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Company Number

1297497

STATUTORY COPY

WILLIAMS GRAND PRIX ENGINEERING LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 1995



**WILLIAMS GRAND PRIX ENGINEERING LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 1995**

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**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**COMPANY INFORMATION**

**COMPANY NUMBER** : 1297497

**DIRECTORS** : F.O.G. Williams Esq.  
P.M. Head Esq.  
D. Mayall Esq.

**SECRETARY** : D. Mayall Esq.

**REGISTERED OFFICE** : 27-31 Blandford Street  
London W1H 4EN

**BUSINESS ADDRESS** : Grove  
Wantage  
Oxfordshire  
OX12 0DQ

# WILLIAMS GRAND PRIX ENGINEERING LIMITED

## REPORT OF THE DIRECTORS

### FINANCIAL STATEMENTS

The directors present their report and financial statements for the year ended 30 November 1995.

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for that period. In preparing the financial statements, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements have been made. The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities. The directors are satisfied that the business is a going concern.

### PRINCIPAL ACTIVITY

The principal activity of the company continued unchanged as that of running a Formula 1 Grand Prix Racing Team.

### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The state of the company's affairs and the results for the year are shown by the attached financial statements.

The directors expect that the present level of activity will be sustained for the foreseeable future.

### DIVIDENDS AND RESERVES

An interim dividend of £9.95 (1994: £9.84 ) per ordinary share amounting to £994,500 (1994: £984,250 ) was paid during the year.

The directors recommend a final dividend of £3.40 ( 1994:0) per ordinary share amounting to £340,000 (1994: £0 ).

The profit for the year, after dividends, amounting to £3,046,213 has been carried to reserves.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests, including their family interests, in the shares of the company, according to the register required to be kept by Section 325 of the Companies Act 1985, were as follows:

|                      | <u>Ordinary shares</u><br><u>of £1 each</u> |                      |
|----------------------|---|----------------------|
|                      | <u>As at 30.11.95</u>                       | <u>As at 1.12.94</u> |
| F.O.G. Williams Esq. | 70,000                                      | 70,000               |
| P.M. Head Esq.       | 30,000                                      | 30,000               |
| D. Mayall Esq.       | NIL   | NIL                  |

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**REPORT OF THE DIRECTORS**

**FIXED ASSETS**

The changes in fixed assets are shown in note 10 to the financial statements.

The directors consider that the market value of the freehold properties is at least equal to their current net book value of £11,287,528

**CHARITABLE DONATIONS**

The company made charitable donations amounting to £12863.

**CLOSE COMPANY PROVISIONS**

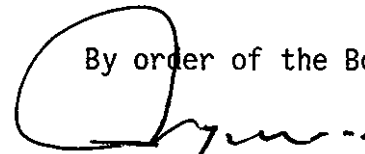
So far as the directors are aware the company was, at the end of the accounting period, a close company within the meaning of the Income and Corporation Taxes Act 1988.

**AUDITORS**

A resolution for the re-appointment of Messrs. Leigh Carr, Chartered Accountants, as auditors of the company is to be proposed at the Annual General Meeting.

24th July 1996

By order of the Board



D. Mayall Esq.  
Secretary

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**AUDITORS REPORT TO THE MEMBERS OF WILLIAMS GRAND PRIX ENGINEERING LIMITED**

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board.

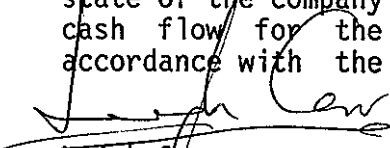
An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting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

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

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 1995 and of its profit and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Leigh Garr  
Chartered Accountants  
Registered Auditor  
27-31 Blandford Street  
London W1H 4EN

24th July 1996

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 NOVEMBER 1995**

| <u>Note</u>  | 1995<br>£                 | 1994<br>£                 |
|--|---------------------------|---------------------------|
| 2. Turnover  | 36,311,483                | 35,907,994                |
| Direct costs   | (23,669,101)              | (25,870,959)              |
| <b>Profit before net operating expenses</b>          | <u>12,642,382</u>         | <u>10,037,035</u>         |
| 3. Net operating expenses                            | (6,028,655)               | (2,940,562)               |
| 4. Operating profit                                  | <u>6,613,727</u>          | <u>7,096,473</u>          |
| 7. Interest payable and similar charges              | (98,548)                  | (24,078)                  |
| <b>Profit on ordinary activities before taxation</b> | <u>6,515,179</u>          | <u>7,072,395</u>          |
| 8. Tax on profit on ordinary activities              | (2,134,466)               | (2,228,436)               |
| <b>Profit for the year after taxation</b>            | <u>4,380,713</u>          | <u>4,843,959</u>          |
| 9. Dividends   | (1,334,500)               | (984,250)                 |
| <b>Retained profit for the year</b>                  | <u>3,046,213</u>          | <u>3,859,709</u>          |
| Retained profit brought forward                      | 11,184,089                | 7,324,380                 |
| <b>Retained profit</b>                               | <u><u>£14,230,302</u></u> | <u><u>£11,184,089</u></u> |

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.

**Total recognised gains or losses**

The company has no recognised gains or losses other than the profit for the above two financial years.

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**BALANCE SHEET AS AT 30 NOVEMBER 1995**

| <u>Note</u>                                  | 1995 |                    | 1994 |                    |
|--|------|--------------------|------|--------------------|
|  | £    | £                  | £    | £                  |
| <b>FIXED ASSETS</b>                          |      |                    |      |                    |
| 10. Tangible assets                          |      | 19,656,557         |      | 13,088,925         |
| <b>CURRENT ASSETS</b>                        |      |                    |      |                    |
| 11. Stock                                    |      | 171,426            |      | 162,042            |
| 12. Debtors                                  |      | 3,001,819          |      | 2,033,881          |
| Cash at bank and in hand                     |      | 4,970,967          |      | 1,887,448          |
|  |      | <u>8,144,212</u>   |      | <u>4,083,371</u>   |
| <b>CREDITORS</b>                             |      |                    |      |                    |
| 13. Amounts falling due within one year      |      | <u>13,470,467</u>  |      | <u>5,888,207</u>   |
| <b>NET CURRENT LIABILITIES</b>               |      | <u>(5,326,255)</u> |      | <u>(1,804,836)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |      | <u>£14,330,302</u> |      | <u>£11,284,089</u> |
| Financed by:                                 |      |                    |      |                    |
| <b>CAPITAL AND RESERVES</b>                  |      |                    |      |                    |
| 14. Called up share capital                  |      | 100,000            |      | 100,000            |
| Profit and loss account                      |      | 14,230,302         |      | 11,184,089         |
|  |      | <u>£14,330,302</u> |      | <u>£11,284,089</u> |

The financial statements were approved by the board on 24th July 1996.

F.O.G. Williams Esq.

P.M. Head Esq.

} Directors



**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 NOVEMBER 1995**

|  | 1995         |                             | 1994         |                             |
|--|--------------|-----------------------------|--------------|-----------------------------|
|  | £            | £                           | £            | £                           |
| <b>Net cash inflow/(outflow) from operating activities (note 18)</b>         |              | 7,549,581                   |              | 3,116,757                   |
| <b>Returns on investments and servicing of finance</b>                       |              |                             |              |                             |
| Interest received  | 411,643      |                             | 421,290      |                             |
| Interest paid  | (98,548)     |                             | (23,662)     |                             |
| Interest element of hire purchase payments                                   | -            |                             | (416)        |                             |
| Dividends paid   | (994,500)    |                             | (984,250)    |                             |
|  |              | <u>                    </u> |              | <u>                    </u> |
| <b>Net cash outflow from returns on investments and servicing of finance</b> |              | (681,405)                   |              | (587,038)                   |
| <b>Taxation</b>  |              |                             |              |                             |
| UK Corporation tax paid  |              | (2,149,827)                 |              | (1,154,223)                 |
| UK Corporation tax repaid  |              | -                           |              | 27,511                      |
| <b>Investing activities</b>  |              |                             |              |                             |
| Payments to acquire tangible fixed assets                                    | (12,903,484) |                             | (13,900,251) |                             |
| Receipts from sales of tangible fixed assets                                 | 5,769,300    |                             | 13,813,154   |                             |
|  |              | <u>                    </u> |              | <u>                    </u> |
| <b>Net cash (outflow)/inflow from investing activities</b>                   |              | (7,134,184)                 |              | (87,097)                    |
| <b>Net cash outflow before financing</b>                                     |              | <u>£(2,415,836)</u>         |              | <u>£ 1,316,610</u>          |
| <b>Financing</b>   |              |                             |              |                             |
| Repayment of loans   |              | -                           |              | -                           |
| Capital element of hire purchase repayments                                  |              | -                           |              | 23,625                      |
|  |              | <u>                    </u> |              | <u>                    </u> |
| <b>Net cash (inflow)/outflow from financing</b>                              |              | -                           |              | 23,625                      |
| <b>(Decrease)/increase in cash and cash equivalents</b>                      |              | (2,415,836)                 |              | 1,292,985                   |
|  |              | <u>£(2,415,836)</u>         |              | <u>£ 1,316,610</u>          |

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 1995**

**1. ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

**(b) Tangible fixed assets**

Depreciation is provided at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows:-

|                                |     |                  |
|--------------------------------|-----|------------------|
| Plant & machinery              | 20% | reducing balance |
| Fixtures & fittings            | 20% | reducing balance |
| Motor vehicles                 | 25% | straight line    |
| Computer and office equipment  | 20% | reducing balance |
| Pit equipment                  | 20% | reducing balance |
| Aircraft                       | 10% | straight line    |
| Windtunnel and R & D equipment | 20% | reducing balance |

A nil depreciation rate is provided in respect of the freehold properties, which are shown at cost.

**(c) Stock and work in progress**

Stock is stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

**(d) Pension fund**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**(e) Deferred taxation**

Deferred taxation is provided on the liability method on all short term timing differences and all other material differences at the current rate of tax, unless there is reasonable probability that such a liability will not arise in the foreseeable future.

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 1995**

**(f) Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange prevailing at the transaction date. All profits and losses on exchange are dealt with in the profit and loss account.

**(g) Research and development**

The company is heavily committed to research and development activities so as to maintain its position as a world leader in Formula One racing. All expenditure on pure and applied research is written off to the profit and loss account as incurred.

**2. TURNOVER**

Turnover represents the invoiced value of goods sold, sponsorship income, prize monies and bonuses as principal excluding value added tax and trade discounts.

**3. NET OPERATING EXPENSES**

|                          | 1995<br>£        | 1994<br>£        |
|--------------------------|------------------|------------------|
| Administrative expenses  | 6,440,298        | 3,361,852        |
| Other operating income:- |                  |                  |
| Interest receivable      | (411,643)        | (421,290)        |
|                          | <u>6,028,655</u> | <u>2,940,562</u> |

**4. OPERATING PROFIT**

|  | 1995<br>£     | 1994<br>£     |
|--|---------------|---------------|
| Operating profit is stated after charging: |               |               |
| Auditors remuneration                      | 22,500        | 20,000        |
| Directors' emoluments                      | 1,202,489     | 1,293,387     |
| Depreciation                               | 1,459,816     | 1,276,604     |
| Operating lease rentals:-                  |               |               |
| Plant and machinery                        | <u>82,314</u> | <u>37,655</u> |

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 1995**

|                                | 1995<br>£        | 1994<br>£        |
|--------------------------------|------------------|------------------|
| <b>5. DIRECTORS EMOLUMENTS</b> |                  |                  |
| Remuneration                   | 989,630          | 1,062,306        |
| Pension contributions          | 212,859          | 231,081          |
|                                | <u>1,202,489</u> | <u>1,293,387</u> |

|                                    |                |                |
|------------------------------------|----------------|----------------|
| Chairman's emoluments              | <u>148,050</u> | <u>142,356</u> |
| Highest paid director's emoluments | <u>784,400</u> | <u>856,000</u> |

The other director's emoluments excluding pension contributions, was within the following range:-

|                   | Number   | Number   |
|-------------------|----------|----------|
| £55,001 - £60,000 | 1        | -        |
| £60,001 - £65,000 | -        | 1        |
|                   | <u>1</u> | <u>1</u> |

|   | 1995<br>£         | 1994<br>£        |
|---|-------------------|------------------|
| <b>6. STAFF COSTS</b>   |                   |                  |
| Staff costs, including those for directors, during the year amounted to:- |                   |                  |
| Wages and salaries  | 8,692,834         | 7,328,288        |
| Social security costs   | 780,793           | 655,336          |
| Other pension costs   | 631,970           | 634,081          |
|   | <u>10,105,597</u> | <u>8,617,705</u> |

The average number of persons employed by the company, including directors, during the year was:-

|                 | Number     | Number     |
|-----------------|------------|------------|
| <b>Category</b> |            |            |
| Management      | 14         | 13         |
| Administrative  | 8          | 7          |
| Production      | 198        | 193        |
| Sponsorship     | 8          | 7          |
|                 | <u>228</u> | <u>220</u> |

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 1995**

|   | 1995<br>£        | 1994<br>£        |
|---|------------------|------------------|
| <b>7. INTEREST PAYABLE AND SIMILAR CHARGES</b>                |                  |                  |
| On bank loans and overdrafts :                                |                  |                  |
| Repayable within 5 years, not by instalments                  | 98,548           | 23,662           |
| Hire purchase contracts                                       | -                | 416              |
|   | <u>98,548</u>    | <u>24,078</u>    |
|   |                  |                  |
|   | 1995<br>£        | 1994<br>£        |
| <b>8. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>                |                  |                  |
| Corporation tax on profit for the year<br>at 33% (1994 : 33%) | 2,134,466        | 2,256,640        |
| Over provision of tax in earlier years                        | -                | (28,204)         |
|   | <u>2,134,466</u> | <u>2,228,436</u> |
|   |                  |                  |
|   | 1995<br>£        | 1994<br>£        |
| <b>9. DIVIDENDS</b>   |                  |                  |
| Interim paid  | 994,500          | 984,250          |
| Final proposed  | 340,000          | -                |
|   | <u>1,334,500</u> | <u>984,250</u>   |

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 1995**

**10. TANGIBLE FIXED ASSETS**

| <b>COST</b>                 | <b>As at<br/>1.12.94<br/>£</b> | <b>Additions<br/>£</b> | <b>(Disposals)<br/>£</b> | <b>As at<br/>30.11.95<br/>£</b> |
|-----------------------------|--------------------------------|------------------------|--------------------------|---------------------------------|
| Freehold property           | 4,520,801                      | 6,766,727              | -                        | 11,287,528                      |
| Plant & machinery           | 3,073,580                      | 518,401                | (16,903)                 | 3,575,078                       |
| Fixtures & fittings         | 484,332                        | 509,798                | -                        | 994,130                         |
| Motor vehicles              | 466,080                        | 613,386                | (192,173)                | 887,293                         |
| Aircraft                    | 5,666,667                      | 4,183,884              | (4,183,884)              | 5,666,667                       |
| Pit equipment               | 175,653                        | 82,526                 | -                        | 258,179                         |
| Office equipment            | 366,315                        | 133,780                | -                        | 500,095                         |
| Helicopters                 | 1,526,715                      | -                      | (760,000)                | 766,715                         |
| Windtunnel, R & D equipment | 712,493                        | 94,982                 | -                        | 807,475                         |
| Computer equipment          | 228,791                        | -                      | -                        | 228,791                         |
|                             | <u>17,221,427</u>              | <u>12,903,484</u>      | <u>(5,152,960)</u>       | <u>24,971,951</u>               |

| <b>DEPRECIATION</b>         | <b>As at<br/>1.12.94<br/>£</b> | <b>Provided in<br/>the year<br/>£</b> | <b>(Disposals)<br/>£</b> | <b>As at<br/>30.11.95<br/>£</b> |
|-----------------------------|--------------------------------|---------------------------------------|--------------------------|---------------------------------|
| Plant & machinery           | 1,706,190                      | 377,158                               | (16,903)                 | 2,066,445                       |
| Fixtures & fittings         | 318,304                        | 135,165                               | -                        | 453,469                         |
| Motor vehicles              | 433,723                        | 136,237                               | (184,020)                | 385,940                         |
| Aircraft                    | 566,667                        | 566,667                               | -                        | 1,133,334                       |
| Pit equipment               | 134,259                        | 24,784                                | -                        | 159,043                         |
| Office equipment            | 237,484                        | 52,522                                | -                        | 290,006                         |
| Helicopters                 | 152,671                        | 76,671                                | (76,000)                 | 153,342                         |
| Windtunnel, R & D equipment | 448,918                        | 71,711                                | -                        | 520,629                         |
| Computer equipment          | 134,285                        | 18,901                                | -                        | 153,186                         |
|                             | <u>4,132,501</u>               | <u>1,459,816</u>                      | <u>(276,923)</u>         | <u>5,315,394</u>                |

| <b>NET BOOK VALUES</b>      | <b>As at<br/>30.11.95<br/>£</b> | <b>As at<br/>30.11.94<br/>£</b> |
|-----------------------------|---------------------------------|---------------------------------|
| Freehold property           | 11,287,528                      | 4,520,801                       |
| Plant & machinery           | 1,508,633                       | 1,367,390                       |
| Fixtures & fittings         | 540,661                         | 166,028                         |
| Motor vehicles              | 501,353                         | 32,357                          |
| Aircraft                    | 4,533,333                       | 5,100,000                       |
| Pit equipment               | 99,136                          | 41,393                          |
| Office equipment            | 210,089                         | 128,831                         |
| Helicopters                 | 613,373                         | 1,374,044                       |
| Windtunnel, R & D equipment | 286,846                         | 263,575                         |
| Computer equipment          | 75,605                          | 94,506                          |
|                             | <u>19,656,557</u>               | <u>13,088,925</u>               |

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 1995**

|                          | 1995<br>£      | 1994<br>£      |
|--------------------------|----------------|----------------|
| <b>11. STOCK</b>         |                |                |
| Racing spares and parts  | 150,000        | 150,000        |
| Conference centre stocks | 21,426         | 12,042         |
|                          | <u>171,426</u> | <u>162,042</u> |

|                                      | 1995<br>£        | 1994<br>£        |
|--------------------------------------|------------------|------------------|
| <b>12. DEBTORS</b>                   |                  |                  |
| Trade debtors                        | 1,423,153        | 1,612,880        |
| Amounts owed by related undertakings | 575              | -                |
| Corporation tax recoverable          | 128,204          | 28,204           |
| Other debtors                        | 1,329,658        | 357,681          |
| Prepayments                          | 120,229          | 35,116           |
|                                      | <u>3,001,819</u> | <u>2,033,881</u> |

|                                      | 1995<br>£         | 1994<br>£        |
|--------------------------------------|-------------------|------------------|
| <b>13. CREDITORS</b>                 |                   |                  |
| Amounts falling due within one year: |                   |                  |
| Bank overdraft                       | 7,185,851         | 1,686,496        |
| Trade creditors                      | 1,564,207         | 1,240,767        |
| Current corporation tax              | 1,985,841         | 2,001,202        |
| Other taxes and social security      | 331,460           | 581,412          |
| Other creditors                      | 1,889,432         | 9,060            |
| Proposed dividend                    | 340,000           | -                |
| Advance corporation tax              | 100,000           | -                |
| Accruals                             | 73,676            | 369,270          |
|                                      | <u>13,470,467</u> | <u>5,888,207</u> |

The bank overdraft is secured on one of the company's freehold properties.

**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 1995**

|  | 1995<br>£      | 1994<br>£      |
|--|----------------|----------------|
| <b>14. SHARE CAPITAL</b>   |                |                |
| Authorised<br>100,000 Ordinary shares of £1 each                         | <u>100,000</u> | <u>100,000</u> |
| Allotted, called up and fully paid<br>100,000 Ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> |

|   | 1995<br>£        | 1994<br>£ |
|---|------------------|-----------|
| <b>16. CAPITAL COMMITMENTS</b>  |                  |           |
| Commitments for capital expenditure not<br>provided for were as follows:- |                  |           |
| Contracts placed  | <u>8,281,130</u> | <u>-</u>  |

**16. PENSION COMMITMENTS**

The company operates defined contribution pension schemes for both the directors and the staff. The assets of the schemes are held separately from those of the company in an independently administered fund.

|  | 1995<br>£         | 1994<br>£         |
|--|-------------------|-------------------|
| <b>17. RECONCILIATION OF MOVEMENT IN<br/>SHAREHOLDERS' FUNDS</b> |                   |                   |
| Profit for the year  | 4,380,713         | 4,843,959         |
| Dividends  | (1,334,500)       | (984,250)         |
| Net addition to shareholders' funds                              | <u>3,046,213</u>  | <u>3,859,709</u>  |
| Opening shareholders' funds                                      | 11,284,089        | 7,424,380         |
| Closing shareholders' funds                                      | <u>14,330,302</u> | <u>11,284,089</u> |



**WILLIAMS GRAND PRIX ENGINEERING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 1995**

|  | 1995<br>£        | 1994<br>£        |
|--|------------------|------------------|
| <b>18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b> |                  |                  |
| Operating profit   | 6,613,727        | 7,096,473        |
| Depreciation charges   | 1,459,816        | 1,276,604        |
| Interest receivable  | (411,643)        | (421,290)        |
| Profit on sale of fixed assets   | (893,263)        | (1,610,024)      |
| Increase in debtors  | (867,938)        | (1,222,657)      |
| Increase/(decrease) in creditors   | 1,658,266        | (2,089,518)      |
| Increase/(decrease) in stock   | (9,384)          | (7,331)          |
| Net cash inflow from operating activities  | <u>7,549,581</u> | <u>3,116,757</u> |

|   | 1995<br>£          | 1994<br>£      |
|---|--------------------|----------------|
| <b>19. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b> |                    |                |
| Balance at 1 December 1994  | 200,952            | 1,092,033      |
| Net cash (outflow)/inflow   | (2,415,836)        | 1,292,985      |
| Balance at 30 November 1995   | <u>(2,214,884)</u> | <u>200,952</u> |

|  | 1995<br>£          | 1994<br>£      | Change in<br>the year<br>£ |
|--|--------------------|----------------|----------------------------|
| <b>20. ANALYSIS OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET</b> |                    |                |                            |
| Cash at bank and in hand   | 4,970,967          | 1,887,448      | 3,083,519                  |
| Bank overdrafts  | (7,185,851)        | (1,686,496)    | (5,499,355)                |
|  | <u>(2,214,884)</u> | <u>200,952</u> | <u>(2,415,836)</u>         |