Financial statements
Williams Grand Prix Engineering Limited

For the Year Ended 30 November 2008
## Company information

<table>
<thead>
<tr>
<th>Company registration number</th>
<th>01297497</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered office</td>
<td>Grove</td>
</tr>
<tr>
<td></td>
<td>Wantage</td>
</tr>
<tr>
<td></td>
<td>Oxfordshire</td>
</tr>
<tr>
<td></td>
<td>OX12 0DQ</td>
</tr>
<tr>
<td>Directors</td>
<td>Sir F O G Williams</td>
</tr>
<tr>
<td></td>
<td>P M Head</td>
</tr>
<tr>
<td></td>
<td>A Parr</td>
</tr>
<tr>
<td></td>
<td>S D Michael</td>
</tr>
<tr>
<td></td>
<td>A M Burns</td>
</tr>
<tr>
<td></td>
<td>M Biddle</td>
</tr>
<tr>
<td>Secretary</td>
<td>M Biddle</td>
</tr>
<tr>
<td>Auditor</td>
<td>Grant Thornton UK LLP</td>
</tr>
<tr>
<td></td>
<td>Chartered Accountants</td>
</tr>
<tr>
<td></td>
<td>Registered Auditors</td>
</tr>
<tr>
<td></td>
<td>1 Westminster Way</td>
</tr>
<tr>
<td></td>
<td>Oxford</td>
</tr>
<tr>
<td></td>
<td>OX2 0PZ</td>
</tr>
</tbody>
</table>
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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 November 2008.

Principal activities and business review

The principal activity of the company remains design and construction of racing cars, motorsport consultancy and participation in motor racing events throughout the world.

During 2008 the company continued to focus on building its technical capabilities and developing long term relationships to support a return to competitive on-track performance.

Turnover for the year ended 30 November 2008 was £125.6m - an increase of 88% on 2007, driven largely by improving sponsorship income and increased revenue from the commercial rights holder of Formula One. The profit on ordinary activities before taxation of £9.2m was in line with expectation.

Closing net debt is close to the position at 30 November 2007. A significant proportion of the term debt has been repaid during the year and since the year end. Following the recent renewal of its finance facilities the company fully expects to be able to meet its operating and financing commitments during the remaining term of the loan.

Principal risks and uncertainties

The company will maintain its focus on revenue generation, expenditure control and cash management in 2009 and beyond.

The Directors are of the opinion that a thorough risk management process is adopted which involves the formal review of financial performance on a regular basis. Where possible, processes are in place to monitor and mitigate financial risks.

Results and dividends

The profit for the year amounted to £9,182,604. The directors have not recommended a dividend.

Financial risk management objectives and policies

The company uses various financial instruments including overdrafts, loans, cash, equity reserves and various items, such as trade debtors and trade creditors, that arise directly in the course of its business. The main purpose of these financial instruments is to raise finance for the company's ongoing operations.

These financial instruments expose the company to a number of risks, principally translation and transaction exchange risk. In order to manage this, the company seeks to match foreign currency assets and expenditure to income and appropriate levels of borrowings. In addition the company enters into a number of derivative contracts including forward foreign currency contracts to achieve an economic hedge. While the company aims to achieve an economic currency hedge position it does not adopt an accounting policy of hedge accounting for these financial statements.
Research and development

The company has sought to manage expenditure wherever possible but continues to invest in developing its people and in specifically identified research and development programmes in order to be competitive in the future.

Directors

The directors who served the company during the year were as follows:

Sir F O G Williams
P M Head
A Parr
S D Michael
A M Burns
J V Moffat

A Parr was appointed as a director on 18 September 2008.
S D Michael was appointed as a director on 18 September 2008.
A M Burns was appointed as a director on 18 September 2008.
J V Moffat was appointed as a director on 18 September 2008 and resigned on 13 March 2009.
M Biddle was appointed as a director on 13 March 2009.

Fixed assets

In the opinion of the directors the market value of the freehold properties is approximately £5.9m higher than the current net book value.

Insurance

The company purchases liability insurance covering its directors and officers.

Directors' responsibilities

The directors are responsible for preparing the Report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these 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 UK 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

During the year the company made the following contributions:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable</td>
<td>5,010</td>
<td>7,260</td>
</tr>
</tbody>
</table>

Disabled employees

It is the company's policy to offer equal opportunities 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.

Employee involvement

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

Information on matters of concern to employees is given through a staff forum, 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.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD

Sir F O G Williams
Director
Grant Thornton

Report of the independent auditor to the members of
Williams Grand Prix Engineering Limited

We have audited the financial statements of Williams Grand Prix Engineering Limited for the year ended 30 November 2008 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and notes 1 to 25. These financial statements have been prepared under 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 directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

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

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.
Report of the independent auditor to the members of Williams Grand Prix Engineering Limited (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
OXFORD

7 September 2009
Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

At the time of approving the financial statements the company had recently renewed its borrowing facilities to provide sufficient funding beyond one year from the approval of these financial statements.

Having assessed the future funding requirements of the company, the Directors have determined that the company will have adequate resources to continue operating for the foreseeable future and that it is appropriate for the financial statements to be prepared on a going concern basis.

The principal accounting policies of the company are set out below and have remained unchanged from the previous year.

Consolidation

Consolidated accounts are not prepared as the Directors consider the impact of consolidating to be immaterial in order to give a true and fair view.

Turnover

Turnover represents the amount receivable for the value of goods sold and sponsorship income, the amount receivable with respect to prize monies, commercial rights income and the commission receivable from sponsors on media deals negotiated on their behalf. All turnover excludes value added tax.

Where sponsorship is paid by the provision of goods or services, turnover and costs are recognised in the financial statements where the market value of the goods or services may be readily ascertained. Where a value cannot be readily ascertained, neither turnover nor costs are recognised.

Research and development

The company is heavily committed to research and development activities so as to maintain its position as a world leader in motor sport. All expenditure on research and development is written off to the profit and loss account as incurred.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

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

A nil depreciation rate is provided in respect of the freehold property, which is shown at cost, on the basis that the residual value of the freehold property would render any annual and accumulated charge immaterial.
Stocks

Stock is valued at the lower of cost and net realisable value.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at 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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

The company uses interest rate swaps to manage interest rate exposures. Interest rate swaps are not revalued to fair value or recognised in the balance sheet at the year end.

Investments

Investments are included at cost less amounts written off.
## Profit and loss account

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Turnover</td>
<td>1</td>
<td>125,606,224</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(2)</td>
<td>(32,184,017)</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>93,422,207</td>
</tr>
<tr>
<td>Other operating charges</td>
<td>2</td>
<td>(75,850,313)</td>
</tr>
<tr>
<td><strong>Operating profit/(loss)</strong></td>
<td></td>
<td>17,571,894</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>6</td>
<td>252,512</td>
</tr>
<tr>
<td>Interest payable and similar charges</td>
<td>7</td>
<td>(8,641,802)</td>
</tr>
<tr>
<td><strong>Profit/(loss) on ordinary activities before taxation</strong></td>
<td></td>
<td>9,182,604</td>
</tr>
<tr>
<td>Tax on profit/(loss) on ordinary activities</td>
<td>8</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit/(loss) for the financial year</strong></td>
<td>22</td>
<td>9,182,604</td>
</tr>
</tbody>
</table>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.
## Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Tangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>40,958,104</td>
<td>42,149,986</td>
</tr>
<tr>
<td>Investments</td>
<td>201</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>40,958,305</td>
<td>42,149,986</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Stocks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>11,098</td>
<td>9,589</td>
</tr>
<tr>
<td>Debtors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>20,790,346</td>
<td>11,636,607</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>14,539</td>
<td>13,218</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20,815,983</td>
<td>11,659,414</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>13</td>
<td>27,776,186</td>
<td>26,653,836</td>
</tr>
<tr>
<td><strong>Net current liabilities</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>(6,960,203)</td>
<td>(14,994,422)</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>33,998,102</td>
<td>27,155,564</td>
<td></td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due after more than one year</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>14</td>
<td>9,749,756</td>
<td>12,089,822</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24,248,346</td>
<td>15,065,742</td>
</tr>
</tbody>
</table>

**Capital and reserves**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Called-up equity share capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>24,148,346</td>
<td>14,965,742</td>
</tr>
<tr>
<td>Shareholders' funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>24,248,346</td>
<td>15,065,742</td>
</tr>
</tbody>
</table>

These financial statements were approved by the directors and authorised for issue on ... and are signed on their behalf by:

Sir F O G Williams
Director
Cash flow statement

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Net cash inflow/(outflow) from operating activities</td>
<td>10,156,282</td>
<td>(17,060,041)</td>
</tr>
<tr>
<td>Returns on investments and servicing of finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>252,512</td>
<td>180,333</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(2,500,643)</td>
<td>(436,691)</td>
</tr>
<tr>
<td>Interest element of hire purchase</td>
<td>(1,369)</td>
<td>(12,277)</td>
</tr>
<tr>
<td>Net cash outflow from returns on investments and servicing of finance</td>
<td>(2,249,500)</td>
<td>(268,635)</td>
</tr>
<tr>
<td>Capital expenditure and financial investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to acquire tangible fixed assets</td>
<td>(2,562,700)</td>
<td>(569,827)</td>
</tr>
<tr>
<td>Receipts from sale of fixed assets</td>
<td>80,306</td>
<td>485,730</td>
</tr>
<tr>
<td>Acquisition of investments</td>
<td>(201)</td>
<td>–</td>
</tr>
<tr>
<td>Net cash outflow for capital expenditure and financial investment</td>
<td>(2,482,595)</td>
<td>(84,097)</td>
</tr>
<tr>
<td>Cash inflow/(outflow) before financing</td>
<td>5,424,187</td>
<td>(17,412,773)</td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Repayment of)/increase in bank loans</td>
<td>(14,708,857)</td>
<td>24,175,612</td>
</tr>
<tr>
<td>Capital element of hire purchase</td>
<td>(11,939)</td>
<td>(124,080)</td>
</tr>
<tr>
<td>Net cash (outflow)/inflow from financing</td>
<td>(14,720,796)</td>
<td>24,051,532</td>
</tr>
<tr>
<td>(Decrease)/increase in cash</td>
<td>23</td>
<td>(9,296,609)</td>
</tr>
</tbody>
</table>

The accompanying accounting policies and notes form part of these financial statements.
Notes to the financial statements

1 Turnover

An analysis of turnover by geographical market has not been included as the directors believe that the company operates in a single global market and that the allocation to geographical markets is neither practical nor possible.

2 Other operating charges

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution costs</td>
<td>52,273,133</td>
<td>45,567,650</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>23,577,180</td>
<td>9,106,463</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75,850,313</strong></td>
<td><strong>54,674,113</strong></td>
</tr>
</tbody>
</table>

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of owned fixed assets</td>
<td>3,706,548</td>
<td>3,683,648</td>
</tr>
<tr>
<td>Depreciation of assets held under hire purchase agreements</td>
<td>36,155</td>
<td>44,856</td>
</tr>
<tr>
<td>Profit on disposal of fixed assets</td>
<td>(68,428)</td>
<td>(485,730)</td>
</tr>
<tr>
<td>Operating lease costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>716,146</td>
<td>555,473</td>
</tr>
<tr>
<td>Net profit on foreign currency translation</td>
<td>(1,446,106)</td>
<td>(218,640)</td>
</tr>
<tr>
<td>Auditor's remuneration - audit of the financial statements</td>
<td>33,000</td>
<td>33,000</td>
</tr>
<tr>
<td>Auditor's remuneration - other fees</td>
<td>136,213</td>
<td>19,832</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2008</strong></td>
<td><strong>2007</strong></td>
</tr>
<tr>
<td>Auditor's remuneration - audit of the financial statements</td>
<td>33,000</td>
<td>33,000</td>
</tr>
</tbody>
</table>

Auditor's remuneration - other fees:

- Taxation services                                 | 20,000     | 17,150     |
- VAT advice                                        | 116,213    | 2,682      |
| **Total**                                         | **136,213** | **19,832** |
4 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of management and administrative staff</td>
<td>62</td>
<td>60</td>
</tr>
<tr>
<td>Number of research &amp; production staff</td>
<td>452</td>
<td>421</td>
</tr>
<tr>
<td>Number of marketing staff</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>533</strong></td>
<td><strong>500</strong></td>
</tr>
</tbody>
</table>

The aggregate payroll costs of the above were:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>£28,332,162</td>
<td>£26,288,242</td>
</tr>
<tr>
<td>Social security costs</td>
<td>£3,234,729</td>
<td>£2,959,286</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>£1,174,555</td>
<td>£1,019,489</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£32,741,446</strong></td>
<td><strong>£30,267,017</strong></td>
</tr>
</tbody>
</table>

5 Directors

Remuneration in respect of directors was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emoluments</td>
<td>£1,804,700</td>
<td>£1,545,031</td>
</tr>
<tr>
<td>Value of company pension contributions to money purchase schemes</td>
<td>£8,075</td>
<td>£17,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£1,812,775</strong></td>
<td><strong>£1,562,531</strong></td>
</tr>
</tbody>
</table>

Emoluments of highest paid director:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total emoluments (excluding pension contributions)</td>
<td>£975,000</td>
<td>£1,007,282</td>
</tr>
<tr>
<td>Value of company pension contributions to money purchase schemes</td>
<td>–</td>
<td>£17,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£975,000</strong></td>
<td><strong>£1,024,782</strong></td>
</tr>
</tbody>
</table>

The number of directors who accrued benefits under company pension schemes was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money purchase schemes</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>
6 **Interest receivable**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank interest receivable</td>
<td>252,512</td>
<td>180,333</td>
</tr>
</tbody>
</table>

7 **Interest payable and similar charges**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest payable on bank borrowing</td>
<td>2,428,434</td>
<td>1,467,974</td>
</tr>
<tr>
<td>Finance charges payable under hire purchase agreements</td>
<td>1,369</td>
<td>12,277</td>
</tr>
<tr>
<td>Foreign exchange loss/(gain) on borrowing</td>
<td>6,211,999</td>
<td>(1,031,283)</td>
</tr>
<tr>
<td></td>
<td><strong>8,641,802</strong></td>
<td><strong>448,968</strong></td>
</tr>
</tbody>
</table>

8 **Taxation on ordinary activities**

The company has estimated losses of approximately £78,500,000 (2007: £79,000,000) available to carry forward against future trading profits.

Factors affecting current tax charge

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/(loss) on ordinary activities before taxation</td>
<td><strong>9,182,604</strong></td>
<td>(21,406,707)</td>
</tr>
<tr>
<td>Loss on ordinary activities by rate of tax at 28.67% (2007: 30%)</td>
<td><strong>2,632,346</strong></td>
<td>(6,422,012)</td>
</tr>
<tr>
<td>Income/expenditure not taxable</td>
<td><strong>1,476,284</strong></td>
<td>82,156</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(807,035)</td>
<td>933,652</td>
</tr>
<tr>
<td>Other tax adjustments</td>
<td>-</td>
<td>(2,856)</td>
</tr>
<tr>
<td>Adjustments to tax charge in respect of previous periods</td>
<td>-</td>
<td>93,760</td>
</tr>
<tr>
<td>Research and development adjustment</td>
<td>(3,331,959)</td>
<td>(2,685,102)</td>
</tr>
<tr>
<td>Tax losses carried forward</td>
<td>917</td>
<td>8,024,865</td>
</tr>
<tr>
<td>Unrelieved tax losses and other deductions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Movement in pensions</td>
<td>29,447</td>
<td>(24,463)</td>
</tr>
<tr>
<td>Total current tax</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Freehold property £</th>
<th>Plant &amp; machinery £</th>
<th>Fixtures, fittings &amp; equipment £</th>
<th>Vehicles &amp; pit equipment £</th>
<th>Windtunnel, R &amp; D equipment £</th>
<th>Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 Dec 2007</td>
<td>20,942,625</td>
<td>11,854,423</td>
<td>4,562,406</td>
<td>3,483,430</td>
<td>29,767,271</td>
<td>70,610,155</td>
</tr>
<tr>
<td>Additions</td>
<td>2,203,763</td>
<td>24,590</td>
<td>91,100</td>
<td>(19,305)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>(70,800)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At 30 Nov 2008</strong></td>
<td>20,942,625</td>
<td>13,987,386</td>
<td>4,586,996</td>
<td>3,555,225</td>
<td>30,010,517</td>
<td>73,082,749</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 Dec 2007</td>
<td>8,911,085</td>
<td>3,872,174</td>
<td>3,031,031</td>
<td>12,645,879</td>
<td>28,460,169</td>
<td>32,124,645</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>739,895</td>
<td>135,631</td>
<td>125,768</td>
<td>2,741,409</td>
<td>3,742,703</td>
<td></td>
</tr>
<tr>
<td>On disposals</td>
<td>(58,922)</td>
<td></td>
<td>(19,305)</td>
<td></td>
<td>(78,227)</td>
<td></td>
</tr>
<tr>
<td><strong>At 30 Nov 2008</strong></td>
<td>9,592,058</td>
<td>4,007,805</td>
<td>3,137,494</td>
<td>15,387,288</td>
<td>32,124,645</td>
<td></td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30 Nov 2008</td>
<td>20,942,625</td>
<td>4,395,328</td>
<td>579,191</td>
<td>417,731</td>
<td>14,623,229</td>
<td>40,958,104</td>
</tr>
<tr>
<td>At 30 Nov 2007</td>
<td>20,942,625</td>
<td>2,943,338</td>
<td>690,232</td>
<td>452,399</td>
<td>17,121,392</td>
<td>42,149,986</td>
</tr>
</tbody>
</table>

Included within the net book value of £40,958,104 is £146,968 (2007 - £183,123) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £36,155 (2007 - £44,856).

### Investments

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>201</td>
</tr>
<tr>
<td>At 30 November 2008</td>
<td>201</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
</tr>
<tr>
<td>At 30 November 2008</td>
<td>201</td>
</tr>
<tr>
<td>At 30 November 2007</td>
<td></td>
</tr>
</tbody>
</table>
Investments (continued)

On 7 May 2008 the company incorporated a 100% subsidiary, Engineering Design Limited. This company was dormant throughout the period and up to date that the accounts were approved. The total reserves at 30 November 2008 were £1, which represents the amount paid for the ordinary share capital.

On 28 March 2008 the company purchased 40% of the ordinary share capital of Williams Hybrid Power Limited (formerly Automotive Hybrid Power Limited). The total consideration was £200, which is included in investments. For the year ended 28 February 2008 total profit for the year amounted to £31,129 and total reserves were £34,429.

Stocks

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference centre stocks</td>
<td>11,098</td>
<td>9,589</td>
</tr>
</tbody>
</table>

Debtors

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>7,880,537</td>
<td>8,546,315</td>
</tr>
<tr>
<td>Amounts owed by group undertakings</td>
<td>4,000</td>
<td>–</td>
</tr>
<tr>
<td>Other debtors</td>
<td>289,928</td>
<td>20,006</td>
</tr>
<tr>
<td>Director’s current account</td>
<td>150,000</td>
<td>–</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>12,465,881</td>
<td>3,070,286</td>
</tr>
<tr>
<td></td>
<td>20,790,346</td>
<td>11,636,607</td>
</tr>
</tbody>
</table>

The director’s current account, represents amounts owed to the Company by Sir F O G Williams.

Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loans and overdrafts</td>
<td>15,797,768</td>
<td>12,658,646</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>3,298,750</td>
<td>3,975,409</td>
</tr>
<tr>
<td>Other taxation and social security</td>
<td>975,154</td>
<td>1,230,843</td>
</tr>
<tr>
<td>Amounts due under hire purchase agreements</td>
<td>2,016</td>
<td>11,939</td>
</tr>
<tr>
<td>Other creditors</td>
<td>198,917</td>
<td>63,951</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>7,503,581</td>
<td>8,713,048</td>
</tr>
<tr>
<td></td>
<td>27,776,186</td>
<td>26,653,836</td>
</tr>
</tbody>
</table>

The bank loans and overdrafts are secured by a legal charge over the land owned by the company. A fixed and floating charge in favour of the bank is held over all property and assets, present and future.
Creditors: amounts falling due after more than one year

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loans</td>
<td>9,749,756</td>
<td>12,087,806</td>
</tr>
<tr>
<td>Amounts due under hire purchase agreements</td>
<td>-</td>
<td>2,016</td>
</tr>
<tr>
<td></td>
<td><strong>9,749,756</strong></td>
<td><strong>12,089,822</strong></td>
</tr>
</tbody>
</table>

Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts repayable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In one year or less or on demand</td>
<td>6,501,854</td>
<td>12,087,806</td>
</tr>
<tr>
<td>In more than one year but not more than two years</td>
<td>6,499,837</td>
<td>4,835,122</td>
</tr>
<tr>
<td>In more than two years but not more than five years</td>
<td>3,249,919</td>
<td>7,252,683</td>
</tr>
<tr>
<td></td>
<td><strong>16,251,610</strong></td>
<td><strong>24,175,611</strong></td>
</tr>
</tbody>
</table>

Commitments under hire purchase agreements

Future commitments under hire purchase agreements net of future finance lease charges are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts payable within 1 year</td>
<td>2,016</td>
<td>11,939</td>
</tr>
<tr>
<td>Amounts payable between 2 to 5 years</td>
<td>-</td>
<td>2,016</td>
</tr>
<tr>
<td></td>
<td><strong>2,016</strong></td>
<td><strong>13,955</strong></td>
</tr>
</tbody>
</table>

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

Derivatives

The fair value of derivatives held by the company at 30 November 2008, not recognised in the financial statements is as set out below.

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book value</td>
<td>Fair value</td>
</tr>
<tr>
<td>Forward exchange contracts</td>
<td>-</td>
<td>5,706,137</td>
</tr>
</tbody>
</table>

Market values have been used to determine fair values. Forward exchange contracts are held to mitigate foreign exchange risks.
Leasing commitments

At 30 November 2008 the company had annual commitments under non-cancellable operating leases as set out below.

<table>
<thead>
<tr>
<th>Operating leases which expire:</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>762,902</td>
<td>121,462</td>
</tr>
<tr>
<td>Within 2 to 5 years</td>
<td>381,872</td>
<td>665,336</td>
</tr>
<tr>
<td></td>
<td>1,144,774</td>
<td>786,798</td>
</tr>
</tbody>
</table>

Related party transactions

During the year the company made purchases of £743,057 (2007: £nil) from Williams Hybrid Power Limited (WHPL), a related party by virtue of the company's 40% shareholding. At the year end there was no outstanding balance.

The company also made a loan to WHPL of £4,000, at the year end the full amount was outstanding. No provisions or write offs were made against this balance in the year.

Share capital

Authorised share capital:

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>100,000 Ordinary shares of £1 each</td>
<td>100,000</td>
</tr>
</tbody>
</table>

Allotted, called up and fully paid:

<table>
<thead>
<tr>
<th>2008 No</th>
<th>2007 No</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>100,000 Ordinary shares of £1 each</td>
<td>100,000</td>
</tr>
</tbody>
</table>
22 Reconciliation of shareholders’ funds and movement on reserves

<table>
<thead>
<tr>
<th></th>
<th>Share capital</th>
<th>Profit and loss account</th>
<th>Total shareholders’ funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 1 December 2006</td>
<td>100,000</td>
<td>36,372,449</td>
<td>36,472,449</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>–</td>
<td>(21,406,707)</td>
<td>(21,406,707)</td>
</tr>
<tr>
<td>At 30 November 2007</td>
<td>100,000</td>
<td>14,965,742</td>
<td>15,065,742</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>–</td>
<td>9,182,604</td>
<td>9,182,604</td>
</tr>
<tr>
<td>At 30 November 2008</td>
<td>100,000</td>
<td>24,148,346</td>
<td>24,248,346</td>
</tr>
</tbody>
</table>

23 Notes to the statement of cash flows

Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Operating profit/(loss)</td>
<td>17,571,894</td>
<td>(21,138,072)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,742,703</td>
<td>3,728,504</td>
</tr>
<tr>
<td>Profit on disposal of fixed assets</td>
<td>(68,428)</td>
<td>(485,730)</td>
</tr>
<tr>
<td>Increase in stocks</td>
<td>(1,509)</td>
<td>(9,589)</td>
</tr>
<tr>
<td>Increase in debtors</td>
<td>(9,153,739)</td>
<td>(2,148,575)</td>
</tr>
<tr>
<td>(Decrease)/increase in creditors</td>
<td>(1,934,639)</td>
<td>2,993,421</td>
</tr>
<tr>
<td>Net cash inflow/(outflow) from operating activities</td>
<td>10,156,282</td>
<td>(17,060,041)</td>
</tr>
</tbody>
</table>

Reconciliation of net cash flow to movement in net debt

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>(Decrease)/increase in cash in the period</td>
<td>(9,296,609)</td>
<td>6,067,919</td>
</tr>
<tr>
<td>Net cash outflow from/(inflow) from bank loans</td>
<td>14,708,857</td>
<td>(23,604,772)</td>
</tr>
<tr>
<td>Cash outflow in respect of hire purchase</td>
<td>11,939</td>
<td>124,080</td>
</tr>
<tr>
<td>Change in net debt resulting from cash flows</td>
<td>5,424,187</td>
<td>(17,412,773)</td>
</tr>
<tr>
<td>Translation differences</td>
<td>(6,211,999)</td>
<td>–</td>
</tr>
<tr>
<td>Movement in net debt in the period</td>
<td>(787,812)</td>
<td>(17,412,773)</td>
</tr>
<tr>
<td>Net debt at 1 December 2007</td>
<td>(24,747,189)</td>
<td>(7,334,416)</td>
</tr>
<tr>
<td>Net debt at 30 November 2008</td>
<td>(25,535,001)</td>
<td>(24,747,189)</td>
</tr>
</tbody>
</table>
Notes to the statement of cash flows (continued)

Analysis of changes in net debt

<table>
<thead>
<tr>
<th></th>
<th>At 1 Dec 2007</th>
<th>Cash flows</th>
<th>Exchange movement</th>
<th>At 30 Nov 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Net cash:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand and at bank</td>
<td>13,218</td>
<td>1,321</td>
<td></td>
<td>14,539</td>
</tr>
<tr>
<td>Overdrafts</td>
<td>-</td>
<td>(9,297,930)</td>
<td></td>
<td>(9,297,930)</td>
</tr>
<tr>
<td></td>
<td>13,218</td>
<td>(9,296,609)</td>
<td></td>
<td>(9,283,391)</td>
</tr>
<tr>
<td>Debt:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt due within 1 year</td>
<td>(12,658,646)</td>
<td>8,643,608</td>
<td>(2,484,800)</td>
<td>(6,499,838)</td>
</tr>
<tr>
<td>Debt due after 1 year</td>
<td>(12,087,806)</td>
<td>6,065,249</td>
<td>(3,727,199)</td>
<td>(9,749,756)</td>
</tr>
<tr>
<td>Hire purchase agreements</td>
<td>(13,955)</td>
<td>11,939</td>
<td></td>
<td>(2,016)</td>
</tr>
<tr>
<td></td>
<td>(24,760,407)</td>
<td>14,720,796</td>
<td>(6,211,999)</td>
<td>(16,251,610)</td>
</tr>
<tr>
<td>Net debt</td>
<td>(24,747,189)</td>
<td>5,424,187</td>
<td>(6,211,999)</td>
<td>(25,535,001)</td>
</tr>
</tbody>
</table>

24 Contingent liabilities

There were no contingent liabilities as at 30 November 2008 or 30 November 2007.

25 Capital commitments

Amounts committed to but not contracted for and not provided in the financial statements amounted to £111,234 (2007 - £46,404).