

FERRARI OWNERS' CLUB LIMITED

Report and Financial Statements

31 October 2000

**Deloitte & Touche
1 Woodborough Road
Nottingham
NG1 3FG**



REPORT AND FINANCIAL STATEMENTS 2000

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DIRECTORS' REPORT
Year ended 31 October 2000

The directors present their annual report and the audited financial statements for the year ended 31 October 2000.

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 the 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 surplus of £92,682 (1999 - £85,101) to be transferred to reserves. These reserves are being built to enable the purchase of property that will be used by the Club for its offices library etc. in the future.

FUTURE PROSPECTS

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

DIRECTORS AND THEIR INTERESTS

G Willoughby

J Swift

C A A Mineeff

R Allen

J Anderson (resigned 8 April 2000)

J G S Sears (appointed 8 April 2000)

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 2000

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 income and expenditure of the company for that period. In preparing those financial statements, the directors are required to

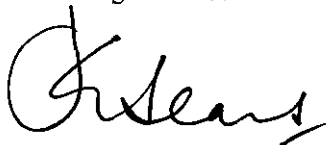
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 G S SEARS
Chairman



**Deloitte
& Touche**

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, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 at 31 October 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte Touche

Chartered Accountants and
Registered Auditors

16 February 2001

INCOME AND EXPENDITURE

Year ended 31 October 2000

	Note	2000	1999 £
TURNOVER	1	520,400	442,071
Cost of sales		<u>(350,161)</u>	<u>(291,603)</u>
		170,239	150,468
Administrative expenses		(99,785)	(80,985)
Interest receivable		<u>27,369</u>	<u>19,508</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	97,823	88,991
Tax on surplus on ordinary activities	3	<u>(5,141)</u>	<u>(3,890)</u>
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		92,682	85,101
Retained surplus brought forward		<u>416,283</u>	<u>331,182</u>
Retained surplus carried forward		<u><u>508,965</u></u>	<u><u>416,283</u></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 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Investments	4		16,756		15,546
Tangible assets	5		8,973		10,611
			<u>25,729</u>		<u>26,157</u>
CURRENT ASSETS					
Stocks	6	2,411		1,497	
Debtors	7	25,981		20,348	
Cash at bank and in hand		479,261		409,026	
		<u>507,653</u>		<u>430,871</u>	
CREDITORS: amounts falling due within one year	8	(24,317)		(36,905)	
NET CURRENT ASSETS			<u>483,336</u>		<u>393,966</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			509,065		420,123
PROVISIONS FOR LIABILITIES AND CHARGES			-		(3,740)
			<u>509,065</u>		<u>416,383</u>
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Income and expenditure account			508,965		416,283
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u>509,065</u>		<u>416,383</u>



These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

G C A WILLOUGHBY

J G S SEARS

Directors

NOTES TO THE ACCOUNTS**Year ended 31 October 2000****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.

Income and expenditure

During the year the company adopted an Income and Expenditure account in the financial statements in accordance with section 262(2) Companies Act 1985.

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 impairment in value.

Stocks

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

Turnover

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

2. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
Surplus on ordinary activities before taxation is after charging/(crediting):		
Depreciation of tangible fixed assets	2,041	2,483
Interest receivable	(27,369)	(19,508)
Auditors' remuneration	3,000	2,850
	<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 (1999 - £2,000) in his capacity of Club Treasurer for the last year.

NOTES TO THE ACCOUNTS

Year ended 31 October 2000

3. CORPORATION TAX

Provision for corporation tax has been made in these financial statements as follows.

	2000 £	1999 £
Corporation tax at 20% (1999 – 20.41%)	5,141	3,982
Prior year adjustment	-	(92)
	<u>5,141</u>	<u>3,890</u>

The taxation charge is significantly less than 20% of surplus before taxation as bank interest is the only taxable income.

4. INVESTMENTS

	2000 £	1999 £
Library at cost	<u>16,756</u>	<u>15,546</u>

During the year, the company acquired further publications at a cost of £1,210.

5. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Office equipment £	Event equipment £	Total £
Cost				
At 1 November 1999	12,300	15,763	2,106	30,169
Additions	-	403	-	403
	<u>12,300</u>	<u>16,166</u>	<u>2,106</u>	<u>30,572</u>
Cost at 31 October 2000				
	12,300	16,166	2,106	30,572
Accumulated depreciation				
At 1 November 1999	8,408	9,979	1,171	19,558
Charge for the year	973	928	140	2,041
	<u>9,381</u>	<u>10,907</u>	<u>1,311</u>	<u>21,599</u>
At 31 October 2000				
	9,381	10,907	1,311	21,599
Net book value				
At 31 October 2000	<u>2,919</u>	<u>5,259</u>	<u>795</u>	<u>8,973</u>
At 31 October 1999	<u>3,892</u>	<u>5,784</u>	<u>935</u>	<u>10,611</u>

NOTES TO THE ACCOUNTS

Year ended 31 October 2000

6. STOCKS

	2000 £	1999 £
Stationery	2,411	1,497

7. DEBTORS

	2000 £	1999 £
Trade debtors	23,935	16,359
Other debtors	1,092	3,417
Prepayments	954	572
	25,981	20,348

8. CREDITORS: Amounts falling due within one year

	2000 £	1999 £
Trade creditors	10,277	13,527
Corporation tax	5,141	3,982
Accruals and deferred income	8,899	19,396
	24,317	36,905

9. CALLED UP SHARE CAPITAL

In 2000 and 1999, 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.

10. CAPITAL COMMITMENTS

	2000 £	1999 £
Authorised but not yet contracted for (for the 4 th Edition of the Club Register)	-	18,500

11. RELATED PARTY TRANSACTIONS

Each of the five directors paid their annual subscription fee to the club of £70 each (1999 - £70)