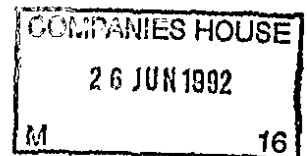


MARANELLO CONCESSIONAIRES LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 1991



Unit 3 Crabtree Road,  
Thorpe Industrial Estate,  
Egham, Surrey

REPORT OF THE DIRECTORS

The Directors submit their report and accounts for the year ended 31 December 1991.

**1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activities of the Company continue to be that of sole Ferrari concessionaires in the UK and Eire, the distribution of spare parts and the servicing and repairing of Ferrari cars.

Both the level of business and the year end financial position as shown by the accounts to 31 December 1991 were satisfactory, and the directors expect that a similar level of activity will be sustained for the foreseeable future.

**2. RESULTS AND DIVIDENDS**

The results and dividends for the year are disclosed in the profit and loss account on page 3.

**3. FIXED ASSETS**

The additions to and disposal of fixed assets are disclosed in note 8 on page 9.

**4. DIRECTORS AND DIRECTORS' INTERESTS**

The names of the present Directors of the Company and those who held office during the year are as follows:

R.F. Heath  
S.G. Legg  
R.V. Maingot  
M. Rourke  
J.F. Warner  
P.D. Whittle  
M.L.F.C. Konig (ceased 11 Feb 1991)

No Director had during the year, or at the end of the year, any material interest in any contract significant to the business of the Company.

The Directors do not hold any shares in the Company.

**5. AUDITOR**

In accordance with Section 384 of the Companies Act 1985 a resolution will be put to the Annual General Meeting proposing the re-appointment of Coopers & Lybrand Deloitte as Auditor to the Company.

BY ORDER OF THE BOARD



J.F. Warner  
Secretary

31 January 1992.

REPORT OF THE AUDITOR

TO THE MEMBERS OF MARANELLO CONCESSIONAIRES LIMITED

We have audited the financial statements on pages 3 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 1991 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand Deloitte*

Coopers & Lybrand Deloitte  
Chartered Accountants and Registered Auditor  
London

31 January 1992

MARANELLO CONCESSIONAIRES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1991

	Notes	1991 £000	1990 £000
Turnover	2	21,103	22,716
Cost of sales		(18,077)	(18,871)
Gross Profit		3,026	3,845
Administrative expenses		(1,300)	(1,089)
Profit before interest	3	1,726	2,756
Interest	4	(224)	122
Dividends received from subsidiary companies		345	400
Profit on ordinary activities before taxation		1,847	3,278
Taxation	5	(506)	(983)
Profit on ordinary activities after taxation		1,341	2,295
Balance brought forward at 1 January		1,585	2,190
		2,926	4,485
Dividends paid		(1,062)	(2,900)
Balance carried forward at 31 December		1,864 =====	1,585 =====

The statements and notes on pages 5 to 11 form part of these accounts.

**MARANELLO CONCESSIONAIRES LIMITED****BALANCE SHEET AT 31 DECEMBER 1991**

	Notes	1991 £000	1990 £000
<b>Fixed assets</b>			
Tangible assets	8	860	3,567
Investments	9	15	15
		<hr/>	<hr/>
		875	3,582
		<hr/>	<hr/>
<b>Current assets</b>			
Stocks	10	5,812	3,450
Debtors	11	894	1,780
Cash at bank and in hand		2	62
		<hr/>	<hr/>
		6,708	5,292
<b>Creditors: amounts falling due within one year</b>	12	(5,588)	(7,156)
		<hr/>	<hr/>
<b>Net current assets/(liabilities)</b>		1,120	(1,864)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,995	1,718
<b>Deferred liabilities</b>	13	(31)	(33)
		<hr/>	<hr/>
		1,964	1,685
		=====	=====
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Profit and loss account		1,864	1,585
		<hr/>	<hr/>
		1,964	1,685
		=====	=====

On behalf of the Board

  
Directors

31 January 1992

The statements and notes on pages 5 to 11 form part of these accounts.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with United Kingdom accounting standards except as detailed in note 7.

The principal accounting policies of the Company are as follows:-

Accounting convention

The Company prepares its annual accounts under the historical cost basis and in accordance with the Companies Act 1985.

Turnover

Turnover represents the amount receivable in the ordinary course of business for goods sold and services provided after deducting trade discounts, car tax and value added tax.

Depreciation

Depreciation of fixed assets is calculated on a straight line basis. The principal rates of depreciation per annum are:-

Plant and equipment	10% - 33%
Motor vehicles	20% - 33%

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost in the case of work in progress includes raw materials, labour and overhead recovery.

Pension costs

Pension costs are charged to the profit and loss account when employers' contribution payments are made to pension schemes.

Leases

Rentals payable under operating leases are written off to the profit and loss account as incurred.

Deferred taxation

Deferred taxation is provided for under the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

Overseas currencies

Assets and liabilities in overseas currencies are translated into sterling at the rates ruling at 31 December. Exchange differences arising are taken to the profit and loss account.

**MARANELLO CONCESSIONAIRES LIMITED****NOTES TO THE ACCOUNTS****2. TURNOVER**

The analysis of turnover by activity is as follows:

	1991 £000	1990 £000
Automotive sales	21,103 =====	22,716 =====

The analysis of turnover by geographical area is as follows:

UK	20,210	21,711
Other EEC	309	228
Rest of the World	584	777
	<hr/>	<hr/>
	21,103 =====	22,716 =====

**3. PROFIT BEFORE INTEREST**

This is stated after charging:

Depreciation	257	232
Auditors' remuneration	19	22
Operating leases - plant and equipment	6	6
- other	261	179
	=====	=====

**4. INTEREST**

Interest payable on:		
Bank overdraft	(35)	(41)
Other loans	(189)	-
Interest receivable:		
Bank deposits	-	1
Other deposits	-	162
	<hr/>	<hr/>
Net interest payable	(224) =====	122 =====

**5. TAXATION**

The taxation charge based on the results for the year is made up as follows:

UK Corporation tax at 33½% (1990 34½%)	529	990
Deferred taxation (Note 13)	(2)	2
Prior year adjustments	(21)	(9)
	<hr/>	<hr/>
	506 =====	983 =====

**MARANELLO CONCESSIONAIRES LIMITED****NOTES TO THE ACCOUNTS**

	1991 £000	1990 £000
<b>6. DIRECTORS' EMOLUMENTS</b>		
Directors' remuneration	147	229
Pension contributions	3	4
Benefits-in-kind	25	26
Compensation for loss of office	20	-
	<hr/>	<hr/>
	195	259
	=====	=====

The emoluments of the Directors (excluding pension contributions) were as follows:

The Chairman	-	-
	=====	=====
Highest paid director	86	94
	=====	=====

The emoluments of the Directors other than those mentioned above were within the following ranges:-

	1991 No.	1990 No.
£ 0 - £ 5,000	2	2
£25,001 - £30,000	1	-
£35,001 - £40,000	1	-
£40,001 - £45,000	1	-
£45,001 - £50,000	-	1
£50,001 - £55,000	-	1
£55,001 - £60,000	-	1
	=====	=====

**7. EMPLOYEES**

The average number of persons employed during the year was:

75	87
=====	=====

Staff costs during the year amounted to:

	£000	£000
Wages and salaries	1,344	1,577
Social security costs	123	140
Other pension costs	3	4
	<hr/>	<hr/>
	1,470	1,721
	=====	=====



NOTES TO THE ACCOUNTS

7. EMPLOYEES (CONTINUED)

Many of the Company's employees are members of the TKM Group Pension scheme ("the TKM Scheme"). The TKM Scheme is a defined benefit scheme, the assets of which are held in a trust fund independent of Tozer Kemsley & Millbourn (Holdings) plc and its subsidiaries ("the Group"), administered by trustees and funded to cover future pension liabilities (including an allowance for future salary and pension increases). The two defined benefit schemes operated for employees of companies owned by Western Motor Holdings PLC ("Western Group Schemes") are in the process of being merged into the TKM Scheme with effect from 6 April 1991.

The TKM Scheme is valued by an independent actuary at least once every three years. The latest actuarial valuation of the TKM Scheme was prepared as at 5 April 1989. The results of this valuation, taking into account investment performance and membership movement, was reviewed as at 5 April 1991 for the purposes of these accounts. The Western Group Schemes were valued as at 5 April 1991 on similar assumptions to those used for the TKM Scheme. The valuations were carried out using the Projected Unit Method. The assumptions which have the most significant effect on the results of the valuation are those relating to the differentials between the rates of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 2% per annum higher than the rate of annual salary increases, 5% per annum higher than the rate at which present and future pensions would increase and 5% per annum higher than the rate of annual growth in dividends from existing equity holdings.

On 5 April 1989, the market value of the assets of the TKM Scheme was £147 million and the actuarial value placed on those assets was sufficient to cover 133% of the benefits that had accrued to members, after allowing for expected future increases in earnings. On 5 April 1991 the market value of the assets of the two Western Group Schemes totalled £19 million and the actuarial value placed on those assets was sufficient to cover 143% of the benefits that had accrued to members after allowing for expected future increases in earnings. The employers' contributions to the TKM Scheme and the Western Group Schemes continue to be suspended having regard to the surpluses disclosed by the valuations.

Pension costs are charged to the profit and loss account when employers' contribution payments are made to the schemes, as in the opinion of the directors this policy is most appropriate to the business and best reflects the Group's current and anticipated future funding position with the schemes. However, the pension cost has also been assessed in accordance with Statement of Standard Accounting Practice Number 24 ("SSAP 24") using the assumptions described and assuming the pension schemes and the Group companies continue to exist in their present form with surpluses spread over the average expected working lifetime of the members of the schemes. Following SSAP 24 the amortisation of the surpluses would fully offset the regular cost such that the net cost would be reduced to nil. Compliance with SSAP 24 would have had no effect on the Group's profit before tax for the year ended 31 December 1991 and would have resulted in a prepayment in the Group balance sheet of £273,000.

## NOTES TO THE ACCOUNTS

## 8. TANGIBLE FIXED ASSETS

	Freehold Property £000	Leasehold Improvements £000	Plant and Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>					
At 1 January 1991	2,775	43	1,142	343	4,303
Additions	-	557	324	129	1,010
Intra group transfers	-	-	-	13	13
Disposals	(2,775)	(600)	(177)	(172)	(3,724)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1991	-	-	1,289	313	1,602
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 January 1991	-	-	619	117	736
Charge for year	-	-	169	88	257
Intra group transfers	-	-	-	3	3
Disposals	-	-	(171)	(83)	(254)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1991	-	-	617	125	742
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 December 1991	- =====	- ===	672 ===	188 ===	860 =====
At 31 December 1990	2,775 =====	43 ===	523 ===	226 ===	3,567 =====
Capital commitments are as follows:				1991 £000	1990 £000
Contracted for but not provided in the financial statements				73	20
Authorised but not contracted for				-	734
				====	=====

## 9. INVESTMENTS

Cost of shares in subsidiaries	15 ===	15 ===
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Group accounts are not prepared because the Company is a wholly owned subsidiary of another company incorporated in Great Britain. In the opinion of the Directors, the value of the Company's interest in its subsidiaries is not less than the amount at which they are included in the balance sheet.

The Company's subsidiary companies at 31 December 1991 are shown below. The capital of each company is wholly owned and is in ordinary shares.

	Country of incorporation and operation	Nature of business
Conholt Investments Limited	Jersey	Holding Company
Maranello Concessionaires (Orient) Limited	Hong Kong	Ferrari importer
Maranello Sales Limited	England	Ferrari dealer
Ferrari Concessionaires Limited	England	Dormant

**MARANELLO CONCESSIONAIRES LIMITED****NOTES TO THE ACCOUNTS**

10. STOCKS	1991 £000	1990 £000
Raw materials	72	24
Work in progress	66	112
Finished goods	5,674	3,314
	<hr/>	<hr/>
	5,812	3,450
	=====	=====

**11. DEBTORS**

Trade debtors	474	397
Amounts owed by holding companies and fellow subsidiaries	84	1,211
Prepayments and accrued income	336	172
	<hr/>	<hr/>
	894	1,780
	=====	=====

All the above amounts fall due within one year.

**12. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR**

Bank loans and overdrafts	88	-
Trade creditors	1,233	1,115
Vehicle deposits	278	588
Amounts owed to holding company	1,389	-
Amounts owed to subsidiaries	549	2,142
Amounts owed to fellow subsidiaries	169	33
Corporation tax	528	1,253
Other taxes and social security	831	1,417
Accruals and deferred income	396	443
Warranties	127	165
	<hr/>	<hr/>
	5,588	7,156
	=====	=====

**13. DEFERRED LIABILITIES**

Deferred taxation provided in respect of accelerated capital allowances	31	33
	===	===
The potential amount of deferred taxation for all timing differences arising from capital allowances:	31	59
	===	===

**NOTES TO THE ACCOUNTS**

	1991 £000	1990 £000
<b>14. CALLED UP SHARE CAPITAL</b>		
Authorised:		
600,000 ordinary shares of 25p each	150 ===	150 ===
Allotted and fully paid:		
400,000 ordinary shares of 25p each	100 ===	100 ===

**15. OPERATING LEASE COMMITMENTS**

The Company had annual commitments under operating leases as follows:

	1991		1990	
	Land and Buildings £000	Plant and Equipment £000	Land and Buildings £000	Plant and Equipment £000
Operating leases which expire:				
Within one year	310	2	-	-
In second to fifth year inclusive	222	1	-	5
After five years	-	-	152	-
	<u>532</u> =====	<u>3</u> =====	<u>152</u> =====	<u>5</u> =====

The leases of land and buildings are subject to periodic rent reviews.

	1991 £000	1990 £000
<b>16. CONTINGENT LIABILITY</b>		

The Company is co-guarantor of bank facilities granted to other members of the Maranello Holdings Limited group. The amount outstanding at 31 December 1991 was

88	-
===	===

**17. CASH FLOW STATEMENT**

A cash flow statement is not required as Tozer Kemsley & Millbourn (Holdings) plc, an intermediate holding company in the European Community, has complied with Financial Reporting Standard 1 by including a consolidated cash flow statement in its Report and Accounts for the year ended 31 December 1991.

**18. ULTIMATE HOLDING COMPANY**

The Company's ultimate holding company is Brierley Investments Limited which is incorporated in New Zealand.

The smallest group of which the Company is a member and for which group accounts are drawn up is that of Tozer Kemsley & Millbourn (Holdings) plc, which is registered in England & Wales. Copies of the Report and Accounts of that company are available from:

The Company Secretary  
Tozer Kemsley & Millbourn (Holdings) plc  
40 Church Street  
Staines  
Middlesex TW18 4EP.