

10015

Company Number

1297497

STATUTORY COPY

WILLIAMS GRAND PRIX ENGINEERING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1993



WILLIAMS GRAND PRIX ENGINEERING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1993

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.
S.Thynne Esq. (resigned 9 December 1992)

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 1993.

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 £7.90 (1992: £3.46) per ordinary share amounting to £790,500 (1992: £346,071) 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 £2,499,942 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 30.11.93</u>	<u>As at 1.12.92</u>
F.O.G. Williams Esq.	70,000	70,000
P.M. Head Esq.	30,000	30,000
D. Mayall Esq.	NIL	NIL
S.Thynne Esq. (resigned 9 December 1992)	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 currently in excess of £5 million. Were the premises to be sold at this value, there would be an estimated potential capital gains tax liability of £500,000. No deferred taxation has been provided in the financial statements.

POLITICAL AND CHARITABLE DONATIONS

The company made charitable donations amounting to £5625.

CLOSE COMPANY PROVISIONS

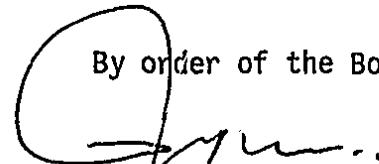
So far as the directors are aware the company was, at the end of the accounting period, a close company within the meaning of the Income and Corporation Taxes Act 1988.

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.

25th August 1994

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 1993 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


25th August 1994

WILLIAMS GRAND PRIX ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 1993

<u>Note</u>	1993 £	1992 £
2. Turnover	36,408,095	30,312,463
Direct costs	(28,436,541)	(23,829,148)
Profit before net operating expenses	<u>7,971,554</u>	<u>6,483,315</u>
3. Net operating expenses	(4,037,011)	(4,250,927)
4. Operating profit	<u>3,934,543</u>	<u>2,232,388</u>
7. Interest payable and similar charges	(22,045)	(146,870)
Profit on ordinary activities before taxation	<u>3,912,498</u>	<u>2,085,518</u>
8. Tax on profit on ordinary activities	(622,056)	(118,792)
Profit for the year after taxation	<u>3,290,442</u>	<u>1,966,726</u>
9. Dividends	(790,500)	(568,714)
Retained profit for the year	<u>2,499,942</u>	<u>1,398,012</u>
Retained profit brought forward	4,824,438	3,426,426
Retained profit	<u><u>£7,324,380</u></u>	<u><u>£ 4,824,438</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 1993

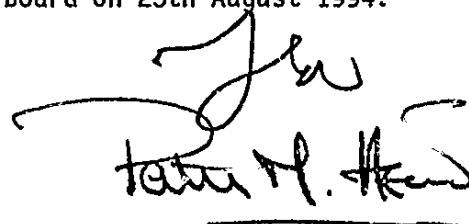
<u>Note</u>	1993		1992	
	£	£	£	£
FIXED ASSETS				
10. Tangible assets		12,669,109		10,786,011
CURRENT ASSETS				
11. Stock		154,711		159,396
12. Debtors		1,082,995		1,577,117
Cash at bank and in hand		173,929		603,089
		<u>1,411,635</u>		<u>2,439,602</u>
CREDITORS				
13. Amounts falling due within one year		6,656,364		8,277,550
NET CURRENT LIABILITIES		<u>(5,244,729)</u>		<u>(5,837,948)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,424,380		4,948,063
CREDITORS				
14. Amounts falling due after more than one year		-		(23,625)
		<u>£ 7,424,380</u>		<u>£ 4,924,438</u>
Financed by:				
CAPITAL AND RESERVES				
15. Called up share capital		100,000		100,000
Profit and loss account		7,324,380		4,824,438
		<u>£ 7,424,380</u>		<u>£ 4,924,438</u>

The financial statements were approved by the board on 25th August 1994.

F.O.G. Williams Esq.

P.M. Hearl Esq.

} Directors



WILLIAMS GRAND PRIX ENGINEERING LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 1993

	1993		1992	
	£	£	£	£
Net cash inflow/(outflow) from operating activities (note 19)		3,213,526		3,589,241
Returns on investments and servicing of finance				
Interest received	204,157		62,025	
Interest paid	(17,715)		(136,330)	
Interest element of hire purchase payments	(4,330)		(10,540)	
Dividends paid	(1,013,143)		(676,071)	
Net cash outflow from returns on investments and servicing of finance		(831,031)		(760,916)
Taxation				
UK Corporation tax paid		(287,975)		(225,357)
UK Corporation tax repaid		1,262,000		-
Investing activities				
Payments to acquire tangible fixed assets	(6,859,991)		(5,786,772)	
Receipts from sales of tangible fixed assets	5,179,950		4,328,344	
Net cash outflow from investing activities		(1,680,041)		(1,458,428)
Net cash inflow/(outflow) before financing	£	<u>1,676,479</u>	£	<u>1,144,541</u>
Financing				
Repayment of loans		-		4,058,074
Capital element of hire purchase repayments		40,500		40,500
Net cash outflow from financing		40,500		4,098,574
Increase/(decrease) in cash and cash equivalents		1,635,979		(2,954,033)
	£	<u><u>1,676,479</u></u>	£	<u><u>1,144,541</u></u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1993

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 1993

(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

	1993 £	1992 £
Administrative expenses	4,241,168	4,312,952
Other operating income:-		
Interest receivable	(193,966)	(62,025)
Interest supplement	(10,191)	-
	<u>4,037,011</u>	<u>4,250,927</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 NOVEMBER 1993

	1993 £	1992 £
4. OPERATING PROFIT		
Operating profit is stated after charging:		
Auditors remuneration	20,000	20,000
Directors' emoluments	1,806,485	881,065
Depreciation	1,045,989	1,115,194
Operating lease rentals:-		
Plant and machinery	130,656	130,656
	<u>130,656</u>	<u>130,656</u>

	1993 £	1992 £
5. DIRECTORS EMOLUMENTS		
Remuneration	1,588,341	671,065
Pension contributions	218,144	210,000
	<u>1,806,485</u>	<u>881,065</u>
Chairman's emoluments	561,389	211,085
Highest paid director's emoluments	945,867	582,590

The other directors' emoluments excluding pension contributions, were within the following ranges:-

	Number	Number
£10,001 - £15,000	-	1
£15,001 - £20,000	1	-
£20,001 - £25,000	1	-
£25,001 - £30,000	-	1
	<u>2</u>	<u>2</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1993

	1993 £	1992 £
6. STAFF COSTS		
Staff costs, including those for directors, during the year amounted to:-		
Wages and salaries	8,114,937	6,669,849
Social security costs	764,825	523,302
Other pension costs	620,452	509,042
	<u>9,500,214</u>	<u>7,702,193</u>

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

	Number	Number
Category		
Management	12	11
Administrative	7	7
Production	185	179
Sponsorship	7	5
	<u>211</u>	<u>202</u>

	1993 £	1992 £
7. INTEREST PAYABLE AND SIMILAR CHARGES		
On bank overdrafts :		
Repayable within 5 years, not by instalments	17,715	136,330
Hire purchase contracts	4,330	10,540
	<u>22,045</u>	<u>146,870</u>

	1993 £	1992 £
8. TAX ON PROFIT ON ORDINARY ACTIVITIES		
Corporation tax on profit for the year at 33% (1992 : 33%)	815,813	618,792
Over provision of tax in earlier years	(193,757)	(500,000)
	<u>622,056</u>	<u>118,792</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1993

	1993 £	1992 £
9. DIVIDENDS		
Interim paid	790,500	346,071
Final proposed	-	222,643
	<u>790,500</u>	<u>568,714</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1993

10. TANGIBLE FIXED ASSETS

COST	As at 1.12.92 £	Additions £	(Disposals) £	As at 30.11.93 £
Freehold property	4,225,568	295,233	-	4,520,801
Plant & machinery	2,530,865	405,214	(116,621)	2,819,458
Fixtures & fittings	411,063	36,093	-	447,156
Motor vehicles	656,593	23,548	(226,060)	454,081
Aircraft	4,748,115	6,000,000	(4,748,115)	6,000,000
Pit equipment	158,901	11,600	-	170,501
Office equipment	278,669	60,468	-	339,137
Race engines	76,870	-	-	76,870
Race gearbox	8,000	-	-	8,000
Windtunnel, R & D equipment	679,308	27,835	-	707,143
Computer equipment	203,444	-	-	203,444
	<u>13,977,396</u>	<u>6,859,991</u>	<u>(5,090,796)</u>	<u>15,746,591</u>

DEPRECIATION	As at 1.12.92 £	Provided in the year £	(Disposals) £	As at 30.11.93 £
Plant & machinery	1,194,039	342,100	(85,082)	1,451,057
Fixtures & fittings	232,734	44,063	-	276,797
Motor vehicles	593,671	17,791	(198,530)	412,932
Aircraft	438,140	488,140	(876,280)	50,000
Pit equipment	112,263	11,648	-	123,911
Office equipment	172,396	32,880	-	205,276
Race engines	50,566	5,261	-	55,827
Race gearbox	7,232	768	-	8,000
Windtunnel, R & D equipment	302,883	80,141	-	383,024
Computer equipment	87,461	23,197	-	110,658
	<u>3,191,385</u>	<u>1,045,989</u>	<u>(1,159,892)</u>	<u>3,077,482</u>

NET BOOK VALUES	As at 30.11.93 £	As at 30.11.92 £
Freehold property	4,520,801	4,225,568
Plant & machinery	1,368,401	1,336,826
Fixtures & fittings	170,359	178,329
Motor vehicles	41,149	62,922
Aircraft	5,950,000	4,309,975
Pit equipment	46,590	46,638
Office equipment	133,861	106,273
Race engines	21,043	26,304
Race gearbox	-	768
Windtunnel, R & D equipment	324,119	376,425
Computer equipment	92,786	115,983
	<u>12,669,109</u>	<u>10,786,011</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1993

	1993 £	1992 £
11. STOCK		
Racing spares and parts	150,000	150,000
Conference centre stocks	4,711	9,396
	<u>154,711</u>	<u>159,396</u>

	1993 £	1992 £
12. DEBTORS		
Trade debtors	556,761	521,395
Corporation tax recoverable	299,975	724,806
Other debtors	153,554	359,563
Prepayments	72,705	71,353
	<u>1,082,995</u>	<u>1,677,117</u>

	1993 £	1992 £
13. CREDITORS		
Amounts falling due within one year:		
Bank overdraft	1,265,962	3,331,101
Obligations under hire purchase contracts	23,625	40,500
Trade creditors	774,299	2,151,534
Directors' accounts	-	3,328
Current corporation tax	1,076,750	-
Other taxes and social security	604,355	368,890
Other creditors	2,484,181	1,733,863
Proposed dividend	-	222,643
Advance corporation tax	94,500	-
Accruals	332,692	425,691
	<u>6,656,364</u>	<u>8,277,550</u>

The bank overdraft is secured on the company's freehold property. Fixed assets acquired under finance leases and hire purchase contracts are secured by way of a fixed charge over the assets concerned.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1993

	1993 £	1992 £
14. CREDITORS		
Amounts falling due after more than one year:		
Obligations under hire purchase contracts	-	23,625
	<u>-</u>	<u>23,625</u>
	<u>-</u>	<u>23,625</u>

The above amounts fall due between two to five years.

	1993 £	1992 £
15. SHARE CAPITAL		
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</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.

	1993 £	1992 £
17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
Profit for the year	3,290,442	1,966,726
Dividends	(790,500)	(568,714)
	<u>2,499,942</u>	<u>1,398,012</u>
Net addition to shareholders' funds	2,499,942	1,398,012
Opening shareholders' funds	4,924,438	3,526,426
	<u>4,924,438</u>	<u>3,526,426</u>
Closing shareholders' funds	7,424,380	4,924,438
	<u>7,424,380</u>	<u>4,924,438</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1993

	1993 £	1992 £
18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		
Operating profit	3,934,543	2,232,388
Depreciation charges	1,045,989	1,115,194
Interest receivable	(204,157)	(62,025)
Profit on sale of fixed assets	(1,249,046)	(1,108)
(Increase)/decrease in debtors	169,291	549,873
Decrease in creditors	(487,779)	(240,610)
Decrease in stock	4,685	(4,471)
Net cash inflow from operating activities	<u>3,213,526</u>	<u>3,589,241</u>

	1993 £	1992 £
19. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR		
Balance at 1 December 1992	(2,728,012)	(226,021)
Net cash inflow/(outflow)	1,635,979	(2,954,033)
Balance at 30 November 1993	<u>(1,092,033)</u>	<u>(2,728,012)</u>

	1993 £	1992 £	Change in the year £
20. ANALYSIS OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET			
Cash at bank and in hand	173,929	603,089	(429,160)
Bank overdrafts	(1,265,962)	(3,331,101)	2,065,139
	<u>(1,092,033)</u>	<u>(2,728,012)</u>	<u>1,635,979</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 NOVEMBER 1993

	1993 £	1992 £	Change in the year £
21. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR			
Share capital	100,000	100,000	-
Hire purchase contracts			
- current	23,625	40,500	(16,875)
- non current	-	23,625	(23,625)
	<u>123,625</u>	<u>164,125</u>	<u>(40,500)</u>

	1993 £	1992 £
22. RECONCILIATION OF CHANGES IN FINANCING DURING THE YEAR		
<u>Hire purchase contracts - current</u>		
As at 1.12.92	40,500	40,500
Cash outflows	(40,500)	(40,500)
payments due within one year	23,625	40,500
As at 30.11.93	<u>23,625</u>	<u>40,500</u>
 <u>NOT IN USE</u>		
As at 1.12.92	23,625	64,125
payments due within one year	(23,625)	(40,500)
As at 30.11.93	<u>-</u>	<u>23,625</u>