

STEDALL (VEHICLE FITTINGS) LIMITED
(Registered Number 202224)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1995



STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The Directors present their annual report together with the audited financial statements for the year ended 31 December 1995.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company are the sale of commercial vehicle body fittings. The directors consider the results for the year to be satisfactory.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £695,000 (year ended 31 December 1994, profit £337,000). The directors do not recommend the payment of a final dividend (1994: Nil).

DIRECTORS AND DIRECTORS' INTERESTS

The composition of the Board of Directors during the year, and to the date of this report, was as follows:

N.G. Brook
D.E Chatfield (Chairman)
A.E. Leahy
R. Miller (Chief Executive)
P.W. Ryemill (Financial Director)
S.A. Smith
S.C. Wheeler

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

DIRECTORS AND DIRECTORS' INTERESTS (CONTINUED)

None of the directors held any beneficial interests in shares in the Company during the year.

The interests of the Directors in the issued Ordinary share capital, Preference shares and Loan notes of Caradon plc, the ultimate parent undertaking, are as follows:

31 December 1995					1 January 1995 or date of appointment			
	Ordinary Shares	Options Over Ordinary Shares	Preference Shares	Loan Notes	Ordinary Shares	Options Over Ordinary Shares	Preference Shares	Loan Notes
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>£</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>£</u>
N.G. Brook	-	11,889	-	-	-	4,881	-	-
D.E. Chatfield	-	33,191	-	-	-	19,641	-	-
R. Miller	-	8,489	-	-	-	5,956	-	-
A.E. Leahy	-	1,919	-	-	-	1,346	-	-
P.W. Ryemill	-	3,395	-	-	-	2,382	-	-
S.A. Smith	-	57,459	-	-	-	23,460	-	-
S.C. Wheeler	104,563	154,322	150,939	5,534	100,149	94,107	150,939	12,534

The following options over Ordinary shares of Caradon plc were granted to, or exercised by, the Directors during the year.

<u>Director</u>	<u>Options Granted</u> (No of shares)	<u>Options Exercised</u> (No of shares)
N.G. Brook	8,199	-
D.E. Chatfield	19,506	-
A.E. Leahy	1,919	-
R. Miller	8,489	-
P.W. Ryemill	3,395	-
S.A. Smith	33,999	-
S.C. Wheeler	60,215	-

No Director was or is interested in any transaction, arrangement or agreement with the Company which was material during or at the end of the year.

The Company has continued to provide liability insurance for its Directors and officers as permitted by the Companies Act 1985.

FIXED ASSETS

Information relating to the tangible fixed assets of the Company is given in note 8.

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Price Waterhouse as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'D. Burningham', with a long, sweeping horizontal line extending to the right.

D. Burningham
Secretary

26 April 1996

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act 1985 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 as at the end of the financial year and of the profit or loss of the Company for the financial year. 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 do so.

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.

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE SHAREHOLDERS OF COMPANY NAME LIMITED

We have audited the financial statements on pages 6 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective Responsibilities of Directors and Auditors

As described on page 4 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.

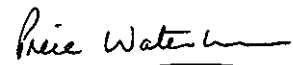
Basis of Opinion

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 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants and Registered Auditors
31 Great George Street
Bristol
BS1 5QD

26 April 1996

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> £'000	<u>1994</u> £'000
Turnover			
Continuing operations	2	4,057	3,466
Change in stocks of finished goods and work in progress		55	61
Raw materials and consumables		(2,648)	(2,337)
Other external charges		(330)	(298)
Staff costs	4,5	(400)	(349)
Depreciation	8	(39)	(37)
		<hr/>	<hr/>
Operating Profit			
Continuing operations		695	506
Net interest	6	-	1
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	695	507
Taxation on profit on ordinary activities	7	-	(170)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		695	337
Dividends		(-)	(-)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR	13	695	337
		<hr/> <hr/>	<hr/> <hr/>

The company has no recognised gains and losses other than the profit for the year disclosed in the profit and loss account.

There is no material difference between reported profits and profits on a historical cost basis.


The notes on pages 9 to 18 form part of these financial statements.

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 1995

		<u>1995</u>		<u>1994</u>	
	<u>Notes</u>	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		86		89
CURRENT ASSETS					
Stocks	9	513		458	
Debtors	10	1,788		1,363	
Cash at bank and in hand		20		20	
		<u>2,321</u>		<u>1,841</u>	
CREDITORS (amounts falling due within one year)	11	<u>(551)</u>		<u>(769)</u>	
NET CURRENT ASSETS			1,770		1,072
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,856</u>		<u>1,161</u>
CAPITAL AND RESERVES					
Called up share capital	12		78		78
Share premium account	13		5		5
Profit and loss account	13		1,773		1,078
SHAREHOLDERS' FUNDS			<u>1,856</u>		<u>1,161</u>

These financial statements were approved by the Board of Directors on 26 April, 1996.


R Miller

DIRECTOR

The notes on pages 9 to 18 form part of these financial statements.

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u> £'000	<u>1994</u> £'000
Profit on ordinary activities after taxation	695	337
Dividends	-	-
	<hr/>	<hr/>
Net movement in shareholders' funds	695	337
Shareholders' fund at 1 January 1995	1,161	824
	<hr/>	<hr/>
Shareholders' funds at 31 December 1995	1,856	1,161
	<hr/> <hr/>	<hr/> <hr/>

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover represents the invoiced value of sales made to third parties, net of Value Added Tax.

(c) Depreciation and Amortisation

Tangible fixed assets are stated at cost. These assets are written off using the straight line method.

Short leasehold properties are amortised over the life of the lease.

For all other assets, depreciation is provided to write off the book amount of those assets over their expected useful lives at the following rates per annum:

Plant, machinery and tools	-	15% - 20%
Fixtures and fittings	-	10%
Motor vehicles	-	25% - 33%

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Stocks

Stocks and work in progress are stated at the lower of cost and estimated net realisable value.

(e) Leases

Rentals under operating leases are charged to the profit and loss account, as incurred, over the term of the lease.

(f) Foreign Currencies

Trading items are translated into sterling at average rates of exchange for the relevant accounting period. Balance sheet items in foreign currencies are translated into sterling at mid-market rates of exchange at the balance sheet date. All foreign currency gains and losses are taken to the profit and loss account.

(g) Deferred Taxation

Deferred taxation is provided on the liability method at current rates of taxation in respect of short term timing differences between profits computed for taxation purposes and profits as stated in the financial statements. Provision is made for other timing differences where a liability is expected to arise in the foreseeable future.

(h) Pensions

The retirement benefit obligations of the Company are financed by contributions to separate funds, which are subject to actuarial valuations every three years.

Pension costs in respect of employees who are members of the Caradon Group's Pension Schemes are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the Schemes.

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. TURNOVER

Set out below is an analysis of the destination of turnover by geographical area:

	Year ended 31 December 1995 £'000	Year ended 31 December 1994 £'000
United Kingdom	3,547	3,067
Continental Europe	500	378
Overseas	10	21
	<u>4,057</u>	<u>3,466</u>

Turnover and operating profit derive from continuing activities, there having been no discontinued operations or material acquisitions in the year.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after the following:

	Year ended 31 December 1995 £'000	Year ended 31 December 1994 £'000
Amounts charged by the Company's auditors:		
Audit fees and expenses	5	7
Rentals payable under operating leases:		
- Land and buildings	37	37
Profit on sale of fixed assets	(6)	(5)

The source of all profits of the Company is within the United Kingdom.

4. EMPLOYEES

The average number of persons employed by the Company (including Directors) during the year was:

	Year ended 31 December 1995 Number	Year ended 31 December 1994 Number
Selling and Distribution	9	7
Administration	13	13
	<u>22</u>	<u>20</u>

The aggregate payroll cost of these persons was:

	Year ended 31 December 1995 £'000	Year ended 31 December 1994 £'000
Wages and salaries	364	317
Social security costs	35	30
Other pension costs (Note 14)	1	2
	<u>400</u>	<u>349</u>

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. **EMOLUMENTS OF DIRECTORS**

- (a) The aggregate remuneration (including pension contributions) of the Directors was:

	Year ended 31 December 1995 £	Year ended 31 December 1994 £
Remuneration	102,440	54,779
Compensation for loss of office	-	10,000
	<u>102,440</u>	<u>64,779</u>

- (b) Emoluments (excluding pension contributions) of the Directors were:

	Year ended 31 December 1995 £	Year ended 31 December 1994 £
i) Chairman	-	-
ii) The highest paid Director	40,705	20,252
	<u>Number</u>	<u>Number</u>
£Nil	4	5
£10,001 - £15,000	-	2
£20,001 - £25,000	1	1
£35,001 - £40,000	1	-
£40,001 - £45,000	1	-
	<u>7</u>	<u>8</u>

6. **NET INTEREST**

	Year ended 31 December 1995 £'000	Year ended 31 December 1994 £'000
Interest receivable	-	(1)
	<u>-</u>	<u>(1)</u>

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TAXATION

	Year ended <u>31 December 1995</u> £'000	Year ended <u>31 December 1994</u> £'000
Taxation on the profit for the year:		
United Kingdom Corporation Tax at 33.0% (1994: 33.0%)	-	170
	<u> </u>	<u> </u>

There is no current year corporation tax charge due to the utilisation of losses with the group.

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TANGIBLE FIXED ASSETS

	Motor vehicles	Fixtures and fittings	Plant, machinery and tools	Total
Cost				
At 1 January 1995	86	42	160	288
Additions	36	-	11	47
Disposals	(34)	(-)	(11)	(45)
At 31 December 1995	88	42	160	290
Depreciation				
At 1 January 1995	40	24	135	199
Charge for the year	27	3	9	39
Disposals	(28)	(-)	(6)	(34)
At 31 December 1995	39	27	138	204
Net book value				
At 31 December 1995	49	15	22	86
At 31 December 1994	46	18	25	89

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 STOCKS

	<u>31 December 1995</u> £'000	<u>31 December 1994</u> £'000
Finished goods and goods for resale	513	458
	<hr/>	<hr/>

10 DEBTORS

	<u>31 December 1995</u> £'000	<u>31 December 1994</u> £'000
Trade debtors	871	809
Amounts owed by immediate parent undertaking and fellow subsidiary undertakings	875	518
Prepayments and accrued income	42	36
	<hr/>	<hr/>
	1,788	1,363
	<hr/>	<hr/>

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>31 December 1995</u>	<u>31 December 1994</u>
	£'000	£'000
Trade creditors	346	419
Amounts owed to immediate parent undertaking and fellow subsidiary undertakings	90	91
Corporation tax	-	170
Social security and other taxes	49	25
Accruals and deferred income	66	64
	<hr/> 551 <hr/>	<hr/> 769 <hr/>

The amounts owed to group undertakings are interest free, with no specific terms of repayment.

12 SHARE CAPITAL

	<u>31 December 1995</u>	<u>31 December 1994</u>
	£'000	£000
Authorised:		
100,000 Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, issued and fully paid:		
78,150 Ordinary Shares of £1 each	78	78
	<hr/>	<hr/>

13 RESERVES

	<u>Share premium</u> <u>account</u> £'000	<u>Profit and</u> <u>loss account</u> £'000
Balance at 1 January 1995	5	1,078
Retained profit for the year	-	695
	<hr/>	<hr/>
Balance at 31 December 1995	5	1,773
	<hr/>	<hr/>

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 PENSIONS

The Caradon Group operates a number of defined benefit pension schemes based on final pensionable pay. The assets of these schemes are held in separate trustee administered funds. The Company participates in one or more of these schemes. Contributions are based on pension costs across the Group as a whole. A summary of the results of the last actuarial valuations of the group schemes is contained in the financial statements of Caradon plc.

15 COMMITMENTS

- (a) There were no capital commitments at 31 December 1995 for which no provision has been made in these financial statements were as follows:
- (b) The annual commitment under non-cancellable operating leases was as follows:

	As at 31 December 1995		As at 31 December 1994	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Leases expiring:				
within one year	-	-	-	11
within two to five years	37	-	-	-
later than five years	-	-	37	-
	<u>37</u>	<u>-</u>	<u>37</u>	<u>11</u>

16 CONTINGENT LIABILITIES

Under an unlimited multilateral guarantee, the Company, in common with certain other Caradon Group Companies, has jointly and severally guaranteed the obligations falling due under one of the Caradon Group's net overdraft facilities.

At 31 December 1995 the Company had other contingent liabilities arising in the ordinary course of business amounting to £20,000 (1994: £20,000).

17 CASH FLOW STATEMENT

A consolidated cash flow statement has been included in the accounts of the parent company which include the accounts of Stedall (Vehicle Fittings) Limited.

Accordingly, as permitted by FRS1, no cash flow statement is presented with these accounts.

STEDALL (VEHICLE FITTINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Caradon plc a company registered in England. The Caradon Group is the largest and smallest group of which the Company is a member and for which group accounts are prepared. Copies of these group financial statements can be obtained from Caradon plc, Caradon House, 24 Queens Road, Weybridge, Surrey, KT13 9UX.