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Company Number 1297497

STATUTORY COPY

WILLIAMS GRAND PRIX ENGINEERING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1994



WILLIAMS GRAND PRIX ENGINEERING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1994

INDEX

	Page
Company information	1
Report of the directors	2 - 3
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 17

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 3AD

BUSINESS ADDRESS : Basil Hill Road
Didcot
Oxfordshire
OX11 7HW

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 1994.

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 £9.84 (1993: £7.90) per ordinary share amounting to £984,250 (1993: £790,500) was paid during the year.

The directors do not propose to recommend any further distribution by way of a final dividend and the profit for the year, amounting to £3,859,709 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> <u>of £1 each</u>	
	<u>As at 30.11.94</u>	<u>As at 1.12.93</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 property is at least equal to its current net book value of £4,520,801.

CLOSE COMPANY PROVISIONS

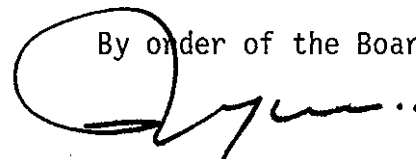
So far as the directors are aware the company was, at the end of the accounting period, a close company within the meaning of the Income and Corporation Taxes Act 1988.

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 May 1995

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 17 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 1994 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 Carr
Chartered Accountants
Registered Auditor
27-31 Blandford Street
London W1H 3AD

24th May 1995

WILLIAMS GRAND PRIX ENGINEERING LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 NOVEMBER 1994**

	1994 £	1993 £
<u>Note</u>		
2. Turnover	35,907,994	36,408,095
Direct costs	(25,870,959)	(28,436,541)
Profit before net operating expenses	<u>10,037,035</u>	<u>7,971,554</u>
3. Net operating expenses	(2,940,562)	(4,037,011)
4. Operating profit	7,096,473	3,934,543
7. Interest payable and similar charges	(24,078)	(22,045)
Profit on ordinary activities before taxation	<u>7,072,395</u>	<u>3,912,498</u>
8. Tax on profit on ordinary activities	(2,228,436)	(622,056)
Profit for the year after taxation	<u>4,843,959</u>	<u>3,290,442</u>
9. Dividends	(984,250)	(790,500)
Retained profit for the year	<u>3,859,709</u>	<u>2,499,942</u>
Retained profit brought forward	7,324,380	4,824,438
Retained profit	<u><u>£11,184,089</u></u>	<u><u>£ 7,324,380</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 1994

<u>Note</u>	1994		1993	
	£	£	£	£
FIXED ASSETS				
10. Tangible assets		13,088,925		12,669,109
CURRENT ASSETS				
11. Stock		162,042		154,711
12. Debtors		2,033,881		1,082,995
Cash at bank and in hand		1,887,448		173,929
		<u>4,083,371</u>		<u>1,411,635</u>
CREDITORS				
13. Amounts falling due within one year		<u>5,888,207</u>		<u>6,656,364</u>
NET CURRENT LIABILITIES		<u>(1,804,836)</u>		<u>(5,244,729)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£11,284,089</u>		<u>£ 7,424,380</u>
Financed by:				
CAPITAL AND RESERVES				
14. Called up share capital		100,000		100,000
Profit and loss account		11,184,089		7,324,380
		<u>£11,284,089</u>		<u>£ 7,424,380</u>

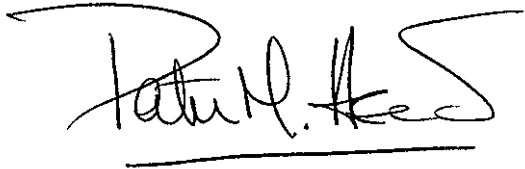
The financial statements were approved by the board on 24th May 1995.

F.O.G. Williams Esq.



Directors

P.M. Head Esq.



WILLIAMS GRAND PRIX ENGINEERING LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 1994

	1994		1993	
	£	£	£	£
Net cash inflow/(outflow) from operating activities (note 17)		3,116,757		3,213,526
Returns on investments and servicing of finance				
Interest received	421,290		204,157	
Interest paid	(23,662)		(17,715)	
Interest element of hire purchase payments	(416)		(4,330)	
Dividends paid	(984,250)		(1,013,143)	
		<u> </u>		<u> </u>
Net cash outflow from returns on investments and servicing of finance		(587,038)		(831,031)
Taxation				
UK Corporation tax paid		(1,154,223)		(287,975)
UK Corporation tax repaid		27,511		1,262,000
Investing activities				
Payments to acquire tangible fixed assets	(13,900,251)		(6,859,991)	
Receipts from sales of tangible fixed assets	13,813,853		5,179,950	
		<u> </u>		<u> </u>
Net cash inflow/(outflow) from investing activities		(86,398)		(1,680,041)
Net cash (outflow)/inflow before financing	£ 1,316,610		£ 1,676,479	
		<u> </u>		<u> </u>
Financing				
Repayment of loans		-		-
Capital element of hire purchase repayments		23,625		40,500
		<u> </u>		<u> </u>
Net cash outflow from financing		23,625		40,500
Increase in cash and cash equivalents		1,292,985		1,635,979
		<u> </u>		<u> </u>
	£ 1,316,610		£ 1,676,479	
		<u> </u>		<u> </u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1994

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 freehold property, which is 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) Hire purchase commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet. Assets obtained under hire purchase contracts are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the capital repayments outstanding. Rentals paid under operating leases are dealt with in the profit and loss account as incurred.

(e) 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.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1994

(f) 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.

(g) 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.

(h) 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

	1994 £	1993 £
Administrative expenses	3,361,852	4,241,168
Other operating income:-		
Interest receivable	(421,290)	(193,966)
Interest supplement	-	(10,191)
	<u>2,940,562</u>	<u>4,037,011</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1994

	1994 £	1993 £
4. OPERATING PROFIT		
Operating profit is stated after charging:		
Auditors remuneration	20,000	20,000
Directors' emoluments	1,293,387	1,806,485
Depreciation	1,276,604	1,045,989
Operating lease rentals:-		
Plant and machinery	<u>37,655</u>	<u>130,656</u>

	1994 £	1993 £
5. DIRECTORS EMOLUMENTS		
Remuneration	1,062,306	1,588,341
Pension contributions	231,081	218,144
	<u>1,293,387</u>	<u>1,806,485</u>
Chairman's emoluments	<u>142,356</u>	<u>561,389</u>
Highest paid director's emoluments	<u>856,000</u>	<u>945,867</u>

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

	Number	Number
£15,001 - £20,000	-	1
£60,001 - £65,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>2</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1994

	1994 £	1993 £
6. STAFF COSTS		
Staff costs, including those for directors, during the year amounted to:-		
Wages and salaries	7,328,288	8,114,937
Social security costs	655,336	764,825
Other pension costs	634,081	620,452
	<u>8,617,705</u>	<u>9,500,214</u>

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

	Number	Number
Category		
Management	13	12
Administrative	7	7
Production	193	185
Sponsorship	7	7
	<u>220</u>	<u>211</u>

	1994 £	1993 £
7. INTEREST PAYABLE AND SIMILAR CHARGES		
On bank overdrafts :		
Repayable within 5 years, not by instalments	23,662	17,715
Hire purchase contracts	416	4,330
	<u>24,078</u>	<u>22,045</u>

	1994 £	1993 £
8. TAX ON PROFIT ON ORDINARY ACTIVITIES		
Corporation tax on profit for the year at 33% (1993 : 33%)	2,256,640	815,813
Over provision of tax in earlier years	(28,204)	(193,757)
	<u>2,228,436</u>	<u>622,056</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1994

	1994 £	1993 £
9. DIVIDENDS		
Interim paid	<u>984,250</u>	<u>790,500</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1994

10. TANGIBLE FIXED ASSETS

COST	As at 1.12.93 £	Additions £	(Disposals) £	As at 30.11.94 £
Freehold property	4,520,801	-	-	4,520,801
Plant & machinery	2,819,458	380,665	(126,543)	3,073,580
Fixtures & fittings	447,156	37,176	-	484,332
Motor vehicles	454,080	12,000	-	466,080
Aircraft	6,000,000	11,879,113	(12,212,446)	5,666,667
Pit equipment	170,501	6,008	(857)	175,652
Office equipment	339,137	27,877	(699)	366,315
Race engines	76,870	-	(76,870)	-
Helicopters	-	1,526,715	-	1,526,715
Windtunnel, R & D equipment	707,143	5,350	-	712,493
Computer equipment	203,444	25,347	-	228,791
	<u>15,738,590</u>	<u>13,900,251</u>	<u>(12,417,415)</u>	<u>17,221,426</u>

DEPRECIATION	As at 1.12.93 £	Provided in the year £	(Disposals) £	As at 30.11.94 £
Plant & machinery	1,451,058	341,848	(86,716)	1,706,190
Fixtures & fittings	276,797	41,507	-	318,304
Motor vehicles	412,932	20,791	-	433,723
Aircraft	50,000	566,667	(50,000)	566,667
Pit equipment	123,911	10,348	-	134,259
Office equipment	205,276	32,208	-	237,484
Race engines	55,827	21,043	(76,870)	-
Helicopters	-	152,671	-	152,671
Windtunnel, R & D equipment	383,024	65,894	-	448,918
Computer equipment	110,658	23,627	-	134,285
	<u>3,069,483</u>	<u>1,276,604</u>	<u>(213,586)</u>	<u>4,132,501</u>

NET BOOK VALUES

	As at 30.11.94 £	As at 30.11.93 £
Freehold property	4,520,801	4,520,801
Plant & machinery	1,367,390	1,368,401
Fixtures & fittings	166,028	170,359
Motor vehicles	32,357	41,149
Aircraft	5,100,000	5,950,000
Pit equipment	41,393	46,590
Office equipment	128,831	133,861
Race engines	-	21,043
Helicopters	1,374,044	-
Windtunnel, R & D equipment	263,575	324,119
Computer equipment	94,506	92,786
	<u>13,088,925</u>	<u>12,669,109</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1994

	1994 £	1993 £
11. STOCK		
Racing spares and parts	150,000	150,000
Conference centre stocks	12,042	4,711
	<u>162,042</u>	<u>154,711</u>

	1994 £	1993 £
12. DEBTORS		
Trade debtors	1,612,880	556,761
Corporation tax recoverable	28,204	299,975
Other debtors	357,681	153,554
Prepayments	35,116	72,705
	<u>2,033,881</u>	<u>1,082,995</u>

	1994 £	1993 £
13. CREDITORS		
Amounts falling due within one year:		
Bank overdraft	1,686,496	1,265,962
Obligations under hire purchase contracts	-	23,625
Trade creditors	1,240,767	774,299
Current corporation tax	2,001,202	1,076,750
Other taxes and social security	581,412	604,355
Other creditors	9,060	2,484,181
Advance corporation tax	-	94,500
Accruals	369,270	332,692
	<u>5,888,207</u>	<u>6,656,364</u>

The bank overdraft is secured on the company's freehold property.

WILLIAMS GRAND PRIX ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1994

	1994 £	1993 £
14. SHARE CAPITAL		
Authorised 100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid 100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

15. 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.

	1994 £	1993 £
16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
Profit for the year	4,843,959	3,290,442
Dividends	(984,250)	(790,500)
Net addition to shareholders' funds	<u>3,859,709</u>	<u>2,499,942</u>
Opening shareholders' funds	7,424,380	4,924,438
Closing shareholders' funds	<u>11,284,089</u>	<u>7,424,380</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1994

	1994 £	1993 £
17. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		
Operating profit	7,096,473	3,934,543
Depreciation charges	1,276,604	1,045,989
Interest receivable	(421,290)	(204,157)
Profit on sale of fixed assets	(1,610,024)	(1,249,046)
Increase in debtors	(1,222,657)	169,291
Decrease in creditors	(1,995,018)	(393,279)
Decrease in stock	(7,331)	4,685
Net cash inflow from operating activities	<u>3,116,757</u>	<u>3,213,526</u>

	1994 £	1993 £
18. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR		
Balance at 1 December 1993	(1,092,033)	2,728,012
Net cash inflow	<u>1,292,985</u>	<u>1,635,979</u>
Balance at 30 November 1994	<u>200,952</u>	<u>(1,092,033)</u>

	1994 £	1993 £	Change in the year £
19. ANALYSIS OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET			
Cash at bank and in hand	1,887,448	173,929	1,713,519
Bank overdrafts	(1,686,496)	(1,265,962)	(420,534)
	<u>200,952</u>	<u>(1,092,033)</u>	<u>1,292,985</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1994

	1994 £	1993 £	Change in the year £
20. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR			
Share capital	100,000	100,000	-
	<u>100,000</u>	<u>123,625</u>	<u>(23,625)</u>
		1994 £	1993 £
21. RECONCILIATION OF CHANGES IN FINANCING DURING THE YEAR			
- current			
As at 1.12.93		23,625	40,500
Cash outflows		(23,625)	(40,500)
payments due within one year		-	23,625
As at 30.11.94		<u>-</u>	<u>23,625</u>