

TYRRELL RACING ORGANISATION LIMITED

REPORT AND ACCOUNTS FOR THE YEAR

ENDED 31 DECEMBER 1991

INDEX

Page	
1	Company information
2	Directors' report
3	Auditors' report
4	Profit and loss account
5	Balance sheet
6	Sources and application of funds
7 to 14	Notes to the accounts
15 to 16	Detailed profit and loss account

REGISTERED NUMBER 787446



TYRRELL RACING ORGANISATION LIMITEDCOMPANY INFORMATION

DIRECTORS	R.K. Tyrrell N.I. Tyrrell R.L. Tyrrell
SECRETARY	N.I. Tyrrell
AUDITORS	Leach Bright Northoote House 115-117 Fleet Road Fleet, Hants. GU13 8PD
BANKERS	National Westminster Bank plc 151 High Street, Guildford, Surrey.
REGISTERED OFFICE	Long Reach Ookham, Woking, Surrey.
REGISTERED NUMBER	787446

TYRRELL RACING ORGANISATION LIMITEDREPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31 December 1991.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company continues to be that of formula one motor racing.

The company continued to trade successfully and maintained a sound financial position at the year end.

TRADING RESULTS AND DIVIDEND

The results for the year are set out in the profit and loss account on page 4. Turnover has increased during the year by 29.6% to £12,926,441.

The directors do not recommend the payment of a dividend for the year. No dividends were declared in respect of the previous year.

DIRECTORS AND THEIR INTERESTS

The directors who held office throughout the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	<u>Number of ordinary £1 shares</u>	
	<u>at 31 December 1991</u>	<u>at 31 December 1990</u>
R.K. Tyrrell	20	20
M.I. Tyrrell	9	9
R.L. Tyrrell	25	25
H.E. Postlethwaite	11	11

BOARD CHANGES

K.H. Tyrrell resigned on 21 August 1991 and H.E. Postlethwaite resigned on 11 September 1991.

FUTURE DEVELOPMENTS

The company will continue to develop its business in line with current activities.

RESEARCH AND DEVELOPMENT

The company continues to incur expenditure with an aim of improving its cars in the future.

FIXED ASSETS

The movements in fixed assets are set out in note 3 to the accounts. The company purchased fixed assets costing £528,985 during the year.

AUDITORS

Leach Bright have signified their willingness to continue in office as auditors, and a resolution proposing their re-appointment will be submitted to the annual general meeting.

By order of the Board

M.I. TYRRELL
Secretary

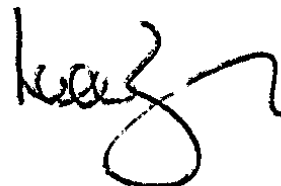
22nd October 1992

TYRRELL RACING ORGANISATION LIMITED

REPORT OF THE AUDITORS
TO THE MEMBERS OF
TYRRELL RACING ORGANISATION LIMITED

We have audited the accounts set out on pages 4 to 14 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



LEACH WRIGHT
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

MORTONCOFF HOUSE
105/117 PLANT ROAD
ELMST. HANTS

22nd October 1992

TYRRELL RACING ORGANISATION LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1991

	<u>Notes</u>	<u>1991</u>	<u>1990</u>
		<u>£</u>	<u>£</u>
<u>TURNOVER</u>	2	12,926,441	9,973,817
Administrative expenses		10,810,231	9,145,516
		2,116,210	828,301
Other operating income	3	11,152	19,070
<u>OPERATING PROFIT</u>	4	2,127,362	847,371
Interest receivable		229,578	57,530
Interest payable and similar charges	7	(15,847)	(38,548)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		2,341,093	866,353
Tax on profit on ordinary activities	8	762,993	5,790
<u>RETAINED PROFIT FOR THE FINANCIAL YEAR</u>		1,578,100	860,563
Retained profits brought forward		714,590	(145,973)
<u>RETAINED PROFITS AS AT 31 DECEMBER 1991</u>		2,292,690	714,590

TYRRELL RACING ORGANISATION LIMITED

BALANCE SHEET
AT 31 DECEMBER 1991

	<u>Notes</u>	<u>1991</u>	<u>1990</u>
		<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>			
Tangible assets	9	<u>1,127,523</u>	<u>900,545</u>
<u>CURRENT ASSETS</u>			
Stocks	10	144,600	307,600
Debtors	11	1,001,262	255,685
Cash at bank and in hand		<u>2,175,424</u>	<u>3,425,348</u>
		<u>3,321,286</u>	<u>3,988,633</u>
<u>CREDITORS:</u>			
Amounts falling due within one year	12	<u>1,780,892</u>	<u>3,981,982</u>
<u>NET CURRENT ASSETS</u>		<u>1,540,394</u>	<u>6,651</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>2,667,917</u>	<u>907,196</u>
<u>CREDITORS:</u>			
Amounts falling due after more than one year	13	<u>325,121</u>	<u>142,500</u>
		<u>2,342,796</u>	<u>764,696</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	14	111	111
Share premium account	17	49,995	49,995
Profit and loss account		<u>2,292,690</u>	<u>714,590</u>
		<u>2,342,796</u>	<u>764,696</u>

R.K. TYRRELL

Directors Formally approved on 22nd October 1992

R.L. TYRRELL

TYRRELL RACING ORGANISATION LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1991

	1991	1990
	£	£
<u>SOURCE OF FUNDS</u>		
Profit on ordinary activities before taxation	2,341,093	866,353
Adjustments for items not involving the movement of funds:		
Depreciation	293,677	221,662
Loss/(Profit) on disposal of tangible fixed assets	(11,152)	(820)
Fixed asset transferred to profit and loss account	6,732	-
<u>TOTAL GENERATED FROM OPERATIONS</u>	2,630,350	1,087,195
<u>FUNDS FROM OTHER SOURCES:</u>		
Increase in long term hire purchase	182,621	-
Proceeds on disposal of fixed assets	12,750	2,700
Proceeds of share issue	-	50,006
	2,825,721	1,139,901
<u>APPLICATION OF FUNDS</u>		
Purchase of tangible fixed assets	528,985	375,132
Reduction in long term lease purchase	-	13,606
Tax paid	142,190	-
	671,175	388,738
<u>INCREASE IN WORKING CAPITAL</u>	2,154,546	751,163
<u>COMPONENTS OF MOVEMENT IN WORKING CAPITAL</u>		
Stocks	(163,000)	(443,400)
Debtors	745,577	(119,874)
Creditors	2,737,776	(3,178,309)
	3,320,353	(3,741,583)
<u>MOVEMENT IN NET LIQUID FUNDS</u>		
Bank and cash	(1,249,924)	3,377,288
Bank overdraft	307,026	1,104,925
Current instalments due on loans	(122,909)	10,533
	(1,165,807)	4,492,746
	2,154,546	751,163

TYRRELL RACING ORGANISATION LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 1991

1 ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention.

DEPRECIATION

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

Improvements to premises	- over the lease term
Data processing equipment	- 33 1/3% of cost per annum
Plant and machinery	- 10% of cost per annum
Fixtures and equipment	- 10% of cost per annum
Motor vehicles	- 25% of written down value per annum

STOCKS

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw materials and components	- purchase cost on first-in, first-out basis
------------------------------	--

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

RESEARCH AND DEVELOPMENT

Research and development expenditure is normally written off as incurred. However, where there is a clearly defined project, development expenditure may be capitalised and carried forward in the balance sheet.

DEFERRED TAXATION

Deferred taxation is provided under the liability method on all timing differences to the extent that it is probable that the liability will crystallise in the foreseeable future.

FOREIGN CURRENCY

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

LEASES AND HIRE PURCHASE

Assets acquired under lease and hire purchase agreements are capitalised and included within fixed assets. Such assets are depreciated on a reducing balance basis over the asset's useful lives in accordance with the company's depreciation policy. Liabilities under lease and hire purchase agreements, less interest not yet charged are included in creditors. Interest charges are debited to the profit and loss account over the term of the contract on a straight line basis.

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

TYRRELL RACING ORGANISATION LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 1991
(continued)

PENSION SCHEMES

The company's pension scheme will provide benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The most recent valuation was at 30th April 1990. The assumptions which have the most significance on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries. It was assumed that the investment returns would be 9% per annum, and that salary increases would average 8% per annum.

The pension charge for the year was £62,018 (1990 - £73,570).

The most recent actuarial valuation showed that the market value of the scheme's assets was £681,366 and that the actuarial value of these assets represented 101% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contribution of the company was maintained at 7.7% of the earnings from 1st May 1990 and, following a change in government legislation, the companies contribution was increased to 8.99% from 1st May 1991.

2 TURNOVER

Turnover represents sponsorship and prize money stated net of value added tax.

The turnover and pre-tax profit are attributable to one activity, that of formula one motor racing.

The geographical analysis of turnover has not been shown as, in the opinion of the directors, the disclosure of such information would be prejudicial to the interests of the company.

3 OTHER OPERATING INCOME

	<u>1991</u>	<u>1990</u>
	£	£
Foreign currency exchange gains	-	18,250
Profit on sale of fixed assets	11,152	820
	<u>11,152</u>	<u>19,070</u>

TYRRELL RACING ORGANISATION LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 1991
(continued)

4 OPERATING PROFIT

This is stated after charging/(crediting):

	<u>1991</u>	<u>1990</u>
	£	£
Directors' management emoluments (including benefits of £13,335 (1990 - £22,135))	239,829	191,666
Auditors' remuneration	6,800	6,500
Depreciation - owned assets	208,202	211,309
- assets held under finance leases and hire purchase contracts	85,475	10,353
Operating lease rentals - property	170,754	-
Foreign currency exchange losses	173,051	-
Profit on disposal of fixed assets	(11,152)	(820)
	<u> </u>	<u> </u>

5 STAFF COSTS

Staff costs, including directors' remuneration were as follows:

	<u>1991</u>	<u>1990</u>
	£	£
Wages and salaries	2,396,933	2,059,333
Social security costs	234,180	195,810
Other pension costs	62,018	73,570
Health insurance	2,078	8,224
	<u>2,695,209</u>	<u>2,336,937</u>

The average weekly number of employees during the year, including executive directors, was as follows:

	<u>1991</u>	<u>1990</u>
Office and management	13	12
Design and manufacturing	89	79
	<u>102</u>	<u>91</u>

11/11/91

TYRRELL RACING ORGANISATION LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 1991
(continued)

6 DIRECTORS' REMUNERATION

	<u>1991</u>	<u>1990</u>
	£	£
Emoluments (excluding pension contributions) of:		
Chairman	41,392	40,000
Highest paid director	<u>101,783</u>	<u>100,000</u>

Other directors, within the following ranges:

	<u>1991</u>	<u>1990</u>
Up to £5,000	2	2
£30,001 - £35,000	-	1
£60,001 - £65,000	<u>1</u>	<u>-</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1991</u>	<u>1990</u>
	£	£
Interest on overdraft repayable within five years	588	34,622
Finance charges on lease purchase and hire purchase contracts repayable within five years	15,259	2,337
Interest on overdue corporation tax	-	1,589
	<u>15,847</u>	<u>38,548</u>

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on the profit for the year:

	<u>1991</u>	<u>1990</u>
	£	£
UK corporation tax at a composite rate of 33.31	754,400	5,790
Taxation under provided in previous years	<u>8,993</u>	<u>-</u>
	<u>762,993</u>	<u>5,790</u>

TYRRELL RACING ORGANISATION LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 1991
(continued)

9 TANGIBLE FIXED ASSETS

	Data processing equipment	Improvements to premises	Plant and machinery	Fixtures and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost:						
At 31 December 1990	176,475	559,051	599,725	62,353	125,853	1,523,457
Additions	26,358	-	251,777	9,190	241,660	528,985
Disposals	-	-	-	-	(21,227)	(21,227)
Transfer to profit and loss account	-	-	(6,732)	-	-	(6,732)
At 31 December 1991	202,833	559,051	844,770	71,543	346,286	2,024,483
Depreciation :						
At 31 December 1990	115,296	244,531	180,348	19,391	63,346	622,912
Charge for the year	39,512	93,000	78,843	6,680	75,642	293,677
Disposals	-	-	-	-	(19,629)	(19,629)
At 31 December 1991	154,808	337,531	259,191	26,071	119,359	896,960
Net book amounts at 31 December 1991	48,025	221,520	585,579	45,472	226,927	1,127,523
Net book amounts at 31 December 1990	61,179	314,520	419,377	42,962	62,507	900,545
In respect of assets capitalised under finance leases and hire purchase contracts included above:						
Net book amounts at 31 December 1991	-	-	226,353	-	100,307	407,662
Net book amounts at 31 December 1990	-	-	-	-	31,060	31,060

The amount transferred to profit and loss account represents abortive development expenditure writt. off.

TYRRELL RACING ORGANISATION LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 1991
(continued)

10 STOCKS

	1991	1990
	£	£
Raw materials and components	144,600	307,600

There is no material difference between the above values of stock in its present condition and their replacement cost.

11 DEBTORS

	1991	1990
	£	£
Trade debtors	628,267	131,524
Other debtors	63,169	63,841
Prepayments and accrued income	309,826	60,320
	<u>1,001,262</u>	<u>255,685</u>

12 CREDITORS

Amounts falling due within one year:

	1991	1990
	£	£
Bank overdraft	4,232	211,259
Trade creditors	292,393	877,619
Current corporation tax	626,592	5,790
Other taxes and social security	58,795	79,806
Current instalments due on loans (note 13)	135,700	12,791
Other creditors	1,067	38,253
Accruals and deferred income	662,112	2,706,464
	<u>1,780,892</u>	<u>3,982,982</u>

The lease and hire purchase liabilities are secured on the assets concerned.

TYRRELL RACING ORGANISATION LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 1991
(continued)

13 CREDITORS

Amounts falling due after more than one year:

	1991	1990
	£	£
Wholly repayable within five years:		
Unsecured loans	142,500	142,500
Lease and hire purchase liabilities	318,321	12,791
	<u>460,821</u>	<u>155,291</u>
Less amounts due within one year (included in current liabilities):		
Lease and hire purchase liabilities	135,700	12,791
	<u>325,121</u>	<u>142,500</u>

14 CALLED UP SHARE CAPITAL

	<u>Authorized</u>		<u>Allotted, issued & fully paid</u>	
	1991	1990	1991	1990
	£	£	£	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>111</u>	<u>111</u>

15 CAPITAL COMMITMENTS

	1991	1990
	£	£
The company had the following commitments at 31 December 1991:		
Contracted for	<u>-</u>	<u>477,000</u>

TYRRELL RACING ORGANISATION LIMITED

NOTES TO THE ACCOUNTS
AT 31 DECEMBER 1991
(continued)

16 FINANCIAL COMMITMENTS

	<u>1991</u>	<u>1990</u>
	£	£
Annual commitments under non-cancellable operating leases at 31 December 1991 were as follows:		
Leases expiring between two and five years:		
Land and buildings	163,000	163,000
Other	72,967	7,227
	<u>235,967</u>	<u>170,227</u>

17 SHARE PREMIUM ACCOUNT

	<u>1991</u>	<u>1990</u>
	£	£
Balance at 31 December 1990	49,995	-
Premium arising on issue during the year	-	49,995
Balance at 31 December 1991	<u>49,995</u>	<u>49,995</u>