 2006 They are also responsıble for safeguardıng the assets of the company and hence for takıng reasonable steps for the preventıon and detectıon of fraud and other ırregularıtıes

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOTUS RENAULT GP LIMITED

We have audited the financial statements of Lotus Renault GP Limited for the year ended 31st December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 20 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOTUS RENAULT GP LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Nick Powell (Senior statutory auditor)

for and on behalf of Ernst & Young LLP Statutory Auditor

Reading

8/7/11

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDING 31 DECEMBER 2010

	Note	2010 £	2009 £
TURNOVER	1	82,160,580	161,059,759
Operating expenses	2	(122,180,832)	(148,778,303)
OPERATING (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST	6	(40,020,252)	12,281,456
Other interest receivable and similar income	4	6,342	1,812
Interest payable and similar charges	5	(474,218)	(1,158,605)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(40,488,128)	11,124,663
Tax on (loss)/profit on ordinary activities	7	6,208,755	(6,294,478)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE FINANCIAL YEAR	15	(34,279,373)	4,830,185

All activities derive from continuing operations

There are no recognised gains and losses other than the results for the current financial year and preceding financial year Accordingly, no statement of total recognised gains and losses is given

LOTUS RENAULT GP LIMITED

BALANCE SHEET

Year ended 31 December 2010

	Note	2010 £	2010 £	2009 £	2009 £
FIXED ASSETS					
Tangible assets	8	27,815,821		31,953,894	
			27,815,821		31,953,894
CURRENT ASSETS					
Stocks	9	12,016,537		13,022,186	
Debtors	10	16,348,297		16,231,534	
Cash at bank and in hand		5,488,716		696,111	
		33,853,550		29,949,831	
CREDITORS: amounts falling due Within one year	11	(41,016,400)		(49,069,708)	
NET CURRENT LIABILITIES			(7,162,850)		(19,119,877)
TOTAL ASSETS LESS CURRENT LIABILITIES			20,652,971		12,834,017
LONG TERM LIABILITIES					
Provisions	12		-		(6,247,478)
Loan	13		(14,045,805)		-
NET ASSETS			6,607,166		6,586,539
CAPITAL AND RESERVES					
Called up share capital	14		60,700,000		26,400,000
Profit and loss account	15		(54,092,834)		(19,813,461)
EQUITY SHAREHOLDERS' FUNDS	16		6,607,166		6,586,539

These financial statements were approved by the Board of Directors on 4th July 2011

On behalf of the board

Gerard Lopez

Director

LOTUS RENAULT GP LIMITED

CASH FLOW STATEMENT

For the year ended 31 December 2010

	Note		2010		2009
		£	£	£	£
Net cash (outflow)/inflow from operating activities	18		(25,070,019)		13,728,510
Returns on investment and servicing of finance					
Interest received		6,342		1,812	
Interest paid		(474,218)		(1,158,605)	
			(467,876)		(1,156,793)
Taxation					
UK corporation tax paid			(38,723)		(47,000)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(5,309,796)		(6,514,126)	
Receipts from sales of tangible fixed assets		309,345		64,430	
			(5,000,451)		(6,449,696)
Net cash (outflow)/inflow before management of liquid resources and financing			(30,577,069)		6,075,021
Financing					
Issue of ordinary share capital		34,300,000		-	
Net movement in short term borrowings		21,333,812		-	
Net movement in long term borrowings		14,045,805		-	
Intercompany financing		(34,309,943)		(5,554,238)	
			35,369,674		(5,554 238)
Increase in cash			4,792,605		520,783
Reconciliation of net cash flow to movement in net debt					
Increase in cash			4,792,605		520,783
Cash inflow from increase in loans			(35,379,617)		-
Change in net debt resulting from cash flows			(30,587,012)		520,783
Movement in net debt			(30,587,012)		520,783
Net debt at 1 January			696,111		175,328
Net debt at 31 December			(29,890,901)		696,111

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards The particular accounting policies adopted are described below

Accounting convention

The financial statements are prepared under the historical cost convention and on a going concern basis since the ultimate parent undertaking has given the necessary assurances that sufficient resources will be made available for the foreseeable future so that the company can meet its liabilities as they fall due

Turnover

Turnover principally comprises sponsorship income and prize money Sponsorship receipts are credited to the profit and loss account over the period of the sponsorship agreements Prize money is credited to the profit and loss account as it is won and in accordance with the Concorde agreement 2009

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses Such cost includes costs directly attributable to making the asset capable of operating as intended

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows

Freehold Land and Buildings	10 – 22 5 years
Motor vehicles	4 years
Plant, machinery, furniture and fittings	2 – 8 years

Assets under construction are held separately within fixed assets and are not subject to depreciation until they are brought into use When the asset is brought into use it is transferred to the relevant fixed asset category

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Foreign currency translation

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date Foreign exchange gains and losses are reflected in the profit and loss account

Expenditure on racing cars

The racing cars have an expected life of one year and all expenditure on the production and maintenance of such cars is charged to the profit and loss account during the racing season in which the car is used

The Board considers that research continues to play a vital role in the company's success Certain development costs are carried forward to the following year

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

1. ACCOUNTING POLICIES (continued)

Taxation

Corporation tax payable is provided on taxable profits at the current rate

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where the transactions have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

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

Leases

Rentals payable under operating lease are charged in the profit and loss account on a straight line basis over the lease term

Stocks and work in progress

The company has carried forward to the following year certain development costs relating to the production of next season's racing cars

2. OPERATING EXPENSES

Due to the nature of the business the directors are of the opinion that analysis of expenditure between costs of sales, administration costs and distribution costs would be meaningless and hence no analysis is given

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2010 £	2009 £
Directors' emoluments		
Remuneration	868,815	1,198,405
Remuneration of the highest paid director	556,467	1,145,836

No pension contributions were paid in respect of any director (2009 - £Nil)

Average number of persons employed	2010 No	2009 No
Engineering	269	247
Production	152	169
Administration	93	81
	514	497

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	2010 £	2009 £
Staff costs during the year (including directors)		
Wages and salaries	26,818,494	28,293,352
Social security costs	3,047,204	3,118,193
	29,865,698	31,411,545

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
On bank deposits	5,262	1,801
Other interest receivable	1,080	11
	6,342	1,812

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
On bank loans and overdrafts, and other loans, repayable within five years	379,617	1,998
On inter company loans, repayable within five years	94,601	1,156,607
	474,218	1,158,605

6. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:	2010 £	2009 £
Depreciation	9,400,829	9,494,489
Rentals under operating leases		
Land and buildings	41,540	40,623
Plant and machinery	968,769	450,589
Motor Vehicles	436,566	198,684
Profit/(Loss) on sale of fixed assets	262,305	(159,839)
Auditors' remuneration		
Audit of the financial statements	34,596	27,600

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2010 £	2009 £
Analysis of tax charge in the period		
Corporation tax		
Foreign Tax		
Current tax on income for the period	38,723	47,000
Total current tax	38,723	47,000
Deferred tax		
Origination/reversal of timing differences	(6,250,372)	605,408
Adjustment in respect of previous years	2,894	5,642,070
Tax on (loss)/profit on ordinary activities	(6,208,755)	6,294,478

The tax credit for the year is higher than that from applying the standard rate of corporation tax in the UK 28% (2009 28%)

Factors affecting future tax charges

The Chancellor announced in the Emergency Budget on 22 June 2010 that the standard rate of UK Corporation Tax will be reduced from 28% to 27% from 1 April 2011, and that there will be progressive annual reductions of a further 1% until a rate of 24% is reached with effect from 1 April 2014 The Finance Act (No 2) 2010 received Royal Assent on 27 July 2010, with the first of the rate reductions being substantively enacted from 21 July 2010 under UK GAAP

As the legislation was substantively enacted by the balance sheet date, the deferred tax balances going forward have been calculated at 27%

The Chancellor also announced in the Budget on 23 March 2011 that the standard rate of UK Corporation Tax will be reduced by a further 1% to 26% from 1 April 2011 However, this was not substantively enacted until 29 March 2011 and therefore has not been reflected in the deferred tax note and calculations The future reductions are now planned to take the rate down by 1% per annum to 23% from 1 April 2014

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

	2010 £	2009 £
(Loss)/profit on ordinary activities before tax	(40,488,128)	11,124,663
Tax at 28% thereon	(11,336,676)	3,114,906
Effects of		
Expenses not deductible for tax purposes	327,201	483,039
Depreciation in excess of capital allowances	2,435,432	(605,408)
Movement in tax losses	13,230,164	(2,004)
Capital Gain	-	6,898
Group relief not paid/excess paid for group relief	-	2,475,307
Overseas tax suffered	38,723	47,000
Impact of rate change on current year deferred tax credit/charge	580,207	-
Transfer pricing adjustment	-	323,850
Prior period adjustments	-	-
Additional relief for research and development expenditure	(5,236,328)	(5,796,588)
Current tax Debit for the year	38,723	47,000

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant, machinery, furniture and fittings £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 January 2010	23,898,895	53,267,108	2,178,704	673,691	80,018,398
Additions	549,459	3,675,507	17,700	1,067,130	5,309,796
Transfers	40,044	633,647	-	(673,691)	-
Disposals	-	(980,559)	(281,479)	-	(1,262,038)
At 31 December 2010	24,488,398	56,595,703	1,914,925	1,067,130	84,066,156
Accumulated depreciation					
At 1 January 2010	8,036,446	38,264,808	1,763,250	-	48,064,504
Charge for the year	1,545,495	7,618,871	236,463	-	9,400,829
Disposals	-	(925,474)	(289,524)	-	(1,214,998)
At 31 December 2010	9,581,941	44,958,205	1,710,189	-	56,250,335
Net book value					
At 31 December 2010	14,906,457	11,637,498	204,736	1,067,130	27,815,821
At 31 December 2009	15,862,449	15,002,300	415,454	673,691	31,953,894

Included in the total for freehold land and buildings is land of £1,220,000 which is not depreciated There is a charge over land, property and certain plant assets totalling £24 million

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

9. STOCKS

	2010 £	2009 £
Work in progress	12,016,537	13,022,186

The difference between the purchase price of stocks and their replacement cost is not material

10. DEBTORS

Amounts falling due within one year	2010 £	2009 £
Trade debtors	1,689,732	512,531
Amounts due from group undertakings	-	997,020
Value added tax	487,394	1,305,467
Other debtors	115,875	14,775
Prepayments and accrued income	14,055,296	13,401,741
	16,348,297	16,231,534

11. CREDITORS

Amounts falling due within one year	2010 £	2009 £
Trade creditors	2,418,199	3,194,251
Amounts owed to group undertakings	672,269	34,398,645
Corporation tax	38,723	-
Other taxation and social security	1,080,502	1,040,545
Accruals and deferred income	15,472,895	10,436,267
Loans	21,333,812	-
	41,016,400	49,069,708

Further details on the loans are provided in note 13

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

12. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

The amounts provided in the accounts and the amounts not provided are as follows

	Provided 2010 £	Provided 2009 £	Not provided 2010 £	Not provided 2009 £
Difference arising between accumulated depreciation & Capital allowances	3,595,763	6,251,678	-	(1)
Short term timing differences	(4,050)	(4,200)	-	-
Losses	(3,591,713)	-	(9,638,451)	-
	-	6,247,478	(9,638,451)	(1)

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Wholly repayable loans within 2 to5 years	14,045,805	-

The company has a loan with the Renault Group, the term of which has been extended to include repayments as follows £6 million 2011, £6 million 2012 and £8 million in 2013

In addition, the company has a loan facility with AB Snoras Bank (£15 million) maturing in December 2011 This loan is secured by first ranking security interest over the rights, title and interest in some of the company's assets with an aggregate value of £24 million

£21 million relating to the loans is included as Current Liabilities, being £15 million (plus accrued interest of £314,181) due to AB Snoras Bank, and £6 million (plus accrued interest of £19,631) repayable to Renault Group in 2011 The remaining £14 million (plus accrued interest of £45,805) of the Renault Group loan is included in long term liabilities

14. CALLED UP SHARE CAPITAL

	2010 £	2009 £
Allotted, called-up and fully paid Ordinary shares of £1 each	60,700,000	26,400,000

On 26 January 2010, 34,000,000 ordinary shares with an aggregate nominal value of £34,000,000, were allotted and issued at £1 per share

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

15. PROFIT AND LOSS ACCOUNT

	2010 £	2009 £
Balance at 1 January	(19,813,461)	(24,643,646)
(Loss)/profit for the financial year	(34,279,373)	4,830,185
Balance at 31 December	(54,092,834)	(19,813,461)

16. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2010 £	2009 £
(Loss)/profit for the year	(34,279,373)	4,830,185
Increase in share capital	34,300,000	-
Net increase to shareholders' funds	20,627	4,830,185
Opening shareholders' funds	6,586,539	1,756,354
Closing shareholders' funds	6,607,166	6,586,539

17. FINANCIAL COMMITMENTS

	2010 £	2009 £
Capital commitments		
Contracted for but not provided	770,900	399,885

Lease commitments

At 31 December 2010, the company was committed to making the following payments during the next year in respect of

Operating Leases	**2010** **Land and Buildings** £	**Other** £	**2009** **Land and Buildings** £	**Other** £
Leases which expire				
Within one year	9,171	545,997	-	212,983
Within two to five years	-	593,596	31,093	381,740
	9,171	1,139,593	31,093	594,723

NOTES TO THE ACCOUNTS
Year ended 31 December 2010

18. NOTES TO THE STATEMENT OF CASH FLOWS

a) Reconciliation of operating (loss)/profit to net cash inflow from operating activities

		2010		2009
	£	£	£	£
Operating (loss)/profit		(40,020,252)		12,281,456
Depreciation of tangible fixed assets	9,400,829		9,494,489	
Decrease in stocks	1,005,649		5,437,604	
(Increase)/decrease in debtors	(116,763)		26,653,784	
Increase/(decrease) in creditors	4,922,823		(40,298,662)	
(Profit)/loss on sale of fixed tangible assets	(262,305)		159,839	
		14,950,233		1,447,054
Net cash (outflow)/inflow from operating activities		(25,070,019)		13,728,510

b) Analysis of net debt

	At 1 January 2010	Cash flow	At 31 December 2010
	£	£	£
Cash at bank and in hand	696,111	4,792,605	5,488,716
Loans	-	(35,379,617)	(35,379,617)
	696,111	(30,587,012)	(29,890,901)

19. ULTIMATE PARENT COMPANY

The directors consider that the ultimate controlling entity is Genii Capital at C1, 1 rue Peternelchen, L-2370 Howald, Luxembourg

20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 not to disclose transactions with wholly owned other group companies