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WILLIAMS GRAND PRIX ENGINEERING LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1985

INDEX

WILLIAMS GRAND PRIX ENGINEERING LIMITED

COMPANY INFORMATION

COMPANY NUMBER	:	1297497
DIRECTORS	:	F.O.G. Williams P.M. Head G. Koopman (resigned 3rd January 1986) S. Thynne (appointed 3rd January 1986)
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 1985.

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 1985, is approximately £ 1.75 million (net book value, £ 1,583,500).

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 remained unchanged as follows:-

	Ordinary £1 Shares
F.O.G. Williams	80,000
P.M. Head	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 1985.

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

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 1985 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 198.

Note		1985 £	1984 £
1.	Turnover	4,881,713	3,774,252
	Administrative expenses	(4,738,552)	(3,639,814)
2.	Other operating income	9,453	2,818
3.	Operating profit	152,614	137,256
8.	Interest payable and similar charges	(85,730)	(80,601)
	Profit on ordinary activities before taxation	66,884	56,655
	Tax on profit on ordinary activities	-	-
9.	Over provision for taxation added back	14,589	-
	Retained profit for the year	81,473	56,655
	Retained profit brought forward	896,927	840,272
	Retained profit	£978,400	£896,927

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

WILLIAMS GRAND PRIX ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST OCTOBER 1985

Note		1985		1984
		£	£	£
	FIXED ASSETS			
18.	Tangible assets		1,968,869	1,747,541
	CURRENT ASSETS			
10.	Stock	150,000		150,000
11.	Debtors	327,715		386,254
	Cash at bank and in hand	25,364		9,822
		503,079		546,076
12.	CREDITORS : amounts falling due within one year	846,184		732,034
	NET CURRENT (LIABILITIES)		(343,105)	(185,958)
	TOTAL ASSETS LESS CURRENT LIABILITIES		1,625,764	1,561,583
13.	CREDITORS : amounts falling due after more than one year		547,364	564,656
			£1,078,400	£996,927
	CAPITAL AND RESERVES			
16.	Called up share capital		100,000	100,000
	Profit and loss account		978,400	896,927
			£1,078,400	£996,927

The financial statements were approved by the Board on 23rd April 1986.

..................................)
S. Thynne)
) 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 1985

	1985		1984
	£	£	£
SOURCE OF FUNDS			
Profit on ordinary activities before taxation		66,884	56,655
Adjustment for items not involving the movement of funds:			
Depreciation of fixed assets	213,080		114,964
(Profit) on disposal of tangible fixed assets	(25,123)		(7,270)
		187,957	107,694
Total generated from operations		254,841	164,349
Funds from other sources:			
Proceeds of disposal of tangible fixed assets		42,198	69,188
Industrial mortgage and loan received		98,000	324,362
Corporation tax refund		14,589	-
		409,628	557,899
APPLICATION OF FUNDS			
Loans repaid	148,951		40,000
Purchase of tangible fixed assets	451,483		526,515
		600,434	566,515
		£(190,806)	£(8,616)
INCREASE/ (DECREASE) IN WORKING CAPITAL:			
Debtors and prepayments		(58,539)	140,851
Creditors and accruals		(281,141)	(38,658)
Hire purchase		(45,674)	(34,625)
		(385,354)	67,568
Movement in net liquid funds:			
Cash at bank and in hand	15,542		4,077
Bank overdraft	179,006		(80,261)
		194,548	(76,184)
		£(190,806)	£(8,616)

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 1985

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:-

	% per annum	Method
Freehold property	-	-
Pit equipment	20	reducing balance
Plant and machinery, furniture, fittings and office equipment	20	reducing balance
Motor vehicles	25	straight line
Parbury Gearbox Unit (see note 4)		
Wind tunnel, R & D and computer equipment	20	reducing balance

The Leasehold premises and the improvements to premises were depreciated on the straight line basis over the length of the leases.

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 30%, 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 1985

1. TURNOVER

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

	1985	1984
2. OTHER OPERATING INCOME	£	£
Interest on corporation tax refunded	1,540	-
Deposit interest receivable	7,913	2,220
Profit on exchange	-	598
	£9,453	£2,818

3. OPERATING PROFIT

Operating profit is stated after charging :		
Auditors remuneration	2,500	2,000
Directors emoluments	130,986	112,088
Depreciation (see note 4)	213,080	114,964

4. EXCEPTIONAL ITEM

The depreciation charge for the year of £213,080, includes the write-off of the Perbury Gearbox Testing equipment, (net book value as at 31st October 1984, £94,561), the cost of which was deemed to be irrecoverable.

5. DIRECTORS EMOLUMENTS	£	£
Remuneration	£130,986	£112,088
Chairman's emoluments	£60,908	£40,242
Particulars of other directors' emoluments were within the following ranges :-	Number	Number
£20,001 to £25,000	1	Nil
£25,001 to £30,000	-	1
£40,001 to £45,000	-	1
£45,001 to £50,000	1	Nil

6. STAFF COSTS	£	£
Gross wages and salaries	1,163,555	1,006,422
Social security costs	118,213	108,860
	£1,281,768	£1,115,282

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1985

	1985	1984
	£	£
7. EMPLOYEES	Number	Number
Particulars of employees earning between £30,001 to £35,000	1	1
8. INTEREST PAYABLE AND SIMILAR CHARGES		
Hire purchase interest	6,298	5,897
Bank loans and overdrafts and other loans wholly repayable within five years (excluding mortgage interest)	15,859	9,447
Mortgage loan interest	63,573	65,257
	£85,730	£80,601
9. TAXATION	£	£
Over provision of taxation in earlier years.	£ 14,589	£ -
10. STOCK	£150,000	£150,000
11. DEBTORS: Amounts falling due within one year		
Trade debtors	173,267	141,123
Other debtors	142,818	234,920
Prepayments	11,630	10,211
	£327,715	£386,254
12. CREDITORS : Amounts falling due within one year		
Bank overdraft	-	179,006
Obligations under hire purchase contracts	42,909	20,894
Trade creditors	583,052	338,292
Commercial loan	138,951	138,951
Other taxes and social security	68,918	38,760
Other creditors	12,354	16,131
	£846,184	£732,034
13. CREDITORS Amounts falling due after, more than one year		
Obligations under hire purchase contracts	44,092	20,433
Commercial loans	503,272	544,223
	£547,364	£564,656

	1985	1984
	£	£
14. COMMERCIAL LOANS		
Amount wholly repayable within five years	£642,223	£683,174

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. DEFERRED TAXATION

	1985	1984
Potential deferred taxation liabilities are made up of:-		
Accelerated capital allowances	£ -	£316,150

16. SHARE CAPITAL

	1985	1984
Authorised, issued and fully paid		
100,000 ordinary shares of £1 each	£100,000	£100,000

17. CAPITAL COMMITMENTS

	1985	1984
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	£260,000	£ -

WILLIAMS GRAND PRIX ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1985

18. FIXED ASSETS

	Office Equip-ment	Race Engines	Race Gear-Box	Leasehold Properties	Freehold Property	Computer	Plant and Equipment	Windtunnel & R & D Equipment	Furniture and Fittings	Motor Vehicles	Pit Equipment	Parbury Gear Box Testing Equipment	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Cost													
As at 1st November 1984	39,504	136,665	8,000	4,547	1,287,201	14,185	375,628	109,424	49,732	92,909	49,040	118,201	2,285,036
Additions	8,929	-	-	-	251,299	-	29,877	47,199	2,291	111,025	863	-	451,483
Disposals	(1,060)	(80,820)	-	-	-	-	(3,175)	-	-	(16,796)	-	-	(101,851)
	£47,373	£ 55,845	£8,000	£4,547	£1,538,500	£14,185	£402,330	£156,623	£52,023	£187,138	£49,903	£118,201	£2,634,668
Depreciation													
As at 1st November 1984	17,997	106,664	6,000	4,546	-	8,375	194,785	60,091	23,652	70,937	20,808	23,640	537,495
Provided in the year	5,918	-	-	-	-	1,162	41,899	19,306	5,674	38,741	5,819	94,561	213,080
Eliminated on disposals	(212)	(65,820)	-	-	-	-	(1,949)	-	-	(16,795)	-	-	(84,776)
	£23,703	£40,844	£6,000	£4,546	£ -	£9,537	£234,735	£79,397	£29,325	£92,883	£26,627	£118,201	£665,799
Net Book Value													
As at 31st October 1985	£23,670	£15,001	£2,000	£ 1	£1,538,500	£4,648	£167,595	£77,226	£22,697	£94,255	£23,276	£ -	£1,968,869
As at 31st October 1984	£21,507	£30,001	£2,000	£ 1	£1,287,201	£5,810	£180,843	£49,333	£26,080	£21,972	£28,232	£94,561	£1,747,541