

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu



Company Registration No. 3540014

MCLAREN COMPOSITES LIMITED
(formerly Risas Limited)

Report and Financial Statements

Period from 3 April 1998 to 31 October 1998



Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

REPORT AND FINANCIAL STATEMENTS 1998

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REPORT AND FINANCIAL STATEMENTS 1998

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R Dennis
M O'Connor
M Whitmarsh

SECRETARY

R J Illman

REGISTERED OFFICE

Woking Business Park
Albert Drive
Woking
Surrey GU21 5JY

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the period from 3 April 1998 to 31 October 1998.

DATE OF INCORPORATION AND CHANGE OF NAME

The company was incorporated on 3 April 1998 as Risas Limited.

On 22 April 1998 the company changed its name to McLaren Composites Limited.

RESULTS

The company did not trade during the period.

POST BALANCE SHEET EVENT AND FUTURE PROSPECTS

On 1 November 1998 the composites business of another group company, McLaren Cars Limited, was transferred to the company.

The directors are optimistic about the long-term prospects for continued growth in this composites business.

DIRECTORS AND THEIR INTERESTS

Names of directors who served during the period and to date are as follows:

R Dennis (appointed 7 April 1998)
M O'Connor (appointed 7 April 1998)
M Whitmarsh (appointed 1 November 1998)
D E Skertchley (appointed 7 April 1998, resigned 13 October 1998)

None of the directors held any interests in the shares of the company during the period under review. The interests of the directors in the shares of the UK parent company are disclosed in the financial statements of that company. The directors had no interests in any other group company incorporated in Great Britain.

YEAR 2000

The company has made an assessment of the potential problems associated with the Year 2000 in relationship to both computer hardware and software. All the necessary steps have been taken so as to ensure a smooth transition into the millennium and, fortunately, the costs of this exercise are small enough to be immaterial.

AUDITORS

Deloitte & Touche were appointed as auditors during the period. A resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


R J Illman

Secretary

25 August 1999

STATEMENT OF 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 as at the end of the financial year 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;
- 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.



MCLAREN COMPOSITES LIMITED (formerly Risas Limited)

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 7 which have been prepared under the accounting policy set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 policy is 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 31 October 1998 and of its result for the period from 3 April 1998 to 31 October 1998 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

26 August 1999



BALANCE SHEET
31 October 1998

	Note	1998 £
CURRENT ASSETS		
Debtors	3	1,000
Cash at bank and in hand		67,500
		<hr/>
		68,500
CREDITORS: amounts falling due within one year	4	(67,500)
		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,000
		<hr/>
CAPITAL AND RESERVES		
Called up share capital	5	1,000
		<hr/>

These financial statements were approved by the Board of Directors on 25 August 1999.

Signed on behalf of the Board of Directors


R Dennis

Director

NOTES TO THE ACCOUNTS
Period from 3 April to 31 October 1998

1. ACCOUNTING POLICY

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policy adopted is described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

The company has not traded during the period and has made neither a profit nor a loss, nor any other recognised gain or loss.

Auditors' remuneration has been borne by another group company.

The directors received no emoluments for their services to the company. There were no employees.

3. DEBTORS

	1998 £
Called up share capital not paid	1,000

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £
Amounts owed to group undertakings	67,500

5. SHARE CAPITAL

	1998 £
Authorised:	
1,000 ordinary shares of £1 each	1,000
Called up, allotted and fully paid:	
1,000 ordinary shares of £1 each	1,000

Two £1 ordinary shares were allotted on the date of incorporation for a cash consideration of £2. A further 998 £1 ordinary shares were allotted during the period for a cash consideration of £998.

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £
New share capital subscribed	1,000
Opening shareholders' funds	-
Closing shareholders' funds	1,000

**NOTES TO THE ACCOUNTS****Period from 3 April to 31 October 1998****7. ULTIMATE PARENT AND CONTROLLING ENTITY**

In the opinion of the directors, the company's ultimate parent and controlling entity is TAG Group SA, a company incorporated in Luxembourg. This is also the parent undertaking of the largest group which includes the company and for which group accounts are prepared. The parent undertaking of the smallest such group is TAG McLaren Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the group financial statements of TAG Group SA are available from TAG Group SA, 1 rue du St Esprit, L1475 Luxembourg. Copies of the group financial statements of TAG McLaren Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

8. RELATED PARTIES

Pursuant to the exemption granted by Financial Reporting Standard 8, 'Related Party Disclosures', transactions with other undertakings within, and investee related parties of the TAG McLaren Holdings Group have not been disclosed within these financial statements.