

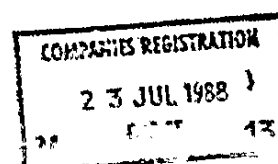
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1297497

WILLIAMS GRAND PRIX ENGINEERING LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST OCTOBER 1987



WILLIAMS GRAND PRIX ENGINEERING LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1987

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WILLIAMS GRAND PRIX ENGINEERING LIMITED

COMPANY INFORMATION

COMPANY NUMBER : 1297497

DIRECTORS : F.O.G. Williams
P.M. Head
S. Thynne (resigned 31st December 1987)

SECRETARY : Mrs V.J. Williams

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

The directors present their report and financial statements for the year ended 31st October 1987.

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.

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

FIXED ASSETS

The directors consider that the market value of the freehold land and buildings as at 31st October 1987, is in excess of £ 2.00 million (net book value, £1,898,160).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests (including their family interests) in the issued share capital of the company were as follows:-

Ordinary £1 Shares

F.O.G. Williams	80,000
P.M. Head	20,000
S. Thynne (resigned 31st December 1987)	-

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 1970.

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



Mrs. V.J. Williams
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 set out on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion these 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 31st October 1987 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.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER 1987

<u>Note</u>	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
1. Turnover	10,442,545	7,800,721
Administrative expenses	(9,687,320)	(7,218,239)
2. Other operating income	<u>115,664</u>	<u>51,762</u>
3. <u>Operating profit</u>	870,889	634,244
8. Interest payable and similar charges	<u>(79,168)</u>	<u>(83,411)</u>
<u>Profit on ordinary activities</u>		
<u>before taxation</u>	791,721	550,833
9. Tax on profit on ordinary activities	<u>(76,414)</u>	<u>(19,195)</u>
<u>Retained profit for the year</u>	715,307	531,638
Retained profit brought forward	<u>1,510,038</u>	<u>978,400</u>
<u>Retained profit</u>	<u>£2,225,345</u>	<u>£1,510,038</u>

The notes on pages 8 to 11 form part of these financial statements.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST OCTOBER 1987

<u>Note</u>	<u>1987</u>		<u>1986</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>			
18. Tangible assets	3,372,471		<u>2,395,463</u>
<u>CURRENT ASSETS</u>			
10. Stock	150,000		150,000
11. Debtors	666,356		568,220
Cash at bank and in hand	<u>2,582,674</u>		<u>617,683</u>
	3,399,030		1,335,903
12. <u>CREDITORS :</u>			
amounts falling due within one year	<u>4,297,800</u>		<u>1,792,536</u>
<u>NET CURRENT (LIABILITIES)</u>		<u>(898,770)</u>	<u>(456,633)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	2,473,701		1,938,830
13. <u>CREDITORS :</u>			
amounts falling due after more than one year		<u>(148,356)</u>	<u>(328,792)</u>
	<u>£2,325,345</u>		<u>£1,610,038</u>
	*****		*****
<u>CAPITAL AND RESERVES</u>			
16. Called up share capital	100,000		100,000
Profit and loss account	<u>2,225,345</u>		<u>1,510,038</u>
	<u>£2,325,345</u>		<u>£1,610,038</u>
	*****		*****

The financial statements were approved by the Board on 21st April 1988.

.....)
F.O.G. Williams

) Directors

.....)
P.M. Head

The notes on pages 8 to 11 form part of these financial statements.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31ST OCTOBER 1987

	<u>1987</u>		<u>1986</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>SOURCE OF FUNDS</u>			
Profit on ordinary activities before taxation		791,721	550,833
Adjustment for items not involving the movement of funds:			
Depreciation of fixed assets	268,499		149,849
(Profit) on disposal of tangible fixed assets	<u>(35,641)</u>		<u>(4,128)</u>
		<u>232,858</u>	<u>145,721</u>
Total generated from operations		1,024,579	696,554
<u>Funds from other sources:</u>			
Proceeds of disposal of tangible fixed assets		<u>46,692</u>	<u>6,258</u>
		1,071,271	<u>702,812</u>
<u>APPLICATION OF FUNDS</u>			
Corporation tax paid	19,195		-
Loans repaid	192,401		174,588
Purchase of tangible fixed assets	<u>1,256,558</u>		<u>578,573</u>
		<u>(1,468,154)</u>	<u>(753,161)</u>
	£	<u>(396,883)</u>	£(50,349)
		=====	=====
<u>INCREASE/ (DECREASE) IN WORKING CAPITAL:</u>			
Directors loan account		(274,650)	-
Debtors and prepayments		98,136	240,505
Creditors and accruals		(2,208,322)	(825,820)
Hire purchase		<u>41,023</u>	<u>(18,834)</u>
		<u>(2,343,813)</u>	<u>(604,149)</u>
<u>Movement in net liquid funds:</u>			
Cash at bank and in hand	1,964,991		592,319
Bank overdraft	<u>(18,061)</u>		<u>(38,519)</u>
		<u>1,946,930</u>	<u>553,800</u>
	£	<u>(396,883)</u>	£(50,349)
		=====	=====

The notes on pages 8 to 11 form part of these financial statements.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31ST OCTOBER 1987

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

a) ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

b) DEPRECIATION

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

	<u>% per annum</u>	<u>Method</u>
Freehold property (nil depreciation)	-	-
Pit equipment	20	reducing balance
Plant and machinery, furniture, fittings and office equipment	20	reducing balance
Motor vehicles	25	straight line
Wind tunnel, R & D and computer equipment	20	reducing balance
Aircraft	10	straight line

c) STOCK

Stock is valued at the total of 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 timing differences at the current corporation tax rate unless there is reasonable probability that such liability will not arise in the foreseeable future.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1987

1. TURNOVER

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

	<u>1987</u>	<u>1986</u>
2. <u>OTHER OPERATING INCOME</u>	<u>£</u>	<u>£</u>
Deposit interest receivable	£115,664 =====	£51,762 =====
3. <u>OPERATING PROFIT</u>		
Operating profit is stated after charging:		
Auditors remuneration	3,000	2,500
Directors emoluments (see note 5)	459,927	326,830
Depreciation	268,499 =====	149,849 =====
4. <u>DIRECTORS EMOLUMENTS</u>	<u>£</u>	<u>£</u>
Remuneration	249,927	126,830
Pension contributions	210,000	200,000
	£459,927 =====	£326,830 =====
Chairman's emoluments	£89,531 =====	£42,400 =====
Particulars of other directors' emoluments were within the following ranges :-	<u>Number</u>	<u>Number</u>
£ 1 to £ 5,001	-	1
£ 25,001 to £ 30,000	-	1
£ 45,001 to £ 50,000	1	-
£ 50,001 to £ 55,000	-	1
£110,000 to £115,000	1	-

6. STAFF COSTS

	<u>£</u>	<u>£</u>
Gross wages and salaries	1,835,969	1,521,455
Social security costs	205,923	168,888
Pension contributions (Directors)	210,000	200,000
	£2,251,892 =====	£1,890,343 =====
	<u>Number</u>	<u>Number</u>

7. EMPLOYEES

Particulars of employees earning
between £30,001 to £35,000

1

1

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1987

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
8. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>		
Hire purchase interest	12,787	11,329
Bank loans and overdrafts and other loans wholly repayable within five years (excluding mortgage interest)	5,751	9,321
Mortgage loan interest	60,630	62,761
	<u>£79,168</u>	<u>£83,411</u>
	=====	=====
9. <u>TAXATION</u>	<u>£</u>	<u>£</u>
Corporation tax on profits for the year	£76,414	£19,195
	=====	=====
10. <u>STOCK</u> Racing parts and spares	£150,000	£150,000
	=====	=====
11. <u>DEBTORS</u>: Amounts falling due within one year		
Trade debtors	324,967	366,523
Other debtors	285,446	191,507
Prepayments	55,943	10,190
	<u>£666,356</u>	<u>£568,220</u>
	=====	=====
12. <u>CREDITORS</u> : Amounts falling due within one year		
Bank overdraft	56,580	38,519
Obligations under hire purchase contracts	43,832	52,270
Trade creditors	807,987	1,152,432
Current corporation tax	76,414	19,195
Commercial loan	147,858	192,408
Other taxes and social security	104,287	57,432
Other creditors	2,785,899	279,388
Accruals	293	892
Directors loan account	274,650	-
	<u>£4,297,800</u>	<u>£1,792,536</u>
	=====	=====
13. <u>CREDITORS</u> Amounts falling due after, more than one year		
Obligations under hire purchase contracts	20,980	53,565
Commercial loans	127,376	275,227
	<u>£148,356</u>	<u>£328,792</u>
	=====	=====

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1987

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
14. <u>COMMERCIAL LOANS</u>		
Amount wholly repayable within five years	£ 275,234 =====	£467,635 =====
The loans will be repayable via equal monthly instalments of £15,986.28/£5,100.00 commencing in October 1984/March 1986.		
Interest is being charged at 2.1/2% per annum over F.H.A. rates.		
The loans are secured on the freehold land and buildings.		
15. <u>DEFERRED TAXATION</u>		
Potential deferred taxation liabilities are made up of:-		
Accelerated capital allowances	£ - =====	£ - =====
16. <u>SHARE CAPITAL</u>		
Authorised, issued and fully paid		
100,000 ordinary shares of £1 each	£100,000 =====	£100,000 =====
17. <u>CAPITAL COMMITMENTS</u>		
Capital expenditure sanctioned by the board and outstanding at the end of the year which has not been provided in these financial statements:-		
against which contracts have been placed	£ - =====	£190,000 =====