

STATUTORY COPY

Company Registration No. 1297497 (England and Wales)

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WILLIAMS GRAND PRIX ENGINEERING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2002



WILLIAMS GRAND PRIX ENGINEERING LIMITED

COMPANY INFORMATION

Directors	F O G Williams Esq. P M Head Esq. D Mayall Esq.
Secretary	D Mayall Esq.
Company number	1297497
Registered office	Grove Wantage Oxfordshire OX12 0DQ
Auditors	Leigh Carr 72 New Cavendish Street London W1G 8AU
Business address	Grove Wantage Oxfordshire OX12 0DQ

WILLIAMS GRAND PRIX ENGINEERING LIMITED

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WILLIAMS GRAND PRIX ENGINEERING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2002

The directors present their report and financial statements for the year ended 30 November 2002.

Principal activities and review of the business

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

The results for the year and the financial position at the year end were considered satisfactory by the directors *who expect continued growth in the foreseeable future.*

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £580,000. The directors recommend payment of a final dividend amounting to £630,000.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings is not materially different from the current net book value.

Future developments

The company will continue its research and development programme as it strives to maintain its position as a leading Formula One racing team.

Directors

The following directors have held office since 1 December 2001:

F O G Williams Esq.

P M Head Esq.

D Mayall Esq.

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 November 2002	1 December 2001
F O G Williams Esq.	70,000	70,000
P M Head Esq.	30,000	30,000
D Mayall Esq.	-	-

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Disabled persons

It is the company's policy to offer equal opportunity to all persons, including disabled persons, applying for vacancies having regard to their aptitudes and abilities in relation to the jobs for which they apply.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2002

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
 - ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
 - pay in accordance with the company's contractual and other legal obligations.
- On average, trade creditors at the year end represented 76 (2001- 61) days' purchases.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Leigh Carr be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



D Mayall Esq.

Director

10 June 2003

WILLIAMS GRAND PRIX ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLIAMS GRAND PRIX ENGINEERING LIMITED

We have audited the financial statements of Williams Grand Prix Engineering Limited on pages 4 to 18 for the year ended 30 November 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Leigh Carr

10 June 2003

Chartered Accountants
Registered Auditor

72 New Cavendish Street
London
W1G 8AU

WILLIAMS GRAND PRIX ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2002

		2002	2001
	Notes	£	as restated £
Turnover	2	82,221,193	85,327,268
Cost of sales		(17,695,046)	(14,885,812)
Gross profit		64,526,147	70,441,456
Distribution costs		(48,226,091)	(42,760,086)
Administrative expenses		(14,822,114)	(17,867,651)
Other operating income		112,158	126,697
Operating profit	3	1,590,100	9,940,416
Other interest receivable and similar income		91,161	114,292
Interest payable and similar charges	5	(488,991)	(171,613)
Profit on ordinary activities before taxation		1,192,270	9,883,095
Tax on profit on ordinary activities	6	(132,623)	(6,140,283)
Profit on ordinary activities after taxation		1,059,647	3,742,812
Dividends	7	(1,210,000)	(1,760,000)
Retained (loss)/profit for the year	16	(150,353)	1,982,812

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 NOVEMBER 2002

	2002 £	2001 £
Profit for the financial year	1,059,647	3,742,812
Prior year adjustment	(2,687,807)	-
	<hr/>	<hr/>
Total gains and losses recognised since last financial statements	(1,628,160)	3,742,812
	<hr/>	<hr/>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

BALANCE SHEET AS AT 30 NOVEMBER 2002

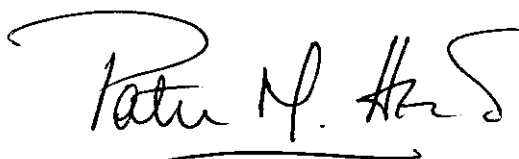
		2002		2001 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		49,390,122		35,754,020
Current assets					
Stocks	9	360,339		355,939	
Debtors	10	16,514,803		9,171,364	
Deferred tax asset	10	-		-	
Cash at bank and in hand		376,261		5,721,250	
		17,251,403		15,248,553	
Creditors: amounts falling due within one year	11	(15,994,367)		(13,394,551)	
Net current assets			1,257,036		1,854,002
Total assets less current liabilities			50,647,158		37,608,022
Creditors: amounts falling due after more than one year	12		(10,001,937)		(7,748)
Provisions for liabilities and charges	13				
Deferred tax liability			(5,883,107)		(2,687,807)
			34,762,114		34,912,467
Capital and reserves					
Called up share capital	15		100,000		100,000
Profit and loss account	16		34,662,114		34,812,467
Shareholders' funds - equity interests	17		34,762,114		34,912,467

The financial statements were approved by the Board on 10 June 2003

F O G Williams Esq.
Director



P M Head Esq.
Director



WILLIAMS GRAND PRIX ENGINEERING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2002

	2002		2001	
	£	£	£	£
Net cash inflow from operating activities		4,296,914		12,858,931
Returns on investments and servicing of finance				
Interest received	91,161		114,292	
Interest paid	(488,991)		(171,613)	
Net cash outflow for returns on investments and servicing of finance		(397,830)		(57,321)
Taxation		752,739		(2,906,574)
Capital expenditure				
Payments to acquire tangible assets	(17,869,262)		(1,652,371)	
Receipts from sales of tangible assets	15,338		107,951	
Net cash outflow for capital expenditure		(17,853,924)		(1,544,420)
Equity dividends paid		(940,000)		(2,200,000)
Net cash (outflow)/inflow before management of liquid resources and financing		(14,142,101)		6,150,616
Financing				
New long term bank loan	10,000,000		-	
Capital element of hire purchase contracts	(5,811)		13,559	
Net cash inflow from financing		9,994,189		13,559
(Decrease)/increase in cash in the year		(4,147,912)		6,164,175

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2002

1	Reconciliation of operating profit to net cash inflow from operating activities	2002		2001	
		£		£	
	Operating profit	1,590,100		9,940,416	
	Depreciation of tangible assets	3,994,837		3,434,139	
	Loss on disposal of tangible assets	222,985		1,956,649	
	Increase in stocks	(4,400)		(28,586)	
	(Increase)/decrease in debtors	(5,033,501)		1,749,647	
	Increase/(decrease) in creditors within one year	3,526,893		(4,193,334)	
	Net cash inflow from operating activities	4,296,914		12,858,931	
2	Analysis of net debt	1 December 2001	Cash flow	Other non-cash changes	30 November 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	5,721,250	(5,344,989)	-	376,261
	Bank overdrafts	(6,381,780)	1,197,077	-	(5,184,703)
		<u>(660,530)</u>	<u>(4,147,912)</u>	<u>-</u>	<u>(4,808,442)</u>
	Debt:				
	Finance leases	(13,559)	5,811	-	(7,748)
	Debts falling due after one year	-	(10,000,000)	-	(10,000,000)
		<u>(13,559)</u>	<u>(9,994,189)</u>	<u>-</u>	<u>(10,007,748)</u>
	Net debt	(674,089)	(14,142,101)	-	(14,816,190)
3	Reconciliation of net cash flow to movement in net debt	2002		2001	
		£		£	
	(Decrease)/increase in cash in the year	(4,147,912)		6,164,175	
	Cash inflow from increase in debt and lease financing	(9,994,189)		(13,559)	
	Movement in net debt in the year	(14,142,101)		6,150,616	
	Opening net debt	(674,089)		(6,824,705)	
	Closing net debt	(14,816,190)		(674,089)	

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. 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:

Windtunnel and R & D equipment	20% reducing balance
Aircraft	10% straight line
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Vehicles and pit equipment	20% to 25% straight line

A nil depreciation rate is provided in respect of the freehold property, which is shown at cost.

The company has a policy and practice of regular maintenance and repair (the charges for which are recognised in the profit and loss account), such that the resulting high residual value of the freehold premises would render any depreciation charge immaterial.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stock

Stock is valued 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.

1.7 Pensions

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 (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2002

1 Accounting policies

(continued)

1.8 Deferred taxation

Deferred tax liabilities are recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

The accounting policy in respect of deferred tax for the year ended 30 November 2002 differs from that used in prior years due to the adoption of FRS 19.

The effect of the change in accounting policy in respect of deferred tax is to decrease reported profit in the year to 30 November 2001 by £2,687,807. Had the policy not been revised, the reported profit in the year to 30 November 2002 would have been increased by £3,195,300.

1.9 Foreign currency translation

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.

1.10 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 1 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 sponsorship income, prize monies, goods sold and services rendered as principal excluding value added tax and trade discounts.

3 Operating profit

2002

2001

£

£

Operating profit is stated after charging:

Depreciation of tangible assets

3,994,837

3,434,139

Loss on disposal of tangible assets

222,985

1,956,649

Auditors' remuneration

45,000

40,000

4 Other interest receivable and similar income

2002

2001

£

£

Bank interest

91,161

114,292

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 NOVEMBER 2002**

5	Interest payable	2002	2001
		£	£
	<i>On bank loans and overdrafts</i>	487,714	166,567
	<i>Hire purchase interest</i>	1,277	902
	<i>On overdue tax</i>	-	4,144
		<hr/>	<hr/>
		488,991	171,613
		<hr/>	<hr/>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2002

6	Taxation	2002 £	Restated 2001 £
	Domestic current year tax		
	U.K. corporation tax	-	3,345,902
	Adjustment for prior years	(3,062,677)	106,574
	Current tax charge	<u>(3,062,677)</u>	<u>3,452,476</u>
	Deferred tax		
	Deferred tax charge	3,195,300	-
	Prior year adjustment	-	2,687,807
		<u>3,195,300</u>	<u>2,687,807</u>
		<u>132,623</u>	<u>6,140,283</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,192,270</u>	<u>9,883,095</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2001: 30.00%)	<u>357,681</u>	<u>2,964,929</u>
	Effects of:		
	Non deductible expenses	1,226,386	1,231,817
	Depreciation	1,265,347	1,617,236
	Capital allowances	(5,878,442)	(2,430,071)
	Adjustments to previous periods	-	31,972
	Other tax adjustments	(33,649)	36,593
		<u>(3,420,358)</u>	<u>487,547</u>
	Current tax charge	<u>(3,062,677)</u>	<u>3,452,476</u>

No charge to corporation tax arose during the period due to the availability of accelerated capital allowances.

7	Dividends	2002 £	2001 £
	Ordinary interim paid	580,000	1,400,000
	Ordinary final proposed	630,000	360,000
		<u>1,210,000</u>	<u>1,760,000</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2002

8 Tangible fixed assets

	Freehold property	Windtunnel, R & D equipment	Aircraft	Plant and machinery	Fixtures, fittings & equipment	Vehicles and pit equipment	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 1 December 2001	14,697,772	2,195,211	17,272,688	8,679,290	3,366,195	3,009,135	49,220,291
Additions	4,404,591	10,232,887	-	598,699	938,716	1,694,369	17,869,262
Disposals	-	-	-	(557,123)	-	(27,361)	(584,484)
At 30 November 2002	19,102,363	12,428,098	17,272,688	8,720,866	4,304,911	4,676,143	66,505,069
Depreciation							
At 1 December 2001	-	1,472,169	2,094,990	5,381,151	2,255,638	2,262,323	13,466,271
On disposals	-	-	-	(328,926)	-	(17,235)	(346,161)
Charge for the year	-	308,410	1,727,269	779,368	409,855	769,935	3,994,837
At 30 November 2002	-	1,780,579	3,822,259	5,831,593	2,665,493	3,015,023	17,114,947
Net book value							
At 30 November 2002	19,102,363	10,647,519	13,450,429	2,889,273	1,639,418	1,661,120	49,390,122
At 30 November 2001	14,697,772	723,042	15,177,698	3,298,139	1,110,557	746,812	35,754,020

9 Stocks

	2002 £	2001 £
Conference centre stocks	60,339	55,939
Racing spares and parts	300,000	300,000
	<u>360,339</u>	<u>355,939</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 NOVEMBER 2002**

10 Debtors	2002	2001
	£	£
Trade debtors	6,268,437	6,153,396
Corporation tax	3,306,010	996,072
Other debtors	6,262,673	854,109
Prepayments and accrued income	677,683	1,167,787
	<u>16,514,803</u>	<u>9,171,364</u>
11 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	5,184,703	6,381,780
Net obligations under hire purchase contracts	5,811	5,811
Trade creditors	3,661,573	2,475,598
Taxes and social security costs	794,801	811,531
Other creditors	5,573,072	3,189,831
Accruals and deferred income	144,407	170,000
Proposed dividend	630,000	360,000
	<u>15,994,367</u>	<u>13,394,551</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2002

12 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans	10,000,000	-
Net obligations under hire purchase contracts	1,937	7,748
	<u>10,001,937</u>	<u>7,748</u>
Analysis of loans		
Wholly repayable within five years	10,000,000	-
	<u>10,000,000</u>	<u>-</u>
Loan maturity analysis		
In more than two years but not more than five years	10,000,000	-
	<u>10,000,000</u>	<u>-</u>
The bank loan is secured by a legal charge on the company's freehold land and buildings and is repayable in full by 30 November 2005. Interest is charged at 1% over bank base rate.		
Net obligations under hire purchase contracts		
Repayable within one year	5,811	5,811
Repayable between one and five years	1,937	7,748
	<u>7,748</u>	<u>13,559</u>
Included in liabilities falling due within one year	(5,811)	(5,811)
	<u>1,937</u>	<u>7,748</u>

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2002

13 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 December 2001 as previously stated	-
Prior year adjustment	2,687,807
As restated	2,687,807
Profit and loss account	3,195,300
Balance at 30 November 2002	5,883,107

Deferred taxation provided in the financial statements is as follows:

	2002 £	Restated 2001 £
Accelerated capital allowances	5,883,107	2,687,807

Deferred tax balances at 30 November 2001 have been restated to reflect the revised accounting policy on deferred tax, which is set out in the accounting policies. Under FRS 19, deferred tax is recognised in respect of all material timing differences. The net effect is to increase the deferred tax provision at 30 November 2002 by £5,883,107.

14 Pension costs

Defined contribution

	2002 £	2001 £
Contributions payable by the company for the year	1,181,246	940,138

15 Share capital

	2002 £	2001 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2002

16 Statement of movements on profit and loss account

Profit and
loss
account
£

Balance at 1 December 2001 as previously reported	37,500,274
Prior year adjustment	(2,687,807)
Balance at 1 December 2001 as restated	34,812,467
Retained loss for the year	(150,353)
Balance at 30 November 2002	34,662,114

17 Reconciliation of movements in shareholders' funds

2002
£

2001
£

Profit for the financial year	1,059,647	3,742,812
Dividends	(1,210,000)	(1,760,000)
Net (depletion in)/addition to shareholders' funds	(150,353)	1,982,812
Opening shareholders' funds	34,912,467	32,929,655
Closing shareholders' funds	34,762,114	34,912,467

18 Capital commitments

2002
£

2001
£

At 30 November 2002 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	18,500,000	4,500,000
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WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2002

19 Directors' emoluments	2002 £	2001 £
Emoluments for qualifying services	3,002,926	3,108,500
Company pension contributions to money purchase schemes	350,450	238,755
	<u>3,353,376</u>	<u>3,347,255</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2001- 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	1,648,000	1,760,000
Company pension contributions to money purchase schemes	105,000	105,000
	<u>1,753,000</u>	<u>1,865,000</u>

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Management	43	45
Administrative	17	14
Research & production	373	382
Marketing	21	22
	<u>454</u>	<u>463</u>

Employment costs

	£	£
Wages and salaries	24,107,904	20,192,541
Social security costs	2,594,425	2,144,066
Other pension costs	1,181,246	940,138
	<u>27,883,575</u>	<u>23,276,745</u>

21 Control

The ultimate controlling party is F O G Williams Esq who is a director of the company and the controlling shareholder.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2002

	2002 £	2001 £
Sponsorship	64,098,635	68,731,391
Prize money	11,706,286	13,841,933
Sundry receipts and trade bonuses	6,416,272	2,753,944
	<hr/> 82,221,193 <hr/>	<hr/> 85,327,268 <hr/>
Purchases of materials, rebuilds and parts	<hr/> 18,036,303 <hr/>	<hr/> 15,248,549 <hr/>
<u>Less:</u>		
Sales of engines and parts	41,257	62,737
Stock of cars and parts	300,000	300,000
	<hr/> 341,257 <hr/>	<hr/> 362,737 <hr/>
	17,695,046	14,885,812
<u>Add:</u>		
Wages and salaries	21,104,978	17,084,041
Employer's national insurance	2,594,425	2,144,066
Drivers' earnings and expenses	9,414,014	8,711,124
Insurance	647,094	571,998
Carriage and transport	84,760	131,078
Research and development	4,054,141	4,106,056
Travel, testing and subsistence	10,326,679	10,011,723
<u>TOTAL CONSTRUCTION AND RACING COSTS</u>	<hr/> 65,921,137 <hr/>	<hr/> 57,645,898 <hr/>
	16,300,056	27,681,370
<u>Add:</u>		
Bank interest received	91,161	114,292
Interest supplement	112,158	-
Intercompany loan written off	-	126,697
	<hr/> 16,503,375 <hr/>	<hr/> 27,922,359 <hr/>
Carried forward	16,503,375	27,922,359

WILLIAMS GRAND PRIX ENGINEERING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2002

	2002 £	2001 £
Brought forward	16,503,375	27,922,359
ADMINISTRATION EXPENSES		
Directors' remuneration	3,002,926	3,108,500
Directors' pension costs	350,450	238,755
Staff pension costs	830,796	701,383
Staff recruitment and training	310,476	328,790
Rates	410,419	366,889
Light and heat	303,513	277,045
Repairs and renewals	1,495,329	3,020,369
Printing, postage and stationery	132,749	82,518
Advertising	996,507	1,144,551
Conference centre expenses	280,220	213,482
Telephone and telex	176,865	219,055
Legal and professional fees	457,541	505,801
Audit fees	45,000	40,000
Bank charges	100,176	47,012
Bad and doubtful debts	72,397	238,294
Commission paid	910,566	1,413,208
Sundry expenses	728,362	531,211
	<u>10,604,292</u>	<u>12,476,863</u>
FINANCIAL EXPENSES		
Bank interest paid	487,714	166,567
Hire purchase interest paid	1,277	902
Interest on overdue tax	-	4,144
	<u>488,991</u>	<u>171,613</u>
DEPRECIATION		
Windtunnel, R & D equipment	308,410	180,760
Aircraft	1,727,269	1,727,269
Plant and machinery	779,368	824,535
Fixtures, fittings and equipment	409,855	278,938
Vehicles and pit equipment	769,935	422,637
Loss/(profit) on disposal of fixed assets	222,985	1,956,649
	<u>4,217,822</u>	<u>5,390,788</u>
TOTAL OVERHEAD EXPENDITURE	<u>15,311,105</u>	<u>18,039,264</u>
NET PROFIT FOR THE YEAR	<u>1,192,270</u>	<u>9,883,095</u>