

Financial Statements

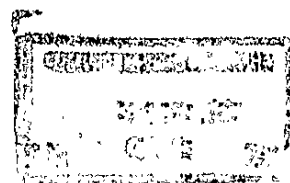
BRITAX WEATHERSHIELDS LIMITED

31st DECEMBER, 1986

KIDSONS

CHARTERED ACCOUNTANTS

A MEMBER FIRM OF DFK INTERNATIONAL



BRITAX WEATHERSHIELDS LIMITED

31st DECEMBER, 1986

BRITAX WEATHERSHIELDS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31st December, 1986.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £448,244. It is recommended that no dividend be paid and that £448,244 be transferred to reserves.

REVIEW OF BUSINESS

The principal activities of the company continue to be the manufacture and distribution of accessories to the motor trade.

The turnover for the year at £8,386,547 was 2.4% higher than the previous year. Profit on ordinary activities before taxation amounted to £448,244 compared with a profit of £343,807 in the previous year.

The directors consider the state of affairs of the company to be satisfactory

RESEARCH AND DEVELOPMENT

Total expenditure on research and development in the year was £381,834 (1985 £268,000).

DIRECTORS

The following were directors of the company at 31st December, 1986:

Mr. T.C. Cannon) Directors of B.S.G.
Mr. A. R. Starkey) International plc
Mr. E.S. Ainsworth	
Mr. K.A. Bosonnet	
Mr. A. Parsonage	
Mr. T. Penny	
Mr. I.K. Showan	
Mr. H.J. McTernan	

The directors served for the whole of the year.

Mr. K.A. Bosonnet resigned as a director of the company with effect from 1st January, 1987.

In accordance with the Articles of Association none of the directors retire.

BRITAX WEATHERSHIELDS LIMITED

DIRECTORS' REPORT

DIRECTORS' SHAREHOLDINGS

None of the directors have any beneficial interest in the share capital of the company.

The beneficial interests of the directors in the shares of B.S.G. International plc (other than directors of that company) are set out below:

<u>Directors</u>	Ordinary shares of 10p each	
	<u>1986</u>	<u>1985</u>
Mr. K.A. Bosonnet	6,000	16,000
Mr. I.K. Showan	16,835	16,835

The directors (other than directors of the parent company) holding options under the B.S.G. International plc Executive Share Option Scheme 1985 are:

	Ordinary shares of 10p each	
	<u>1986</u>	<u>1985</u>
Mr. I.K. Showan	100,000	100,000
Mr. A. Parsonage	100,000	100,000

FIXED ASSETS

The movements in fixed assets during the year are set out in note 9 to the financial statements.

CLOSE COMPANY PROVISIONS

The company is not a close company within the meaning of the Income and Corporation Taxes Act 1970 as amended.

AUDITORS

The auditors, Messrs. Kidsons, Chartered Accountants, have intimated their willingness to continue in office, subject to the approval of the members in general meeting.

Registered Office:

180 Sherlock Street
Birmingham
B5 7EH

30th March, 1987

By Order of the Board,

R. Thorne,

for B.S.G. Secretarial Services Limited,
Secretary.

REPORT OF THE AUDITORS TO THE MEMBERS OF
BRITAX WEATHERSHIELDS LIMITED

We have audited the financial statements on pages 4 to 12 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention give a true and fair view of the state of the company's affairs at 31st December, 1986 and of its result for the year ended on that date and comply with the Companies Act 1985. The financial statements do not show the manner in which the operations of the company have been financed or in which its financial resources have been used during the year as required by Statement of Standard Accounting Practice No.10 as such information is of little value as a result of the parent company's financial structuring of its subsidiary companies.

BIRMINGHAM

30th March, 1987

KIDSONS,

Chartered Accountants

BRITAX WEATHERSHIELDS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31st DECEMBER, 19861985

	<u>Note</u>	<u>£</u>	<u>£</u>
TURNOVER	2	8,386,547	8,187,189
Cost of sales		<u>(6,409,640)</u>	<u>(6,913,716)</u>
GROSS PROFIT		1,976,907	1,273,473
Distribution costs		<u>(366,470)</u>	<u>(401,977)</u>
Administrative expenses		<u>(582,837)</u>	<u>(468,490)</u>
TRADING PROFIT		1,027,600	403,006
Interest payable	3	<u>(579,356)</u>	<u>(59,199)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	448,244	343,807
Taxation	7	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		448,244	343,807
Dividends	8	<u>-</u>	<u>(200,000)</u>
RETAINED PROFIT FOR THE YEAR	14	<u>448,244</u>	<u>143,807</u>

Notes on financial statements - pages 6 to 12

ERITAF WEATHERSHIELDS LIMITED

BALANCE SHEET

31st DECEMBER, 1986

1985

	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS					
Tangible assets	9		1,347,812		694,549
CURRENT ASSETS					
Stocks	10	1,337,335		1,797,561	
Debtors	11	1,706,221		2,262,233	
Cash in hand and at bank		<u>3,229</u>		<u>2,250</u>	
		3,046,785		4,062,044	
CREDITORS					
Amounts falling due within one year	12	(<u>1,566,679</u>)		(<u>2,376,919</u>)	
NET CURRENT ASSETS			<u>1,480,106</u>		<u>1,685,125</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,827,918</u>		<u>2,379,674</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,050,000		1,050,000
Profit and loss account	14		<u>1,777,918</u>		<u>1,329,674</u>
			<u>2,827,918</u>		<u>2,379,674</u>

The financial statements were approved by the
Board of Directors on 30th March, 1987

T. C. Cannon)
) Directors
A. R. Starkey)

Notes on financial statements - pages 6 to 12

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS
31st DECEMBER, 1986

1. ACCOUNTING POLICIES

a. Basis of accounting

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

b. Depreciation

Depreciation is calculated on cost on a straight line basis to write off the relevant assets over their expected useful lives. The principal annual rates used are as follows:

Plant and machinery	10%
Vehicles	25%
Office equipment	10%
Freehold buildings	1%
Leasehold properties	Amortised over the unexpired portion of the lease.

c. Stocks

Stocks are stated at the lower of cost, including an appropriate proportion of production overheads, and net realisable value.

d. Deferred taxation

Deferred taxation is calculated on the liability method in respect of timing differences between profits as stated in the financial statements and as computed for tax purposes. Where it can be shown with reasonable probability that no such liability will become payable in the foreseeable future no provision is made.

e. Leases

Rentals payable under finance and operating leases are charged to the profit and loss account on a straight line basis. Assets funded through finance leases have not been capitalised in the balance sheet.

f. Research and development

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

g. Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year and differences are taken to the profit and loss account.

BRITAX WEATHERSHIELDS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1986

2. TURNOVER

Turnover represents the invoiced value excluding value added tax of goods sold and services provided to customers.

The turnover and profit before taxation is attributable to the principal activity of the company, being the manufacture and distribution of accessories to the motor trade, and analysis by geographical area is as follows:

	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
United Kingdom	4,281,716	4,496,502
Other European Countries	3,206,396	3,313,410
Other Overseas Countries	<u>898,435</u>	<u>377,277</u>
	<u>8,386,547</u>	<u>8,187,189</u>

3. INTEREST PAYABLE

Interest payable on loans repayable within 5 years:

	<u>£</u>	<u>£</u>
Bank interest	196,356	59,199
Group interest	<u>383,000</u>	<u>-</u>
	<u>579,356</u>	<u>59,199</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	<u>£</u>	<u>£</u>
Amortisation of lease	4,160	2,840
Depreciation	214,325	108,670
Directors' emoluments (see note 5)	132,212	124,256
Auditors' remuneration	7,054	6,413
Hire and lease of plant and machinery	<u>94,478</u>	<u>67,462</u>

and after crediting:

Profit on sale of fixed assets	-	1,472
Foreign exchange currency gain	<u>534,082</u>	<u>70,250</u>

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1986

	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
5. DIRECTORS' EMOLUMENTS		
As directors	Nil	Nil
For management (including pension contributions)	132,212	124,256
Compensation for loss of office	<u>-</u>	<u>6,490</u>
Emoluments, excluding pension contributions are analysed as follows:		
Chairman	<u>Nil</u>	<u>Nil</u>
Highest paid director	<u>34,506</u>	<u>33,305</u>
Number of other directors whose emoluments were within the ranges:	<u>Nos.</u>	<u>Nos.</u>
£0 - £5,000	2	2
£10,001 - £15,000	-	2
£15,001 - £20,000	3	1
£20,001 - £25,000	-	2
£25,001 - £30,000	-	-
£30,001 - £40,000	1	-
6. STAFF NUMBERS AND COSTS		
a. The average number of persons, including directors, employed by the company during the year was:	<u>1986</u>	<u>1985</u>
Production	150	152
Sales and distribution	15	19
Administration	<u>16</u>	<u>15</u>
	<u>181</u>	<u>186</u>
b. The aggregate costs of employment were as follows:	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
Wages and salaries	1,557,171	1,489,927
Social security costs	154,585	151,182
Pension costs	<u>16,914</u>	<u>21,347</u>
	<u>1,728,670</u>	<u>1,662,456</u>
7. TAXATION		
No taxation is chargeable on the profit for the year due to the tax losses brought forward.	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
8. DIVIDENDS		
Ordinary shares	<u>-</u>	<u>200,000</u>

BRITAX WEATHERSHIELDS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1986

9. TANGIBLE ASSETS	Land and Buildings <u>Freehold</u>	Long <u>Leasehold</u>	Plant, Machinery Equipment and <u>Motor Vehicles</u>	<u>Total</u>
Cost:	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
1st January, 1986	205,000	168,115	860,139	1,233,254
Reclassification	-	-	1,087,008	1,087,008
Additions	-	147,870	454,170	602,040
Inter-company transfers	-	-	(1,500)	(1,500)
31st December, 1986	<u>205,000</u>	<u>315,985</u>	<u>2,399,817</u>	<u>2,920,802</u>
Depreciation:				
1st January, 1986	4,950	9,053	524,702	538,705
Reclassification	-	-	817,300	817,300
Charge for year	1,650	4,160	212,675	218,485
Inter-company transfers	-	-	(1,500)	(1,500)
31st December, 1986	<u>6,600</u>	<u>13,213</u>	<u>1,553,177</u>	<u>1,572,990</u>
Net book value:				
31st December, 1986	<u>198,400</u>	<u>302,772</u>	<u>846,640</u>	<u>1,347,812</u>
31st December, 1985	<u>200,050</u>	<u>159,062</u>	<u>335,437</u>	<u>694,549</u>

The properties were transferred from a fellow subsidiary company in 1981.
These had been previously revalued in 1978.

If the properties had not been revalued they would have been included at the following amounts:

	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
Historical cost to fellow subsidiary on acquisition of properties and the cost of subsequent additions to date	312,056	164,186
Accumulated depreciation based on cost	<u>10,135</u>	<u>6,558</u>
Net book value	<u>301,921</u>	<u>157,628</u>
Depreciation for the year based on cost	<u>3,577</u>	<u>2,186</u>

BRITAX WEATHERSHIELDS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1986

	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
10. STOCKS		
Raw materials	652,246	736,650
Work in progress	85,980	170,024
Finished products	599,109	619,396
Production tooling	-	271,491
	<u>1,337,335</u>	<u>1,797,561</u>
11. DEBTORS	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Trade debtors	823,678	659,942
Amounts owed by holding company	266,327	-
Amounts owed by fellow subsidiaries	357,721	1,464,089
Taxes recoverable	141,814	70,583
Prepayments	116,681	67,619
Total debtors	<u>1,706,221</u>	<u>2,262,233</u>
12. CREDITORS	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Trade creditors	1,103,786	815,686
Amount owed to holding company	-	1,142,439
Amounts owed to fellow subsidiaries	36,965	143,877
Taxes and social security	92,753	95,542
Accruals	333,175	179,375
Total creditors	<u>1,566,679</u>	<u>2,376,919</u>
	<u>Authorised</u>	<u>Issued and Fully Paid</u>
13. CALLED UP SHARE CAPITAL (1986 and 1985)	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	<u>1,250,000</u>	<u>1,050,000</u>

BRITAX WEATHERSHIELDS LIMITED
 NOTES ON FINANCIAL STATEMENTS
31st DECEMBER, 1986

	<u>Profit and Loss Account</u>
14. RESERVES	<u>£</u>
Balance 1st January, 1986	1,329,674
Retained profit for the year	<u>448,244</u>
Balance 31st December, 1986	<u>1,777,918</u>

15. POTENTIAL LIABILITY FOR DEFERRED TAX

There is a potential liability for deferred tax in respect of £2,300 accelerated capital allowances but there is advance corporation tax of £1,800 which is to be allocated by B.S.G. International plc leaving a net potential liability of £500.

16. LEASING OBLIGATIONS

Payments due in 1987 under operating leases, analysed by date of lease expiry, are as follows:

	<u>Land and Buildings</u>	<u>Others</u>
Date of lease expiry	<u>£</u>	<u>£</u>
1987	-	27,000
1988	-	19,916
1989 to 1991 inclusive	-	7,084
After 1991	<u>600</u>	<u>-</u>
Total payable in 1987	<u>600</u>	<u>54,000</u>

Amounts payable under finance lease obligations are due in the following years:

	<u>£</u>
1987	31,975
1988	23,911
1989 to 1991 inclusive	<u>19,545</u>
	75,431
<u>Less Finance charges allocated to future periods</u>	<u>11,380</u>
Net obligations at 31.12.86	<u>64,051</u>

BRITAX WEATHERSHIELDS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1986

17. TRANSACTIONS INVOLVING DIRECTORS

Directors' interest in contracts

No director has had any beneficial interest in any material contract to which the company was a party.

18. CAPITAL COMMITMENTS

Capital expenditure authorised up to 31st December, 1986 but not provided in these financial statements amounted to £461,765 (1985 £20,983) in respect of which contracts for £320,294 (1985 £3,325) had been placed.

19. CONTINGENT LIABILITIES

The company has given a joint and several guarantee secured by a fixed first charge on its book and other debts in respect of the holding company's indebtedness to Barclays Bank PLC.

20. ULTIMATE HOLDING COMPANY

The company is a direct subsidiary of B.S.G. International plc, a company incorporated in England.