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REGISTRAR

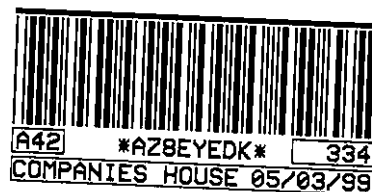
Registered No: 895896

FERRARI OWNERS' CLUB LIMITED

Report and Financial Statements

31 October 1998

Deloitte & Touche
St John's House
East Street
Leicester
LE1 6NG





REPORT AND FINANCIAL STATEMENTS 1998

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**DIRECTORS' REPORT**
Year ended 31 October 1998

The directors present their annual report and the audited financial statements for the year ended 31 October 1998.

ACTIVITIES

The principal activity of the Company is to promote the sport and pastime of motoring as it applies to owners of Ferrari cars.

REVIEW OF DEVELOPMENTS

The Company has continued to perform in accordance with the directors' expectations. The Company is well placed to continue providing services to members of the Club.

DIVIDENDS AND TRANSFERS TO RESERVES

The financial statements are confirmed as representative of the state of affairs of the company. No recommendation is made as to a dividend, leaving retained profits of £43,750 (1997 - £92,577) to be transferred to reserves.

FUTURE PROSPECTS

It is anticipated that the established pattern of activities will continue next year on the same basis as previously.

YEAR 2000

The directors are in process of ascertaining the likely impact of the Year 2000 on the operations of the company. At the present date they do not expect the costs associated with Year 2000 compliance to be significant.

DIRECTORS AND THEIR INTERESTS

G C A Willoughby
J M Swift
C A A Mineeff
R N Allen
J Anderson

The shareholding is held by nominees in trust for, and at the disposal of the members of the club. None of the directors have any beneficial interest in the share capital of the company.

**DIRECTORS' REPORT**
Year ended 31 October 1998**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 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.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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



J Anderson
Chairman

23 February 1999.



AUDITORS' REPORT TO THE MEMBERS OF

FERRARI OWNERS CLUB LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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 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 31 October 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

1 March 1999


PROFIT AND LOSS ACCOUNT
Year ended 31 October 1998

	Note	1998 £	1997 £
TURNOVER			
Cost of sales	1 3	384,047 (267,843)	394,587 (229,704)
		<u>116,204</u>	<u>164,883</u>
Administrative expenses		(86,801)	(78,280)
Interest receivable		<u>18,161</u>	<u>7,856</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	47,564	94,459
Tax on profit on ordinary activities	4	(3,814)	(1,882)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>43,750</u>	<u>92,577</u>
Retained profit brought forward		<u>287,432</u>	<u>194,855</u>
Retained profit carried forward		<u>331,182</u>	<u>287,432</u>

There are no recognised gains or losses or movement in shareholders' funds for the current and prior years other than as stated above. All figures relate to continuing operations.

BALANCE SHEET
31 October 1998

	Note	1998		1997	
		£	£	£	£
FIXED ASSETS					
Investments	5		15,245		14,831
Tangible assets	6		12,565		14,108
			<u>27,810</u>		<u>28,939</u>
CURRENT ASSETS					
Stocks	7	2,322		1,304	
Debtors	8	14,342		39,631	
Cash at bank and in hand		328,588		245,425	
		<u>345,252</u>		<u>286,360</u>	
CREDITORS: amounts falling due within one year	9	<u>38,040</u>		<u>24,027</u>	
NET CURRENT ASSETS			<u>307,212</u>		<u>262,333</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			335,022		291,272
PROVISIONS FOR LIABILITIES AND CHARGES	10		<u>3,740</u>		<u>3,740</u>
			<u>331,282</u>		<u>287,532</u>
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Profit and loss account			331,182		287,432
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u>331,282</u>		<u>287,532</u>

These financial statements were approved by the Board of Directors on 23 February 1999

Signed on behalf of the Board of Directors


G C A WILLOUGHBY


J ANDERSON
Directors



NOTES TO THE ACCOUNTS
Year ended 31 October 1998

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Depreciation

Depreciation is provided to write off cost less residual value over the estimated useful lives of the assets. The rate of depreciation is as follows:

Office and event equipment	15% reducing balance basis
Motor vehicles	25% reducing balance basis

Investments

Investments are stated at cost less permanent diminution in value.

Stocks

Stocks which exclude perpetual trophies are valued at the lower of cost and net realisable value.

Turnover

Turnover represents the invoiced value of sales, subscriptions and donations net of value added tax.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1998 £	1997 £
Profit on ordinary activities before taxation is		
after charging/(crediting)		
Depreciation of tangible fixed assets	3,031	3,576
Interest receivable	(18,161)	(7,856)
Auditors' remuneration	2,700	2,600
	<u> </u>	<u> </u>

The Directors received no remuneration for their services. The company has had no other employees during the year.

The financial director received an honorarium of £2,000 (1997 £2,000) in his capacity as Club Treasurer for the last year.

3. EXCEPTIONAL ITEM

1997 - Cost of sales has been reduced by a VAT reclaim of £27,601 following the incorrect charging of VAT.


NOTES TO THE ACCOUNTS
Year ended 31 October 1998
4. CORPORATION TAX

Provision for Corporation Tax has been made in these financial statements as follows:

	1998 £	1997 £
Corporation tax at 21% (1997 - 21%)	3,814	1,840
Prior year corporation tax	-	42
	<u>3,814</u>	<u>1,882</u>

The taxation charge is significantly less than 21% of profit before taxation, as bank interest is the only taxable income.

5. INVESTMENTS

	1998 £	1997 £
Library at cost	15,245	14,831

During the year the company acquired further publications at a cost of £414.

6. TANGIBLE FIXED ASSETS

	Motor vehicles £	Office equipment £	Event equipment £	Total £
Cost				
At 1 November 1997	12,300	13,746	2,106	28,152
Additions	-	1,488	-	1,488
	<u>12,300</u>	<u>15,234</u>	<u>2,106</u>	<u>29,640</u>
At 31 October 1998	<u>12,300</u>	<u>15,234</u>	<u>2,106</u>	<u>29,640</u>
Accumulated Depreciation				
At 1 November 1997	5,381	7,851	812	14,044
Charge for year	1,730	1,107	194	3,031
	<u>7,111</u>	<u>8,958</u>	<u>1,006</u>	<u>17,075</u>
At 31 October 1998	<u>7,111</u>	<u>8,958</u>	<u>1,006</u>	<u>17,075</u>
Net Book Value				
31 October 1998	<u>5,189</u>	<u>6,276</u>	<u>1,100</u>	<u>12,565</u>
31 October 1997	<u>6,919</u>	<u>5,895</u>	<u>1,294</u>	<u>14,108</u>


NOTES TO THE ACCOUNTS
Year ended 31 October 1998
7. STOCKS

	1998 £	1997 £
Stationery	2,322	1,304

8. DEBTORS

	1998 £	1997 £
Trade debtors	12,378	10,172
Other debtors	724	27,601
Prepayments	1,240	1,858
	<u>14,342</u>	<u>39,631</u>
Due within one year.		

9. CREDITORS: Amounts falling due within one year

	1998 £	1997 £
Trade creditors	22,633	12,168
Corporation tax	3,814	1,840
Other creditors	-	502
Accruals and deferred income	11,593	9,517
	<u>38,040</u>	<u>24,027</u>

10. PROVISION FOR LIABILITIES AND CHARGES

A year end provision of £3,740 (1997 - £3,740) is an amount provided for future refurbishment costs on the leasehold properties.

11. CALLED UP SHARE CAPITAL

In 1997 and 1998 the authorised share capital of the company was £100, divided into 100 ordinary shares of £1 each, all of which are allotted, issued and fully paid. The shares are held by nominees in trust for and at the disposal of the members of the Club.

12. CAPITAL COMMITMENTS

	1998 £	1997 £
Authorised but not yet contracted for (for the 4th edition of the Club Register)	18,500	18,500

13. RELATED PARTY TRANSACTIONS

Each of the five directors paid their annual subscription fee to the club of £60 each (1997 - £60).