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WILLIAMS GRAND PRIX ENGINEERING LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST OCTOBER 1983

WILLIAM GRAND PRIX ENGINEERING LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1983

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WILLIAMS GRAND PRIX ENGINEERING LIMITED

COMPANY INFORMATION

COMPANY NUMBER : 1297497

DIRECTORS : F.O.G. Williams  
D. Brodie (resigned 6.10.83)  
P.M. Head  
G. Koopman

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 1983.

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.

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:-

	<u>Ordinary £1 Shares</u>	
	<u>at 31.10.83</u>	<u>at 1.11.82</u>
F.O.G. Williams	80,000	80,000
D. Brodie (resigned 6.10.83)	-	-
P.M. Head	20,000	20,000
G. Koopman	-	-

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 and Partners, Chartered Accountants, as auditors of the company is to be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

Virginia Williams

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 1983 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

LEIGH CARR & PARTNERS,  
Chartered Accountants,  
London.

WILLIAMS GRAND PRIX ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER 1983

<u>Note</u>	<u>1983</u>	<u>1982</u>
	<u>£</u>	<u>£</u>
1. Turnover	3,422,607	3,057,942
Administrative expenses	(3,401,924)	(3,060,904)
2. Other operating income	<u>22,961</u>	<u>99,818</u>
3. <u>Operating profit</u>	43,644	96,856
5. Interest payable and similar charges	( <u>19,075</u> )	( <u>13,761</u> )
<u>Profit on ordinary activities</u>		
<u>before taxation</u>	24,569	83,095
6. Tax on profit on ordinary activities	( <u>1,821</u> )	<u>15,926</u>
<u>Retained profit for the year</u>	26,390	67,169
Retained profit brought forward	<u>813,882</u>	<u>746,713</u>
<u>Retained profit</u>	£840,272 =====	£813,882 =====

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

WILLIAMS GRAND PIX ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST OCTOBER 1983

Note	<u>1983</u>		<u>1982</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>				
7. Tangible assets		1,397,908		431,920
<u>CURRENT ASSETS</u>				
8. Stock	150,000		150,700	
9. Debtors	245,403		321,536	
Cash at bank and in hand	5,745		652,866	
	401,148		1,125,102	
10. <u>CREDITORS :</u>				
amounts falling due within one year	449,972		643,140	
<u>NET CURRENT (LIABILITIES)/ ASSETS</u>		( 48,824)	481,962	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		1,349,084	913,882	
11. <u>CREDITORS :</u>				
amounts falling due after more than one year		408,812	-	
		£940,272	£913,882	
		=====	=====	
<u>CAPITAL AND RESERVES</u>				
14. Called up share capital		100,000	100,000	
Profit and loss account		840,272	813,882	
		£940,272	£913,882	
		=====	=====	

The financial statements were approved by the Board on 25th April 1984.

.....  
G. Koopman

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

) Directors

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 1983

	<u>1983</u>	<u>1982</u>
<u>SOURCE OF FUNDS</u>	<u>£</u>	<u>£</u>
Profit on ordinary activities before taxation	24,569	83,095
Adjustment for items not involving the movement of funds:		
Depreciation of fixed assets	147,667	182,105
Loss on disposal of tangible fixed assets	<u>52,241</u>	<u>-</u>
	<u>199,908</u>	<u>182,105</u>
Total generated from operations	224,477	265,200
<u>Funds from other sources:</u>		
Proceeds of disposal of tangible fixed assets	19,422	-
Industrial mortgage and loan received	<u>408,812</u>	<u>-</u>
	652,711	265,200
<u>APPLICATION OF FUNDS</u>		
Purchase of tangible fixed assets	1,185,318	169,582
Tax paid	<u>14,105</u>	<u>-</u>
	<u>1,199,423</u>	<u>169,582</u>
	£( 546,712)	£ 95,618
	=====	=====
<u>INCREASE/ (DECREASE) IN WORKING CAPITAL:</u>		
Stock	( 700)	50,700
Debtors and prepayments	(76,133)	188,770
Creditors and accruals	60,961	164,118
Hire purchase and loan	<u>22,938</u>	<u>45,971</u>
	7,066	<u>449,559</u>
<u>Movement in net liquid funds:</u>		
Cash at bank and in hand	(647,121)	(161,853)
Bank overdraft	<u>93,343</u>	<u>(192,088)</u>
	<u>(553,778)</u>	<u>(353,941)</u>
	£(546,712)	£ 95,618
	=====	=====

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 1983

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>
Pit equipment	25	reducing balance
Plant and machinery, furniture, fittings and office equipment	20	reducing balance
Motor vehicles	25	straight line

The Leasehold premises and the improvements to premises are depreciated on the straight line basis over the length of the leases. No depreciation has been provided in the current year on the freehold property and on the Perbury Testing Equipment, as the directors are of the opinion that it would be inappropriate to do so until construction and development work respectively, has been completed.

If depreciation had been provided on the above fixed assets, the profit for the year would have been reduced by £35,191.

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 of 38%, unless there is reasonable probability that such liability will not arise in the foreseeable future.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1983

## 1. TURNOVER

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

## 2. OTHER OPERATING INCOME

	1983	1982
	£	£
Interest receivable	—	—
Profit on exchange	18,934	97,602
	<u>4,027</u>	<u>2,216</u>
	£22,961	£99,818
	=====	=====

## 3. OPERATING PROFIT

Operating profit is stated after charging :  
Auditors remuneration  
Directors emoluments  
Depreciation

2,250	1,250
89,185	139,611
147,667	182,105
=====	=====

## 4. DIRECTORS EMOLUMENTS

Remuneration

£	£
£89,185	£139,611
=====	=====

Chairman's emoluments

£27,888	£62,182
=====	=====

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

£20,001 to £25,000	
£40,001 to £45,000	
£50,000 to £55,000	

Number	Number
1	1
1	Nil
Nil	1

## 5. INTEREST PAYABLE AND SIMILAR CHARGES

Hire purchase interest  
Bank loans and overdrafts and other loans wholly repayable within five years (excluding mortgage interest)  
Mortgage loans

9,493	11,329
4,314	2,432
<u>5,268</u>	<u>—</u>
£19,075	£13,761
=====	=====

## 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(Over)/under provision of taxation in earlier years.

£	£
(1,821)	15,926
£(1,821)	£15,926
=====	=====

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1983

7. FIXED ASSETS

COST

	Office Equipment	Race Engines	Race Gear-Boxes	Leasehold Properties	Freehold Property	Computer	Plant and Equipment	Wired and Equipment	Furniture and Fittings	Motor Vehicles	Pit Equipment	Perbure Gear Box, Testing Equipment	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
As at 1st November 1982	22,941	340,304	15,000	72,723	-	14,185	274,317	98,082	29,434	57,150	19,857	-	983,993
Additions	3,400	68,000	6,000	-	925,350	-	13,552	9,895	370	26,931	13,619	118,201	1,185,318
Disposals	-	(14,891)	(13,000)	(£24)	-	-	-	-	-	(13,265)	(209)	-	(141,989)
	26,341	293,413	28,000	£72,699	£925,350	£14,185	£287,869	£107,977	£29,804	£110,816	£33,267	£118,201	£2,021,322

Depreciation

	Office Equipment	Race Engines	Race Gear-Boxes	Leasehold Properties	Freehold Property	Computer	Plant and Equipment	Wired and Equipment	Furniture and Fittings	Motor Vehicles	Pit Equipment	Perbure Gear Box, Testing Equipment	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
As at 1st November 1982	9,190	244,304	6,000	49,405	-	5,107	119,661	32,703	13,965	62,766	8,972	-	552,073
Provided in the year	3,430	41,600	3,000	21,555	-	1,816	33,642	15,054	3,166	20,124	4,880	-	147,667
Eliminated on disposals	-	(56,891)	(5,000)	-	-	-	-	-	-	(8,333)	(102)	-	(70,326)
	£12,620	£228,413	£4,000	£70,960	£-	£6,923	£153,303	£47,757	£17,131	£74,557	£13,750	£-	£529,414

Net Book Value

	Office Equipment	Race Engines	Race Gear-Boxes	Leasehold Properties	Freehold Property	Computer	Plant and Equipment	Wired and Equipment	Furniture and Fittings	Motor Vehicles	Pit Equipment	Perbure Gear Box, Testing Equipment	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
As at 31st October 1983	£13,721	£65,000	£4,000	£1,139	£925,350	£7,262	£134,565	£60,220	£12,673	£36,259	£19,517	£118,201	£1,397,908
	£13,751	£96,000	£9,000	£23,318	£-	£9,078	£154,656	£65,379	£15,469	£44,384	£10,885	£-	£431,920

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1983

	1983	1982
	£	£
8. <u>STOCK</u>	£150,000	£150,700
	=====	=====
9. <u>DEBTORS</u> : Amounts falling due within one year		
Trade debtors	101,351	86,959
Other debtors	136,580	226,348
Prepayments	7,472	8,229
	£245,403	£321,536
	=====	=====
10. <u>CREDITORS</u> : Amounts falling due within one year		
Bank overdraft	98,745	192,088
Obligations under hire purchase contracts	6,702	29,640
Trade creditors	303,361	277,041
Current corporation tax	-	15,926
Other taxes and social security	33,914	51,178
Other creditors	7,250	77,267
	£449,972	£643,140
	=====	=====
11. <u>CREDITORS</u> Amounts falling due after, more than one year		
Commercial loan	358,812	-
Other loan: Atlas Maritime	50,000	-
	£408,812	£ -
	=====	=====
12. <u>COMMERCIAL LOAN</u>		
Amount wholly repayable within five years	£358,812	£ -
	=====	=====
The loan will be repayable in monthly instalments of £13,529.75 commencing in August 1984.		
Interest is being charged at 2.1/2% per annum over F.H.A. rates.		
The loan is secured on the freehold land and buildings.		
13. <u>DEFERRED TAXATION</u>		
Potential deferred taxation liabilities are made up of:-		
Accelerated capital allowances	£360,373	£143,840
	=====	=====

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1983

14. SHARE CAPITAL

Authorised, issued and fully paid

100,000 ordinary shares of £1 each

<u>1983</u>	<u>1982</u>
<u>£</u>	<u>£</u>
£100,000	£100,000
=====	=====

15. CAPITAL COMMITMENTS

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

£290,606	£ -
=====	=====