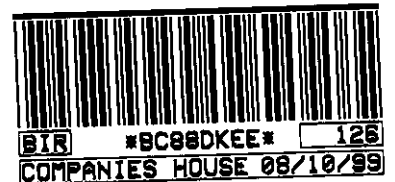


JDHT LIMITED

REPORT AND ACCOUNTS

for the year ended 31 December 1998

Registered Number : 2631524



JDHT LIMITED

REPORT OF THE DIRECTORS

for the year ended 31 December 1998

The directors present the accounts of the company for the year ended 31 December 1998.

Directors' Responsibilities

In accordance with Company Law the directors have been responsible for the preparation of the accounts on pages 6 to 15, which give a true and fair view of the state of the company's affairs at 31 December 1998 and of its results for the year then ended.

In preparing these accounts they have adopted suitable accounting policies and applied them consistently, have made judgements and estimates that are reasonable and prudent, followed applicable accounting standards and have prepared the accounts on a going concern basis.

They have ensured that the company has kept proper accounting records which disclose with reasonable accuracy its financial position at any time and enable it to produce financial statements in compliance with the Companies Act 1985.

They have also ensured the safeguarding of the assets of the company and have taken reasonable steps for the prevention and detection of fraud and other irregularities.

Results and Dividends

The retained profit for the year was £NIL (1997 £8,184). A covenant of £11,544 was received (1997 £22,713 paid) from Jaguar Daimler Heritage Trust in the year. No dividend has been proposed.

Principal Activities and Review of the Business & Future Developments

The principal activities of the company continue to be the hire of classic motor vehicles, the retail of archive material and the manufacture of keys.

The directors consider the results to be satisfactory, and expect similar results for the forthcoming year.

Fixed Assets

Additions to fixed assets are shown in note 6 on page 11.

JDHT LIMITED

REPORT OF THE DIRECTORS

for the year ended 31 December 1998

Year 2000

An issue affecting businesses is the inability of many computer systems to process the year 2000 and beyond. The Company's ultimate parent established a global process to address the problems in 1996. Objectives were established to deal with all aspects of the problem, covering business computer systems, plant floor systems, buildings, suppliers, dealers, vehicle components and end user computing. The company has been involved in all projects relevant to its operations. Globally, all of the goals set for 1998 were completed and it is expected that all systems will be fully compliant by the third quarter 1999. A global committee is co-ordinating the set up of contingency plans and implementing pre-emptive strategies. There remains risks to the company such as the inability of a supplier to be able to supply goods, service or energy. The detailed contingency plans were developed during the first quarter of 1999 and are now in the process of being validated.

Directors

The names of the directors of the company at 31 December 1998 were :-

C.N. Cook
R.J. Fernyhough
J.Greenwell
P.O. Skilliter

The following changes have occurred during the year:

Geoff Cousins resigned on 10 July 1998 and Robert Fernyhough was appointed on that date.

Directors' Interests

The directors have no notifiable interests in the share capital of JDHT Limited, nor in the share capital of the parent company, Jaguar Limited, nor in the share capital of the ultimate parent company.

JDHT LIMITED

REPORT OF THE DIRECTORS

for the year ended 31 December 1998

Auditors

A resolution to re-appoint PricewaterhouseCoopers as auditors to the Company will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink that reads "S. Pearson". The signature is written in a cursive, flowing style.

S Pearson
Assistant Company Secretary

9th September 1999

JDHT LIMITED

REPORT OF THE AUDITORS

for the year ended 31 December 1998

Report of the auditors to the members of JDHT Limited

We have audited the accounts on pages 6 to 15.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 2 the accounts. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts 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 accounts, the company has not kept proper records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements of material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material misstatements, 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 accounts.

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the company at 31 December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants & Registered Auditors
Birmingham

9th September 1999

JDHT LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
Turnover	1	233,327	164,951
Cost of Sales		<u>(85,156)</u>	<u>(32,258)</u>
Gross (Loss)/Profit		148,171	132,693
Administrative Expenses		(168,634)	(121,103)
Other Operating Income	2	<u>21,544</u>	<u>19,125</u>
Operating Profit	3	1,081	30,715
Net Interest (Payable)/Receivable	5	(1,081)	182
Gross Covenant Paid		<u>-</u>	<u>(22,713)</u>
Profit on Ordinary Activities Before Taxation		-	8,184
Taxation		<u>-</u>	<u>-</u>
Profit for the Financial Year	10	<u>-</u>	<u>8,184</u>

The results above derive from continuing operations.

The company has no recognised gains or losses other than the profit for the year.

There is no difference between the reported profit on ordinary activities before taxation and profit for the financial year and the historical cost profit on ordinary activities before taxation and the historical profit for the financial year.

The notes on pages 8 to 15 form part of these accounts

JDHT LIMITED

BALANCE SHEET

for the year ended 31 December 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
Fixed Assets			
Tangible Assets	6	<u>6,760</u>	<u>5,060</u>
Current Assets			
Debtors	7	115,420	56,228
Cash at Bank and In Hand		<u>138,762</u>	<u>77,075</u>
		254,182	133,303
Creditors			
Amounts Falling Due Within One Year	8	<u>(260,842)</u>	<u>(138,263)</u>
Net Current Liabilities		<u>(6,660)</u>	<u>(4,960)</u>
		<u>100</u>	<u>100</u>
Capital and Reserves			
Share Capital	9	100	100
Profit and Loss Account	10	<u>-</u>	<u>-</u>
Equity Shareholders' Funds	11	<u>100</u>	<u>100</u>

The accounts on pages 6 to 15 were approved by the board of directors on 2nd September 1999 and were signed on its behalf by :



J Greenwell
Director

9th September 1999

The notes on pages 8 to 15 form part of these accounts

JDHT LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1998

Note 1 :

Principal Accounting Policies

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Turnover

Turnover represents retail sales of archive material, key manufacture and car hire made directly to dealers and distributors and excludes VAT, car tax and other sales taxes.

Tangible Fixed Assets

Depreciation of the cost of tangible fixed assets is provided at the following annual rates to write off the assets over their estimated useful lives from the date that they are brought into use. For assets acquired before 1993, on a declining balance basis at the following annual rates:-

Plant and machinery	17.22%
Computer equipment and office machinery	12.5%

For assets acquired in 1993 or later, on a straight line basis over the following number of years:-

Plant and machinery	12
Computer equipment	8
Office machinery	13

JDHT LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1998

Note 1 (Cont'd) :

Pensions

The Company operates a defined benefit pension scheme which is contracted out of the state scheme. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the Company benefits from the employees' services. The effects of variations from regular costs are spread over the expected average remaining service lives of the members of the scheme.

Related Party Transactions

The Company has taken advantage of the exemption under Financial Reporting Standard 8 - Related Party Disclosures (FRS8) not to disclose related party transactions between wholly owned group undertakings.

Note 2 :

Other Operating Income

Other operating income represents

	<u>1998</u> £	<u>1997</u> £
Royalties received	10,000	11,175
Received from Jaguar Daimler		
Heritage Trust	11,544	-
Sundry Other	<u>-</u>	<u>7,950</u>
	<u>21,544</u>	<u>19,125</u>

JDHT LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1998

Note 3 :

Operating Profit

Operating profit is stated after charging:-

	<u>1998</u>	<u>1997</u>
	£	£
Depreciation of Tangible Fixed Assets	<u>1,031</u>	<u>1,021</u>
Auditors remuneration and directors emoluments amounted to £ NIL (1997 £ NIL).		

Note 4 :

Employees

Number of employees during the year was 5 (1997 3).

Employee costs

	<u>1998</u>	<u>1997</u>
	£	£
Wages and Salaries	139,177	83,773
Social Security Costs	11,377	6,503
Other Pension Costs	5,634	6,305
	<u>147,188</u>	<u>96,581</u>

Note 5 :

Net Interest (Payable)/ Receivable

	<u>1998</u>	<u>1997</u>
	£	£
Bank Interest Received	191	182
Bank Interest Payable	<u>(1,272)</u>	<u>—</u>
	<u>(1,081)</u>	<u>182</u>

JDHT LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1998

Note 6:

Tangible Assets

	Plant & Machinery £	Computers & Office Machinery £	Total £
Cost			
At 1 January 1998	6,639	4,376	11,015
Additions	2,731	-	2,731
At 31 December 1998	<u>9,370</u>	<u>4,376</u>	<u>13,746</u>
Depreciation			
At 1 January 1998	4,265	1,690	5,955
Charge for the Period	504	527	1,031
At 31 December 1998	<u>4,769</u>	<u>2,217</u>	<u>6,986</u>
Net Book Value			
At 31 December 1998	<u>4,601</u>	<u>2,159</u>	<u>6,760</u>
Net Book Value			
At 31 December 1997	<u>2,374</u>	<u>2,686</u>	<u>5,060</u>

Note 7:

Debtors

	<u>1998</u> £	<u>1997</u> £
Trade Debtors	44,563	43,133
Amounts Owed by Group Companies	100	100
Prepayments and Accrued Income	<u>70,757</u>	<u>12,995</u>
	<u>115,420</u>	<u>56,228</u>

JDHT LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1998

Note 8 :

Creditors

	<u>1998</u>	<u>1997</u>
	£	£
Amounts Falling Due Within One Year		
Trade Creditors	3,665	5,068
Amounts Owed to Group Companies	254,677	124,087
Other Taxation and Social Security Costs	-	9,108
Accruals and Other Provisions	<u>2,500</u>	<u>-</u>
	<u>260,842</u>	<u>138,263</u>

Note 9 :

Share Capital

	<u>1998</u>	<u>1997</u>
	£	£
Authorised, issued and called-up, unpaid 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

Note 10:

Profit and Loss Account

	£
At 1 January 1998	-
Retained profit for the year	-
At 31 December 1998	-

JDHT LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1998

Note 11:

Reconciliation of movement in shareholders funds

	<u>1998</u> £	<u>1997</u> £
Opening shareholders funds	100	(8,084)
Profit/(loss) for the financial year	<u>-</u>	<u>8,184</u>
Closing shareholders funds	<u>100</u>	<u>100</u>

Note 12

Contingent Liabilities

As a result of group registration for VAT purposes, the company is contingently liable for VAT liabilities arising in other companies in the Jaguar Group.

Note 13:

Pensions

The Company participates in the contracted-out externally funded defined benefit group pension arrangements of Jaguar Limited, the Jaguar Pension Plan (the Plan). The assets of the Plan are held in a trust and kept separately from those of the Company.

The pension cost is assessed over the group as a whole and is charged to the profit and loss account so as to spread the cost of pension over employees' working lives with the Company. The pension cost for the year was £7.1m (1997: £11.9m)

The cost of the Plan was assessed in accordance with the advice of the consulting actuaries to the Plan, Bacon & Woodrow, using the Projected Unit Method. The latest actuarial assessment of the Plan was at 5 April 1996, which assumed a 9% per annum rate of return on investments, a 7% per annum rate of increase in pensionable earnings, a 5% per annum rate of increase in pensions in excess of Guaranteed Minimum Pensions (GMPs), and a 3% per annum rate of increase on GMPs accruing from April 1998, and a dividend growth rate of 4.5% per annum.

JDHT LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1998

Note 13 (Cont'd) :

At the date of the last actuarial assessment of the Plan, the market value of the assets was equivalent to 108.0% of the actuarial value of the past service liabilities after allowance for benefit changes introduced on 1 November 1997. This excess has arisen primarily from investment returns being higher than assumed and pay and pension being lower than assumed.

Note 14:

Cash Flow Statement

The company has taken advantage of the exemption as a wholly owned subsidiary of a company incorporated in the United Kingdom and has not produced its own cash flow statement.

A consolidated cash flow statement is included in the Group Accounts of Ford Automotive Holdings Limited. Copies of Ford Automotive Holdings Limited consolidated accounts may be obtained from Companies House.

Note 15:

Related Party Transactions

Transactions which are disclosable are as follows:

The company made a gift by means of deed of covenant of £NIL (1997 £22,713) to Jaguar Daimler Heritage Trust (the "Trust") during the year and owed the Trust £107,488 (1997 £2,747) at the year end. The company received £11,544 from the Trust during the year.

Note 16:

Ultimate Parent Company

The directors regard Ford Motor Company, which is incorporated in Michigan in the United States of America, as the ultimate parent company. Copies of the ultimate parent company's financial statements may be obtained from Ford Motor Company, The American Road, Dearborn, Michigan 48121, USA.

JDHT LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1998

Note 16 (Cont'd) :

According to the register kept by the Company Jaguar Daimler Heritage Trust, a company and charity registered in England and Wales, has a 100% interest in the equity capital of Jaguar Daimler Heritage Trust Limited at 31 December 1998. Jaguar Daimler Heritage Trust is limited by guarantee by Jaguar Cars Limited. The immediate parent company is Ford Automotive Holdings, a company incorporated in England and copies of its consolidated statements may be obtained from Companies House.

As a wholly owned subsidiary of a company incorporated in the United Kingdom the Company is not required to produce consolidated financial statements.