

Jordan Grand Prix Limited

Directors' report and financial  
statements

Registered number 2417588

31 December 1999



230 -5-10-00



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

### Principal activity

The principal activity of the company is the management and promotion of a Formula One race team and the design, development and manufacture of Formula One race cars.

### Business review

The results for the year ended 31 December 1999 are set out on page 5 of the accounts.

1999 has been the most successful year for the Design and Race Team yet. The Jordan Mugen Honda Team improved on the success of last year and finished 3<sup>rd</sup> in the FIA Formula One World Championship for both Drivers and Constructors, our highest position to date, with two race victories in Magny Cours and Monza.

Jordan Grand Prix Limited continued to invest in the design and manufacture of the car to ensure we performed on the track for the benefit of our sponsors, technical partners and all associated with the Jordan name. As a result of the continued development and growth of the company, operating expenditure has increased on last year by £3.9m, however total revenue has also increased by £6.1m resulting in an operating loss of £0.4m (1998: loss of £2.7m) for the year.

On the back of the success in the 1999 season, we have been able to significantly increase our contracted sponsorship income for the coming year. The most significant new sponsor to note is Deutsche Post, which was contracted in December 1999. The significant increases in revenue should ensure that the company becomes profitable over the coming years as long as the on track performance continues to meet expectations.

### The Year 2000 issue

The directors have considered the risks and uncertainties associated with the Year 2000 problem. The company has implemented a plan to address these issues and its relationships with customers, suppliers and other relevant parties. The costs incurred to date have been written off to the profit and loss account and future costs are not expected to be significant. The company has not experienced any problems as a result of Year 2000 issues on computer systems, applications on products and do not believe results and operations have been adversely affected. The directors do not know of any inability of third parties to manage their Year 2000 problems which may adversely affect the company nor of any potential liability to third parties as a result of Year 2000 failures.

### Proposed dividend and transfer to reserves

The directors paid a dividend of £nil (1998: £nil) in the year. The loss for the year retained in the company and transferred to reserves is £298,000 (1998: loss £1,537,000).

## Directors' report *(continued)*

### Directors and directors' interests

The directors who held office during the year were as follows:

EP Jordan  
MP Jordan  
D Shorthouse


EP Jordan and MP Jordan had the following beneficial interest in the ordinary shares of group companies as recorded in the register of directors' share and debenture interests:

| Company                            | Shares                | Interest at<br>beginning<br>and end of<br>year |
|------------------------------------|-----------------------|--|
| Jordan Grand Prix Holdings Limited | Ordinary shares of £1 | 1,002  |

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



EP Jordan  
Director

Dadford Road  
Silverstone  
Northants  
NN12 8TJ

## 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;
- state whether applicable 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard assets of the company and to prevent and detect fraud and other irregularities.



Arlington Business Park  
Theale  
Reading RG7 4SD

## **Report of the auditors to the members of Jordan Grand Prix Limited**

We have audited the financial statements on pages 5 to 19.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

### **Basis of audit 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 at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Chartered Accountants  
Registered Auditors*

*22 May 2000*



**Profit and loss account**  
*for the year ended 31 December 1999*

|  | <i>Note</i> | <b>1999<br/>£000</b> | <b>1998<br/>£000</b> |
|--|-------------|----------------------|----------------------|
| <b>Turnover</b>  | <b>2</b>    | <b>43,498</b>        | <b>37,360</b>        |
| Cost of sales  |             | (37,511)             | (34,136)             |
| <b>Gross profit</b>  |             | <b>5,987</b>         | <b>3,224</b>         |
| Administrative expenses  |             | (6,408)              | (5,912)              |
| <b>Operating loss</b>  |             | <b>(421)</b>         | <b>(2,688)</b>       |
| Interest receivable and similar income   | 6           | 74                   | 98                   |
| Interest payable and similar charges   | 7           | (284)                | (68)                 |
| <b>Loss on ordinary activities before taxation</b>   | <b>2-5</b>  | <b>(631)</b>         | <b>(2,658)</b>       |
| Tax on loss on ordinary activities   | 8           | 333                  | 1,121                |
| <b>Loss on ordinary activities after taxation</b>  |             | <b>(298)</b>         | <b>(1,537)</b>       |
| Dividends  |             | -                    | -                    |
| <b>Loss on ordinary activities after taxation and retained loss for the financial year</b> |             | <b>(298)</b>         | <b>(1,537)</b>       |

## Balance sheet

at 31 December 1999

|   | Note | 1999<br>£000 | 1998<br>£000 | 1998<br>£000 |
|---|------|--------------|--------------|--------------|
| <b>Fixed assets</b>                                   |      |              |              |              |
| Tangible assets                                       | 9    | 8,179        | 6,490        |              |
| Investments   | 10   | 29           | 29           |              |
|   |      |              | 8,208        | 6,519        |
| <b>Current assets</b>                                 |      |              |              |              |
| Stocks  | 11   | 3,313        | 2,332        |              |
| Debtors   | 12   | 15,301       | 8,583        |              |
| Cash at bank and in hand                              |      | 610          | 95           |              |
|   |      | 19,224       | 11,010       |              |
| <b>Creditors: amounts falling due within one year</b> | 13   | (23,640)     | (13,809)     |              |
| <b>Net current liabilities</b>                        |      |              | (4,416)      | (2,799)      |
| <b>Total assets less current liabilities</b>          |      |              | 3,792        | 3,720        |
| <b>Creditors: amounts falling due after one year</b>  | 14   |              | (547)        | -            |
| <b>Provisions for liabilities and charges</b>         | 15   |              | (239)        | (416)        |
| <b>Net assets</b>                                     |      |              | 3,006        | 3,304        |
| <b>Capital and reserves</b>                           |      |              |              |              |
| Called up share capital                               | 16   |              | 10           | 10           |
| Profit and loss account                               | 17   |              | 2,996        | 3,294        |
| <b>Shareholders' funds - all equity</b>               |      |              | 3,006        | 3,304        |

These financial statements were approved by the board of directors on 10 April 2000 and were signed on its behalf by:

  
EP Jordan  
Director

## Cash flow statement

for the year ended 31 December 1999

|   | Note | 1999<br>£000 | 1998<br>£000 |
|---|------|--------------|--------------|
| Net cash inflow/(outflow) from operating activities | 20   | 8,760        | (3,056)      |
| Returns on investments and servicing of finance     | 20   | (146)        | 80           |
| Taxation  |      | (1,375)      | (195)        |
| Capital expenditure                                 | 20   | (2,065)      | (1,921)      |
| Financing   | 20   | (2,000)      | 2,000        |
| Dividend  |      | -            | -            |
|   |      | <hr/>        | <hr/>        |
| Increase/(decrease) in cash                         |      | 3,174        | (3,092)      |
|   |      | <hr/>        | <hr/>        |

## Statement of total recognised gains and losses

for the year ended 31 December 1999

|  | 1999<br>£000 | 1998<br>£000 |
|--|--------------|--------------|
| Loss for the financial year                                      | (298)        | (1,537)      |
|  | <hr/>        | <hr/>        |
| Total recognised gains and losses relating to the financial year | (298)        | (1,537)      |
| Prior year adjustment (as explained in note 21)                  | -            | (1,004)      |
|  | <hr/>        | <hr/>        |
| Total gains and losses recognised since last annual report       | (298)        | (2,541)      |
|  | <hr/>        | <hr/>        |

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

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

As the company is a wholly owned subsidiary of Jordan Grand Prix Holdings Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Jordan Grand Prix Holdings Limited, within which this company is included, can be obtained from the address given in note 23.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

|                              |   |                                   |
|------------------------------|---|-----------------------------------|
| Freehold land and buildings  | - | 2% per annum                      |
| Leasehold land and buildings | - | life of lease                     |
| Plant and equipment          | - | 10-30% per annum reducing balance |
| Road vehicles                | - | 20% per annum reducing balance    |
| Computer equipment           | - | 4 years                           |

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *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 amount charged against profit represents the contributions payable to the scheme in respect of the accounting year.



## Notes (continued)

### 1 Accounting policies (continued)

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Research and development expenditure*

Development costs, other than any which are treated as work in progress, are written off against profits in the year in which they are incurred.

#### *Stocks*

Spares and parts represents components held to complete construction of the race cars for the coming season and to service and maintain the race cars during the season.

Work in progress represents labour costs incurred in the design and build of race cars for the coming season, together with components assembled within finished or partly finished race cars.

Stocks are stated at the lower of cost and net realisable value.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from sponsorship and promotional income, prize money and bonus payments. Turnover is included on an invoiced basis apportioned to the relevant race season.

**Notes** *(continued)*

**2 Analysis of turnover and loss on ordinary activities before taxation**

Turnover and loss on ordinary activities were derived from the principal activity of the company.

**3 Loss on ordinary activities before taxation**

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| <i>Loss on ordinary activities before<br/>taxation is stated after charging/(crediting)</i> |              |              |
| Auditors' remuneration:   |              |              |
| Audit   | 24           | 26           |
| Other services  | 72           | 196          |
| Depreciation and other amounts written<br>off tangible fixed assets                         | 1,082        | 876          |
| Exchange (gains)/losses   | (421)        | 180          |
| Hire of plant and machinery – rentals<br>payable under operating leases                     | 11           | 127          |
| Hire of land and buildings – operating lease  | 250          | 251          |
|   | <hr/>        | <hr/>        |

**4 Remuneration of directors**

|                        | 1999<br>£000 | 1998<br>£000 |
|------------------------|--------------|--------------|
| Directors' emoluments: |              |              |
| Salary and benefits    | 725          | 485          |
| Bonus                  | 250          | -            |
| Pensions contributions | -            | 21           |
|                        | <hr/>        | <hr/>        |
|                        | 975          | 506          |
|                        | <hr/>        | <hr/>        |

The emoluments, excluding pension contributions, of the chairman and highest paid director were £900,000 (1998: £485,000).

|  | 1999  | 1998  |
|--|-------|-------|
| Number of directors for which contributions made | -     | 1     |
|  | <hr/> | <hr/> |

**Notes** *(continued)*

**5 Staff numbers and costs**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

|                       | Number of employees |       |
|-----------------------|---------------------|-------|
|                       | 1999                | 1998  |
| Production            | 83                  | 73    |
| Design                | 44                  | 31    |
| Race team and testing | 35                  | 34    |
| Administration        | 25                  | 24    |
|                       | <hr/>               | <hr/> |
|                       | 187                 | 162   |
|                       | <hr/>               | <hr/> |

The aggregate payroll costs of these persons were as follows:

|                       | 1999<br>£000 | 1998<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | 7,113        | 5,443        |
| Social security costs | 750          | 546          |
| Pension costs         | 94           | 150          |
|                       | <hr/>        | <hr/>        |
|                       | 7,957        | 6,139        |
|                       | <hr/>        | <hr/>        |

**6 Interest receivable and similar income**

|                | 1999<br>£000 | 1998<br>£000 |
|----------------|--------------|--------------|
| Bank interest  | 4            | 98           |
| Other interest | 70           | -            |
|                | <hr/>        | <hr/>        |
|                | 74           | 98           |
|                | <hr/>        | <hr/>        |

**7 Interest payable and similar charges**

|                                    | 1999<br>£000 | 1998<br>£000 |
|------------------------------------|--------------|--------------|
| On bank loans and overdrafts       | 254          | 14           |
| Other interest and related charges | 30           | 54           |
|                                    | <hr/>        | <hr/>        |
|                                    | 284          | 68           |
|                                    | <hr/>        | <hr/>        |



**Notes (continued)**

**8 Taxation**

|  | 1999<br>£000 | 1998<br>£000   |
|--|--------------|----------------|
| UK corporation tax at 30% (1998: 31%)    | -            | (1,230)        |
| Deferred taxation                        | (177)        | 114            |
| Adjustment relating to an earlier period | (156)        | (5)            |
|  | <u>(333)</u> | <u>(1,121)</u> |

**9 Tangible fixed assets**

|                       | Land and<br>buildings | Plant,<br>equipment,<br>fixtures<br>and<br>road<br>vehicles | Computer<br>Equipment | Total         |
|-----------------------|-----------------------|---|-----------------------|---------------|
|                       | £000                  | £000  | £000                  | £000          |
| <i>Cost</i>           |                       |   |                       |               |
| At beginning of year  | 3,109                 | 4,042   | 2,001                 | 9,152         |
| Additions             | 163                   | 1,541   | 1,067                 | 2,771         |
| At end of year        | <u>3,272</u>          | <u>5,583</u>  | <u>3,068</u>          | <u>11,923</u> |
| <i>Depreciation</i>   |                       |   |                       |               |
| At beginning of year  | 222                   | 1,898   | 542                   | 2,662         |
| Charge for year       | 122                   | 511   | 449                   | 1,082         |
| At end of year        | <u>344</u>            | <u>2,409</u>  | <u>991</u>            | <u>3,744</u>  |
| <i>Net book value</i> |                       |   |                       |               |
| At 31 December 1999   | <u>2,928</u>          | <u>3,174</u>  | <u>2,077</u>          | <u>8,179</u>  |
| At 31 December 1998   | <u>2,887</u>          | <u>2,144</u>  | <u>1,459</u>          | <u>6,490</u>  |

The cost of land and buildings included £2,874,000 (1998: £2,711,000) of depreciable assets.

Included in the total net book value of tangible fixed assets is £694,000 (1998: £nil) in respect of assets held under finance leases. Depreciation on these assets amounted to £12,000 (1998: £nil).

**Notes** *(continued)*

**9 Tangible fixed assets** *(continued)*

The net book value of land and buildings comprises:

|                        | 1999<br>£000 | 1998<br>£000 |
|------------------------|--------------|--------------|
| Freehold               | 2,058        | 2,083        |
| Leasehold improvements | 870          | 804          |
|                        | <u>2,928</u> | <u>2,887</u> |

**10 Fixed asset investments**

|                                    | 1999<br>£000 | 1998<br>£000 |
|------------------------------------|--------------|--------------|
| Other investments other than loans | 29           | 29           |
|                                    | <u>29</u>    | <u>29</u>    |

**11 Stocks**

|                  | 1999<br>£000 | 1998<br>£000 |
|------------------|--------------|--------------|
| Spares and parts | 894          | 786          |
| Work in progress | 2,419        | 1,546        |
|                  | <u>3,313</u> | <u>2,332</u> |

**Notes** (continued)

**12 Debtors due within one year**

|                                | 1999<br>£000  | 1998<br>£000 |
|--------------------------------|---------------|--------------|
| Trade debtors                  | 8,114         | 2,812        |
| Other debtors                  | 746           | 296          |
| Prepayments and accrued income | 5,206         | 4,245        |
| Corporation tax recoverable    | 1,235         | 1,230        |
|                                | <u>15,301</u> | <u>8,583</u> |

Amounts owed by related parties (included in Other debtors):

|  | 1999<br>£000 | 1998<br>£000 |
|--|--------------|--------------|
| Global Sports Management Limited (see Note 21) | -            | 130          |
|  | <u>-</u>     | <u>130</u>   |

**13 Creditors: amounts falling due within one year**

|   | 1999<br>£000  | 1998<br>£000  | 1998<br>£000 |
|---|---------------|---------------|--------------|
| Bank overdraft  | -             | -             | 2,659        |
| Loan  | -             | -             | 2,000        |
| Trade creditors   | 7,227         | -             | 4,024        |
| Obligations under finance leases                        | 159           | -             | -            |
| Other creditors including taxation and social security: |               |               |              |
| Other creditors   | 1,845         | 438           |              |
| Corporation tax   | -             | 1,526         |              |
|   | <u>1,845</u>  | <u>1,964</u>  |              |
| Accruals and deferred income                            | 14,409        | 3,162         |              |
|   | <u>23,640</u> | <u>13,809</u> |              |

Bank overdraft facilities are secured by a first legal charge over the company's assets.

**14 Creditors: amounts falling due after one year**

|                                  | 1999<br>£000 | 1998<br>£000 |
|----------------------------------|--------------|--------------|
| Obligations under finance leases | 547          | -            |
|                                  | <u>547</u>   | <u>-</u>     |

## Notes (continued)

### 15 Provisions for liabilities and charges

|  | Taxation including<br>deferred taxation<br>£000 |
|--|---|
| At beginning of year                               | 416   |
| Credit for the year in the profit and loss account | (177)   |
| At end of year                                     | <u>239</u>                                      |

The amounts provided for deferred taxation are set out below

|   | 1999<br>Provided<br>£000 | 1998<br>Provided<br>£000 |
|---|--------------------------|--------------------------|
| Difference between accumulated depreciation and<br>capital allowances | <u>239</u>               | <u>416</u>               |

### 16 Called up share capital

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| <i>Authorised</i>                         |              |              |
| Ordinary shares of £1 each                | <u>10</u>    | <u>10</u>    |
| <i>Allotted, called up and fully paid</i> |              |              |
| Ordinary shares of £1 each                | <u>10</u>    | <u>10</u>    |

## Notes (continued)

### 17 Reserves

|                              | Profit<br>and loss<br>account<br>£000 |
|------------------------------|---------------------------------------|
| At beginning of year         | 3,294                                 |
| Retained profit for the year | (298)                                 |
| At end of year               | <u>2,996</u>                          |

### 18 Commitments

- (i) There were no capital commitments at the end of the financial year for which provision had not been made.
- (ii) Annual commitments under non-cancellable operating leases are as follows:

|  | 1999                          |               | 1998                          |               |
|--|-------------------------------|---------------|-------------------------------|---------------|
|  | Land and<br>buildings<br>£000 | Other<br>£000 | Land and<br>Buildings<br>£000 | Other<br>£000 |
| Operating leases which expire:         |                               |               |                               |               |
| In the second to fifth years inclusive | -                             | 11            | -                             | 11            |
| Over five years                        | 250                           | -             | 250                           | -             |
|  | <u>250</u>                    | <u>11</u>     | <u>250</u>                    | <u>11</u>     |

### 19 Reconciliation of movements in shareholders' funds

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| Loss for the financial year and net decrease in shareholders' funds | (298)        | (1,537)      |
| Shareholders' funds at beginning of year                            | 3,304        | 4,841        |
| Shareholders' funds at end of year                                  | <u>3,006</u> | <u>3,304</u> |

**Notes** *(continued)*

**20 Notes to the cash flow statement**

i) Reconciliation of operating loss to net cash flow from operating activities

|   | 1999<br>£000 | 1998<br>£000 |
|---|--------------|--------------|
| Operating loss                                      | (421)        | (2,688)      |
| Depreciation charge                                 | 1,082        | 876          |
| Increase in stocks                                  | (981)        | (518)        |
| Increase in debtors                                 | (6,717)      | (4,144)      |
| Increase in creditors                               | 15,797       | 3,418        |
|   | <hr/>        | <hr/>        |
| Net cash inflow/(outflow) from operating activities | 8,760        | (3,056)      |
|   | <hr/>        | <hr/>        |

ii) Reconciliation of net cash flow to movement in net debt

|  | 1999<br>£000 | 1998<br>£000 |
|--|--------------|--------------|
| Increase/(decrease) in cash in the year                | 3,174        | (3,092)      |
| Cash outflow/(inflow) from decrease/(increase) in debt | 2,000        | (2,000)      |
| New finance leases                                     | (706)        | -            |
|  | <hr/>        | <hr/>        |
|  | 4,468        | (5,092)      |
| Net (debt)/funds at beginning of the year              | (4,564)      | 528          |
|  | <hr/>        | <hr/>        |
| Net debt at end of year                                | (96)         | (4,564)      |
|  | <hr/>        | <hr/>        |

**Notes** *(continued)*

**20 Notes to the cash flow statement (continued)**

iii) Gross cash flows

|  | 1999<br>£000 | 1998<br>£000 |
|--|--------------|--------------|
| <b>Returns on investments and servicing of finance</b> |              |              |
| Interest received                                      | 79           | 115          |
| Interest paid  | (225)        | (35)         |
|  | <u>(146)</u> | <u>80</u>    |
| <b>Capital expenditure</b>                             |              |              |
| Payments to acquire tangible fixed assets              | (2,065)      | (1,921)      |
|  | <u></u>      | <u></u>      |
| <b>Financing</b>                                       |              |              |
| Loan   | (2,000)      | 2,000        |
|  | <u></u>      | <u></u>      |

iv) Analysis of changes in net debt

|                          | At beginning<br>of year<br>£000 | Cash<br>Flows<br>£000 | Non cash<br>Flows<br>£000 | At end<br>of year<br>£000 |
|--------------------------|---------------------------------|-----------------------|---------------------------|---------------------------|
| Cash at bank and in hand | 95                              | 515                   | -                         | 610                       |
| Overdraft                | (2,659)                         | 2,659                 | -                         | -                         |
|                          | <u>(2,564)</u>                  | <u>3,174</u>          | <u>-</u>                  | <u>610</u>                |
| Debt due within one year | (2,000)                         | 2,000                 | (159)                     | (159)                     |
| Debt due after one year  | -                               | -                     | (547)                     | (547)                     |
|                          | <u>(4,564)</u>                  | <u>5,174</u>          | <u>(706)</u>              | <u>(96)</u>               |

## Notes (continued)

### 21 Prior year adjustment

During 1998 the directors changed the accounting policy for the treatment of race car costs. The effect of this change in accounting policy was a reduction in reserves of £1,004,000 and is reflected in the statement of total recognised gains and losses as shown on page 7.

### 22 Related party transactions

EP Jordan and MP Jordan are the beneficial owners of Global Sports Management Limited, a company registered in Jersey.

At 31 December 1999 there were no balances with Global Sports Management Limited.

Jordan Grand Prix Limited is charged by Bunbury Aviation Limited for the use of its aircraft and by Fastnet Limited for the use of a boat. All three parties are under the common control of The Anna Livia No4 Settlement.

In the year Jordan Grand Prix Limited have incurred charges of £259,000 (1998:£nil) in respect of the use of the aircraft and £25,000 (1998:£nil) in respect of the use of the boat.

### 23 Immediate and ultimate parent company

The company is a wholly owned subsidiary undertaking of Jordan Grand Prix Holdings Limited, a private limited company registered in England and Wales. The consolidated accounts of the group may be obtained from Companies House, Crown Way, Cardiff, Wales, CF4 3UZ.

The Anna Livia No. 4 Settlement is the ultimate controlling party. This trust fund is settled in Guernsey.