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STATUTORY COPY

WILLIAMS GRAND PRIX ENGINEERING LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH NOVEMBER 1992



WILLIAMS GRAND PRIX ENGINEERING LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH NOVEMBER 1992

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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 3AD

BUSINESS ADDRESS : Basil Hill Road  
Didcot  
Oxfordshire  
OX11 7HW

## REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 30th November 1992.

### 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 346 pence (1991: 75) per ordinary share amounting to £346,071 (1991: £75,000) was paid during the year.

The directors recommend a final dividend of 223 pence (1991: 330) per ordinary share amounting to £222,643 (1991: £330,000).

The profit for the year, after dividends, amounting to £1,398,012 has been carried to reserves.

### FIXED ASSETS

The changes in fixed assets are shown in note 9 to the financial statements.

The directors consider that the market value of the freehold property is currently in excess of £6 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.

### 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 as incurred.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

REPORT OF THE DIRECTORS

DIRECTORS AND THEIR INTERESTS

The interests of the directors of the company at 30th November 1992 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 £1 Shares</u>	
	<u>As at 30.11.1992</u>	<u>As at 30.11.1991</u>
F.O.G. Williams Esq.	70,000	70,000
P.M. Head Esq.	30,000	30,000
S.Thynne Esq. (resigned 9th December 1992)	NIL	NIL
D.Mayall Esq. (appointed 14th October 1992)	NIL	NIL

In accordance with the Articles of Association F.O.G. Williams Esq. retires by rotation and being eligible, offers himself for re-election.

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.

BY ORDER OF THE BOARD

D.Mayall Esq.  
Secretary



13th August 1993

WILLIAMS GRAND PRIX ENGINEERING LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF WILLIAMS GRAND PRIX ENGINEERING LIMITED

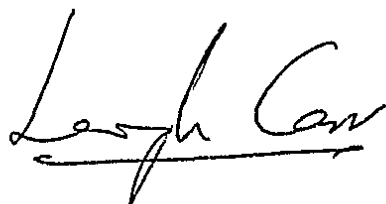
We have audited the financial statements on pages 5 to 16. Our audit was conducted in accordance with Auditing Standards having regard to the matter referred to in the following paragraph.

No depreciation has been provided by the directors on the freehold property, as, in their opinion, their policy of continual maintenance and repairs to the premises ensures that its prevailing market value will (at least) exceed its net book value, thereby rendering a depreciation charge immaterial.

The above non-provision of depreciation is not in accordance with Statement of Standard Accounting Practice No.12 or the Companies Act 1985.

The effect of this policy is to increase the company's profit before tax by the amount of depreciation not provided, which for the year under review would equate to approximately £68,000, based on a rate of 2% per annum straight line on the balance sheet value of the property, excluding land. The value of the company's net assets and reserves have been accordingly enhanced by the same amount.

Except for the foregoing, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th November 1992 and of its profit and cash flow statement 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

13th August 1993

WILLIAMS GRAND PRIX ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH NOVEMBER 1992

<u>Note</u>	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
1. Turnover	30,312,463	21,263,537
Administration expenses	(28,142,100)	(23,272,729)
2. Other operating income	62,025	661,751
3. Operating profit/(loss)	2,232,388	(1,347,441)
6. Interest payable and similar charges	(146,870)	(249,938)
Profit/(loss) on ordinary activities before taxation	2,085,518	(1,597,379)
7. Tax on results of ordinary activities	(118,792)	817,700
Profit/(loss) on ordinary activities after taxation	1,966,726	(779,679)
8. Dividends	(568,714)	(405,000)
Retained profit/(loss) for the year	1,398,012	(1,184,679)
Retained profit brought forward	3,426,426	4,611,105
Retained profit	<u>£ 4,824,438</u>	<u>£ 3,426,426</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/(loss) for the above two financial years.

WILLIAMS GRAND PRIX ENGINEERING LIMITED



BALANCE SHEET AS AT 30TH NOVEMBER 1992

<u>Note</u>	<u>1992</u>		<u>1991</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>FIXED ASSETS</b>				
9. Tangible assets		10,786,011		10,441,670
<b>CURRENT ASSETS</b>				
10. Stock		159,396		154,925
11. Debtors		1,677,117		2,120,425
Cash at bank and in hand		603,089		731,880
		<u>2,439,602</u>		<u>3,007,230</u>
<b>CREDITORS</b>				
12. amounts falling due within one year		8,277,550		8,191,683
<b>NET CURRENT LIABILITIES</b>		<u>(5,837,948)</u>		<u>(5,184,453)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,948,063</u>		<u>5,257,217</u>
<b>CREDITORS</b>				
13. amounts falling due after more than one year		23,625		1,730,791
		<u>£ 4,924,438</u>		<u>£ 3,526,426</u>
Financed by:				
<b>CAPITAL AND RESERVES</b>				
14. Called up share capital		100,000		100,000
Profit and loss account		4,824,438		3,426,426
		<u>£ 4,924,438</u>		<u>£ 3,526,426</u>

The financial statements were approved by the board on 13th August 1993.

F.O.G. Williams Esq.

P.M. Head Esq.

  
 ) Directors  




## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH NOVEMBER 1992

	1992		1991	
	£	£	£	£
Net cash inflow/(outflow) from operating activities (note 17)		3,757,339		(400,053)
Returns on investments and servicing of finance				
Interest received	62,025		78,929	
Contribution received	-		582,822	
Interest paid	(136,330)		(244,279)	
Interest element of hire purchase payments	(10,540)		(5,659)	
Dividends paid	(676,071)		(75,000)	
Net cash outflow from returns on investments and servicing of finance		(760,916)		336,813
Taxation				
UK Corporation tax paid		(225,357)		(706,980)
UK Corporation tax repaid		-		18,344
Investing activities				
Payments to acquire tangible fixed assets	(5,786,772)		(6,588,941)	
Receipts from sales of tangible fixed assets	4,328,344		3,476,038	
Net cash outflow from investing activities		(1,458,428)		(3,112,903)
Net cash (outflow)/inflow before financing		<u>1,312,638</u>		<u>(3,864,779)</u>

# WILLIAMS GRAND PRIX ENGINEERING LIMITED

## ACCOUNTING POLICIES

FOR THE YEAR ENDED 30TH NOVEMBER 1992

The following are the more important accounting policies adopted by the company :-

### 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 or valuation, less estimated residual value, of each asset over its expected useful life, as follows:-

	<u>% per annum</u>	<u>Method</u>
Freehold property	NIL	straight line
Plant & equipment	20%	reducing balance
Fixtures & fittings	20%	reducing balance
Motor vehicles	25%	straight line
Aircraft	10%	straight line
Pit equipment	20%	reducing balance
Computer	20%	reducing balance
Office equipment	20%	reducing balance
Windtunnel and R & D equipment	20%	reducing balance

Nil depreciation is provided in respect of the freehold property, which is shown at cost.

### c) Stock and work in progress

Stock is valued at the lower of cost and net realisable value of each item or group of items.

### d) 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 a reasonable probability that such a liability will not arise in the foreseeable future.

### e) 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 ruling at the date of the transaction. All profits and losses on exchange are dealt with in the profit and loss account.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30TH NOVEMBER 1992

f) Hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and 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 balance of capital repayments outstanding. Rentals paid under operating leases are dealt with in the profit and loss account as incurred.

g) 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 30TH NOVEMBER 1992

1. TURNOVER

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

	1992 £	1991 £
<b>2. OTHER OPERATING INCOME</b>		
Interest receivable	62,025	78,929
Contribution received	-	582,822
	<u>62,025</u>	<u>661,751</u>

	1992 £	1991 £
<b>3. OPERATING PROFIT/(LOSS)</b>		
Operating profit/(loss) is stated after charging:		
Auditors remuneration	20,000	15,500
Directors' emoluments	881,065	433,071
Depreciation	1,115,194	626,298
Profit on sale of fixed assets	(1,108)	(145,898)
Operating lease rentals:-		
Plant and machinery	130,656	106,451
Land and property	19,000	14,850
	<u>130,656</u>	<u>106,451</u>
	<u>19,000</u>	<u>14,850</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1992

	1992 £	1991 £
<b>4. DIRECTORS EMOLUMENTS</b>		
Remuneration	671,065	278,071
Pension contributions	210,000	155,000
	<u>881,065</u>	<u>433,071</u>
Chairman's emoluments	<u>211,085</u>	<u>150,150</u>
Highest paid director's emoluments	<u>582,590</u>	<u>209,928</u>

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

	Number	Number
£10,001 to £15,000	1	-
£70,001 to £75,000	-	1
£75,001 to £80,000	1	-
	<u>      </u>	<u>      </u>

	1992 £	1991 £
<b>5. STAFF COSTS</b>		
Staff costs, including those for directors, during the year amounted to:-		
Wages and salaries	6,669,849	5,093,232
Social security costs	523,302	469,829
Other pension costs	509,042	368,210
	<u>7,702,193</u>	<u>5,931,271</u>

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

	Number	Number
<b>Category</b>		
* Management	11	10
* Administrative	7	6
* Production	179	145
* Sponsorship	5	4
	<u>202</u>	<u>165</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1992

	1992 £	1991 £
<b>6. INTEREST PAYABLE AND SIMILAR CHARGES</b>		
On bank overdrafts :		
Repayable within 5 years, not by instalments	136,330	187,150
Hire purchase contracts	10,540	5,659
On all other loans	-	57,129
	<u>146,870</u>	<u>249,938</u>

	1992 £	1991 £
<b>7. TAXATION</b>		
Corporation tax on profit/(loss) for the year at 33% (1991 : 34%)	618,792	-
Overprovision of tax in earlier years	(500,000)	(817,700)
	<u>118,792</u>	<u>(817,700)</u>

	1992 £	1991 £
<b>8. DIVIDENDS</b>		
Interim paid	346,071	75,000
Final proposed	222,643	330,000
	<u>568,714</u>	<u>405,000</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1992

9. TANGIBLE FIXED ASSETS

COST	As at 1.12.1991 £	Additions £	(Disposals) £	As at 30.11.1992 £
Freehold property	3,974,702	250,866	-	4,225,568
Plant & equipment	1,896,606	634,259	-	2,530,865
Fixtures & fittings	400,185	10,878	-	411,063
Motor vehicles	622,325	42,618	(8,350)	656,593
Aircraft	4,325,844	4,748,115	(4,325,844)	4,748,115
Pit equipment	147,110	11,791	-	158,901
Office equipment	229,343	49,326	-	278,669
Race engines	76,870	-	-	76,870
Race Gearbox	8,000	-	-	8,000
Windtunnel R & D equipment	679,308	-	-	679,308
Computer equipment	164,525	38,919	-	203,444
	<u>12,524,818</u>	<u>5,786,772</u>	<u>(4,334,194)</u>	<u>13,977,396</u>

DEPRECIATION	As at 1.12.1991 £	Provided in the year £	(Disposals) £	As at 30.11.1992 £
Plant & equipment	859,832	334,207	-	1,194,039
Fixtures & fittings	189,277	43,457	-	232,734
Motor vehicles	469,337	131,292	(6,958)	593,671
Aircraft	-	438,140	-	438,140
Pit equipment	100,603	11,660	-	112,263
Office equipment	145,828	26,568	-	172,396
Race engines	43,990	6,576	-	50,566
Race Gearbox	7,040	192	-	7,232
Windtunnel R & D equipment	199,047	103,836	-	302,883
Computer equipment	68,195	19,266	-	87,461
	<u>2,083,149</u>	<u>1,115,194</u>	<u>(6,958)</u>	<u>3,191,385</u>

NET BOOK VALUES

	As at 30.11.1992 £	As at 30.11.1991 £
Freehold property	4,225,568	3,974,703
Plant & equipment	1,336,826	1,036,774
Fixtures & fittings	178,329	210,907
Motor vehicles	62,922	152,989
Aircraft	4,309,975	4,325,844
Pit equipment	46,638	46,507
Office equipment	106,273	83,515
Race engines	26,304	32,880
Race Gearbox	768	960
Windtunnel R & D equipment	376,425	480,261
Computer equipment	115,983	96,330
	<u>10,786,011</u>	<u>10,441,670</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1992

	1992 £	1991 £
<b>10. STOCK</b>		
Racing spares and parts	150,000	150,000
Conference centre stocks	9,396	4,925
	<u>159,396</u>	<u>154,925</u>

	1992 £	1991 £
<b>11. DEBTORS</b>		
Trade debtors	521,395	1,063,800
Corporation tax recoverable	724,806	618,241
Prepayments	71,353	144,094
Other debtors	359,563	294,290
	<u>1,677,117</u>	<u>2,120,425</u>

	1992 £	1991 £
<b>12. CREDITORS</b>		
Amounts falling due within one year:		
Commercial loan	-	2,391,408
Bank overdraft	3,331,101	505,859
Obligations under hire purchase contracts	40,500	40,500
Trade creditors	2,151,534	971,475
Directors' accounts	3,328	3,328
Other taxes and social security	368,890	156,245
Accruals	425,691	305,250
Proposed dividend	222,643	330,000
Other creditors	1,733,863	3,487,618
	<u>8,277,550</u>	<u>8,191,683</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 30TH NOVEMBER 1992

	1992 £	1991 £
<b>13. CREDITORS</b>		
Amounts falling due after more than one year:		
Commercial loan	-	1,666,666
Hire purchase liability	23,625	64,125
	<u>23,625</u>	<u>1,730,791</u>

	1992 £	1991 £
<b>14. SHARE CAPITAL</b>		
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Alotted, 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 a defined contribution pension scheme for the directors. The assets of the scheme are held separately from those of the company in an independently administered fund.

	1992 £	1991 £
<b>16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>		
Profit/(loss) for the year	1,966,726	(779,679)
Dividends	(568,714)	(405,000)
Net addition to shareholders' funds	<u>1,398,012</u>	<u>(1,184,679)</u>
Opening shareholders' funds	3,526,426	4,711,105
Closing shareholders' funds	<u><u>4,924,438</u></u>	<u><u>3,526,426</u></u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1992

	1992 £	1991 £
<b>17. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		
Operating profit/(loss)	2,400,486	(1,185,680)
Depreciation charges	1,115,194	626,298
Contribution received	-	(582,822)
Interest receivable	(62,025)	(78,929)
Profit on sale of fixed assets	(1,108)	(145,898)
Decrease in debtors	549,873	165,821
(Decrease)/increase in creditors	(240,610)	785,829
(Decrease)/increase in stock	(4,471)	15,328
Net inflow/(outflow) from operating activities	<u>3,757,339</u>	<u>(400,053)</u>

	1992 £	1991 £
<b>18. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>		
Balance at 1st December 1991	(3,832,053)	(32,726)
Net cash (outflow)/inflow	1,104,041	(3,864,779)
Balance at 30th November 1992	<u>(2,728,012)</u>	<u>(3,832,053)</u>

	1992 £	1991 £	Change in the year £
<b>19. ANALYSIS OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET</b>			
Cash at bank and in hand	603,089	731,880	(128,791)
Bank overdrafts	(3,331,101)	(505,859)	(2,825,242)
Short term loans	-	4,058,074	4,058,074
	<u>(2,728,012)</u>	<u>(3,832,053)</u>	<u>1,104,041</u>

	1992 £
<b>20. OPERATING LEASES</b>	

The company was committed to the following lease payments as at 30th November 1992, in respect of plant and machinery:-

Year ended 30th November 1993	130,656
30th November 1994	<u>38,348</u>