

STATUTORY COPY

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WILLIAMS GRAND PRIX ENGINEERING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 1989

WILLIAMS GRAND PRIX ENGINEERING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 1989

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WILLIAMS GRAND PRIX ENGINEERING LIMITED

COMPANY INFORMATION

COMPANY NUMBER : 1297497

DIRECTORS : F.O.G. Williams Esq.
P.M. Head Esq.
S. Thynne Esq.

SECRETARY : D. Mayall Esq.

REGISTERED OFFICE : 27/31 Blandford Street
London W11 3AD

BUSINESS ADDRESS : Basil Hill Road
Didcot
Oxfordshire
OX11 7HW

WILLIAMS GRAND PRIX ENGINEERING LIMITED

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 30th November 1989.

PRINCIPAL ACTIVITY

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

BUSINESS REVIEW

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

During the year, the directors paid a net dividend of £107250, amounting to £1.0725 (£1.43 Gross) per Ordinary Share.

The directors do not propose to recommend any further distribution by way of a final dividend.

FIXED ASSETS

The changes in fixed assets are shown in the notes 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, it is estimated that there would be a taxation liability of approximately £550,000.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the issued share capital of the company remained unchanged as follows:-

	<u>Ordinary £1 Shares</u>	
	<u>As at 30.11.89</u>	<u>As at 30.11.88</u>
F.O.G. Williams Esq.	70,000	80,000
P.M. Head Esq.	30,000	20,000
S. Thynne Esq.	NIL	NIL

In accordance with the Articles of Association P.M. Head 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.

3rd December 1990

BY ORDER OF THE BOARD

D. Mayall Esq.
Secretary

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 4 to 12 in accordance with Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 30th November 1989 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.



Leigh Carr
Chartered Accountants
London

10th September 1990

WILLIAMS GRAND PRIX ENGINEERING LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 30TH NOVEMBER 1989

	<u>1989</u>	<u>1988</u>
<u>Note</u>	<u>£</u>	<u>£</u>
1. Turnover	12,025,085	10,042,872
Administration expenses	(10,334,469)	(10,386,569)
2. Other operating income	<u>932,174</u>	<u>1,355,676</u>
3. Operating profit	2,622,790	679,610
6. Interest payable and similar charges	<u>(199,453)</u>	<u>(76,054)</u>
Profit on ordinary activities before taxation	2,423,337	603,556
7. Tax on profit on ordinary activities	<u>(775,463)</u>	<u>(99,320)</u>
Profit for the year/period	1,647,874	504,236
8. Dividends	<u>(107,250)</u>	<u>(125,000)</u>
Retained profit for the year/period	1,540,624	379,236
Retained profit brought forward	<u>2,604,581</u>	<u>2,225,345</u>
Retained profit	<u>£4,145,205</u>	<u>£2,604,581</u>

The notes on pages 7 to 12 form part of these financial statements.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

BALANCE SHEET AS AT 30TH NOVEMBER 1989

<u>Note</u>	<u>1989</u>		<u>1988</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS				
10. Tangible assets		6,303,292		4,881,810
CURRENT ASSETS				
11. Stock		150,000		150,000
12. Debtors		2,248,111		646,761
Cash at bank and in hand		1,724,229		1,771,888
		<u>4,122,340</u>		<u>2,568,649</u>
CREDITORS				
13. amounts falling due within one year		6,180,427		4,745,325
NET CURRENT (LIABILITIES)		<u>(2,058,087)</u>		<u>(2,176,676)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,245,205		2,705,134
CREDITORS				
14. amounts falling due after more than one year		-		553
		<u>£4,245,205</u>		<u>£2,704,581</u>
Financed by:				
CAPITAL AND RESERVES				
15. Called up share capital		100,000		100,000
Profit and loss account		4,145,205		2,604,581
		<u>£4,245,205</u>		<u>£2,704,581</u>

The financial statements were approved by the board on 3rd December 1990

F.O.G. Williams Esq.

} Directors

P.M. Head Esq.



The notes on pages 7 to 12 form part of these financial statements.

WILLIAMS GRAND PRIX ENGINEERING LIMITED
 STATEMENT OF SOURCE AND APPLICATION OF FUNDS
 FOR THE YEAR ENDED 30TH NOVEMBER 1989

	<u>1989</u>		<u>1988</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
SOURCE OF FUNDS				
Profit on ordinary activities before taxation		2,423,337		603,556
Adjustment for items not involving the movement of funds:				
Depreciation of fixed assets	663,834		509,212	-
(Profit) on disposal of fixed assets	(402,628)		(72,808)	
		<u>261,206</u>		<u>436,404</u>
Total generated from operations		<u>2,684,543</u>		<u>1,039,960</u>
Funds from other sources				
Proceeds on disposal of tangible fixed assets		3,624,898		2,893,198
		<u>6,309,441</u>		<u>3,933,158</u>
APPLICATION OF FUNDS				
Dividends paid	107,250		125,000	
Purchase of tangible fixed assets	5,307,586		4,838,941	
Tax and ACT paid	85,317		76,414	
		<u>5,464,403</u>		<u>5,040,355</u>
		<u>£ 809,288</u>		<u>£(1,107,197)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL				
Debtors and prepayments		1,601,350		(19,595)
Creditors and accruals		(1,289,132)		(138,253)
Hire purchase		18,961		45,851
Directors' accounts		267,243		6,802
		<u>598,422</u>		<u>(105,195)</u>
Movement in net liquid funds				
Cash at bank and in hand		(47,659)		(810,786)
Current instalment due on loan		115,792		159,442
Bank overdraft		142,733		(350,658)
		<u>£ 809,288</u>		<u>£(1,107,197)</u>

The notes on pages 7 to 12 form part of these financial statements.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30TH NOVEMBER 1989

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

a) ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention.

b) DEPRECIATION

Tangible fixed assets are depreciated at annual rates to write off the cost of the assets over their estimated useful lives using the following methods and rates:-

	<u>% per annum</u>	<u>Method</u>
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

No depreciation has been provided on the Freehold Property.

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) 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.

e) 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.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1989

1. TURNOVER

Turnover represents the invoiced value of goods sold and services rendered as principal excluding value added tax and trade discounts.

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
2. OTHER OPERATING INCOME		
Insurance proceeds	-	332,369
Interest received	349,352	339,129
Compensation received	582,822	684,178
	<u>£ 932,174</u>	<u>£1,355,676</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

Auditors remuneration	9,500	6,000
Directors emoluments (see note 4)	537,762	511,562
Depreciation	663,434	509,212
	<u> </u>	<u> </u>

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
4. DIRECTORS EMOLUMENTS		
Remuneration	326,079	292,812
Pension contributions	211,683	218,750
	<u>£537,762</u>	<u>£511,562</u>
Chairman's emoluments	<u>£104,362</u>	<u>£ 98,650</u>

Particulars of other directors' emoluments were within the following ranges :-

	<u>Number</u>	<u>Number</u>
£ 25,001 to £ 30,000	-	1
£ 45,001 to £ 50,000	-	-
£ 60,001 to £ 65,000	1	-
£160,001 to £165,000	1	-
£165,001 to £170,000	-	1

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1989

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
5. STAFF COSTS		
Their total remuneration, including directors, was:-		
Wages and salaries	2,988,251	2,359,057
Social security costs	313,137	252,337
Other pension costs	245,391	235,177
	<u>£3,546,779</u>	<u>£2,846,571</u>
	<u>Number</u>	<u>Number</u>
The number of employees, excluding directors, earning over £30,000 per annum was :-		
£30,001 to £35,000	4	1
6. INTEREST PAYABLE AND SIMILAR CHARGES		
Bank loans and overdrafts and other loans wholly repayable within five years	138,531	9,554
Hire purchase charges	2,929	7,917
Loan interest	57,993	58,583
	<u>£199,453</u>	<u>£ 76,054</u>
7. TAX ON PROFIT ON ORDINARY ACTIVITIES		
Corporation tax on profits for the year/period	739,713	49,553
Unrelieved advance corporation tax	35,750	41,667
Under provision of tax in earlier years	-	8,101
	<u>£775,463</u>	<u>£ 99,320</u>
8. DIVIDENDS		
Paid	<u>£107,250</u>	<u>£125,000</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1989

9. TANGIBLE FIXED ASSETS

COST	As at	Additions	(Disposals)	As at
	1.12.1988			30.11.1989
	£	£	£	£
Freehold property	1,910,404	920,006	-	2,830,410
Plant & equipment	633,357	377,119	(15,584)	994,892
Fixtures & fittings	105,607	141,204	-	246,811
Motor vehicles	368,878	406,154	(185,593)	589,439
Aircraft	2,621,614	3,205,128	(3,205,128)	2,621,614
Pit equipment	108,346	20,713	-	129,059
Office equipment	115,645	72,727	-	188,372
Race engines	44,770	-	-	44,770
Race Gearbox	8,000	-	-	8,000
Windtunnel and R & D Equipment	190,715	123,481	-	314,196
Computer	37,850	41,054	-	78,904
	<u>£6,145,186</u>	<u>£5,307,586</u>	<u>£(3,406,305)</u>	<u>£8,046,467</u>

DEPRECIATION	As at	Provided in	(Disposals)	As at
	1.12.1988	the year		30.11.1989
	£	£	£	£
Freehold property	-	-	-	-
Plant & equipment	387,505	124,229	(13,760)	497,974
Fixtures & fittings	60,803	37,201	-	98,004
Motor vehicles	232,173	147,360	(170,275)	209,258
Aircraft	284,008	262,161	-	546,169
Pit equipment	60,789	13,654	-	74,443
Office equipment	59,379	25,799	-	85,178
Race engines	29,770	3,000	-	32,770
Race Gearbox	6,000	400	-	6,400
Windtunnel and R & D Equipment	125,294	37,780	-	163,074
Computer	17,655	12,250	-	29,905
	<u>£1,263,376</u>	<u>£ 663,834</u>	<u>£ (184,035)</u>	<u>£1,743,175</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30TH NOVEMBER 1989

10. TANGIBLE FIXED ASSETS

NET BOOK VALUES

	As at 30.11.1989	As at 31.11.1988
	<u>£</u>	<u>£</u>
Freehold property	2,830,410	1,910,404
Plant & equipment	496,918	245,852
Fixtures & fittings	148,807	44,804
Motor vehicles	380,181	136,705
Aircraft	2,075,445	2,337,606
Pit equipment	54,616	47,557
Office equipment	103,194	56,266
Race engines	12,000	15,000
Race Gearbox	1,600	2,000
Windtunnel and R & D Equipment	151,122	65,421
Computer	48,999	20,195
	<u>£ 6,303,292</u>	<u>£ 4,881,810</u>

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
11. STOCK		
Racing spares and parts	<u>£150,000</u>	<u>£150,000</u>

12. DEBTORS

Amounts falling due within one year:		
Trade debtors	1,784,874	334,300
Prepayments	98,614	126,260
Other debtors	364,623	186,201
	<u>£2,248,111</u>	<u>£646,761</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1989

	<u>1989</u> <u>£</u>	<u>1988</u> <u>£</u>
13. CREDITORS		
Amounts falling due within one year:		
Commercial loan	-	115,792
Bank overdraft	264,505	407,238
Obligations under hire purchase contracts	-	18,408
Trade creditors	2,229,126	1,790,066
Directors' accounts	605	267,848
Current corporation tax	789,466	57,653
Other taxes and social security	116,218	71,347
Accruals	13,923	1,084
Advance corporation tax	-	41,667
Other creditors	2,766,584	1,974,222
	<u>£6,180,427</u>	<u>£4,745,325</u>

14. CREDITORS

Amounts falling due after more than one year:		
Hire purchase liability	£ -	£ 553
	<u> </u>	<u> </u>

15. SHARE CAPITAL

Authorised		
100,000 Ordinary shares of £1 each	£100,000	£100,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	£100,000	£100,000
	<u> </u>	<u> </u>