

**Deloitte &  
Touche**

Deloitte Touche  
Tohmatsu  
International



Registered No: 895896

**FERRARI OWNERS' CLUB LIMITED**

**Report and Financial Statements**

**31 October 1996**



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

**REPORT AND FINANCIAL STATEMENTS 1996**

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**DIRECTORS' REPORT**  
**Year ended 31 October 1996**

The directors present their annual report and the audited financial statements for the year ended 31 October 1996.

**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 £108,205 (1995 - £26,655) 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.

**FIXED ASSETS**

The changes in fixed assets in the year are summarised in notes 5 and 6 to the financial statements on page 7. In the opinion of the directors, the current market value of the library is in excess of £14,232 (1995 - £13,558).

**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 1996

**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

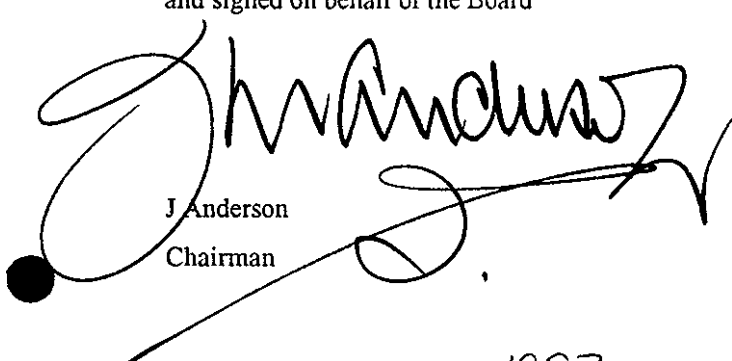
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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**

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. 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

19 February 1997



## Chartered Accountants

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## 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 1996 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

25 2/97



**PROFIT AND LOSS ACCOUNT**

**Year ended 31 October 1996**

	Note	1996 £	1995 £
<b>TURNOVER</b> (included in 1996 is an exceptional item of £64,679 VAT refund)	1 & 3	305,214	221,374
Cost of sales		<u>(126,906)</u>	<u>(126,256)</u>
		178,308	95,118
Administrative expenses		<u>(77,527)</u>	<u>(74,343)</u>
Interest receivable		<u>9,832</u>	<u>7,813</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	110,613	28,588
Tax on profit on ordinary activities	4	<u>(2,408)</u>	<u>(1,933)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		108,205	26,655
Retained profit brought forward		<u>86,650</u>	<u>59,995</u>
Retained profit carried forward		<u>194,855</u>	<u>86,650</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 1996**

	Note	1996		1995	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	5		14,232		13,558
Tangible assets	6		15,714		4,999
			<u>29,946</u>		<u>18,557</u>
<b>CURRENT ASSETS</b>					
Stocks	7	1,098		1,104	
Debtors	8	15,854		16,675	
Cash at bank and in hand		181,903		145,602	
		<u>198,855</u>		<u>163,381</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	<u>30,106</u>		<u>31,769</u>	
<b>NET CURRENT ASSETS</b>			<u>168,749</u>		<u>131,612</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			198,695		150,169
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	10		3,740		63,419
			<u>194,955</u>		<u>86,750</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		100		100
Profit and loss account			194,855		86,650
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>			<u>194,955</u>		<u>86,750</u>

These financial statements were approved by the Board of Directors on 19 February 1997

Signed on behalf of the Board of Directors

G C A WILLOUGHBY

J ANDERSON

Directors

**NOTES TO THE ACCOUNTS**

**Year ended 31 October 1996**

**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**

	1996 £	1995 £
<b>Profit on ordinary activities before taxation is</b>		
<b>after charging/(crediting)</b>		
Depreciation of tangible fixed assets	4,242	901
Interest receivable	(9,832)	(7,813)
 Auditors' remuneration	 2,500	 2,300
	<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 £1,000 (1995 £1,000) in his capacity as Club Treasurer for the last year.

**3. EXCEPTIONAL ITEM**

The VAT refund obtained in 1994, as a result of changes in European legislation, has been credited to turnover in the current year. Last year the £64,679 was included in creditors and provisions for liabilities and charges. As it had been agreed at Annual General Meeting that it should be used for the benefit of the membership it is now reflected through the profit and loss account.




**NOTES TO THE ACCOUNTS**  
**Year ended 31 October 1996**
**4. CORPORATION TAX**

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

	1996 £	1995 £
Corporation tax at 24% (1995 - 25%)	2,408	1,933

The taxation charge is significantly less than 24% of profit before taxation as bank interest is the only taxable income.

**5. INVESTMENTS**

	1996 £	1995 £
Library at cost	14,232	13,558

During the year the company acquired further publications at a cost of £674.

**6. TANGIBLE FIXED ASSETS**

	Motor vehicles £	Office equipment £	Event equipment £	Total £
<b>Cost</b>				
At 1 November 1995	-	9,988	1,237	11,225
Additions	12,300	1,788	869	14,957
At 31 October 1996	12,300	11,776	2,106	26,182
<b>Accumulated Depreciation</b>				
1 November 1995	-	5,932	294	6,226
Charge for year	3,075	877	290	4,242
At 31 October 1996	3,075	6,809	584	10,468
<b>Net Book Value</b>				
31 October 1996	9,225	4,967	1,522	15,714
31 October 1995	-	4,056	943	4,999


**NOTES TO THE ACCOUNTS**  
**Year ended 31 October 1996**
**7. STOCKS**

	1996 £	1995 £
Stationery	1,098	1,104

**8. DEBTORS**

	1996 £	1995 £
Trade debtors	13,932	9,701
Prepayments	1,922	6,974
	<u>15,854</u>	<u>16,675</u>

**9. CREDITORS: Amounts falling due within one year**

	1996 £	1995 £
Trade creditors	3,669	182
Corporation tax	2,408	1,953
Other creditors	9,253	9,840
Accruals and deferred income	14,776	14,794
VAT refund held for the benefit of members	-	5,000
	<u>30,106</u>	<u>31,769</u>

**10. PROVISION FOR LIABILITIES AND CHARGES**

A year end provision of £3,740 (1995 - £3,740) is an amount provided for future refurbishment costs on the leasehold properties. The 1995 provision for VAT refund of £59,679 has been transferred to the profit and loss account this year.

**11. CALLED UP SHARE CAPITAL**

In 1995 and 1996 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**

	1996 £	1995 £
Authorised but not yet contracted for	16,000	13,000

The club is to spend £16,000 in 1997 on the 4th edition of the Club Register.