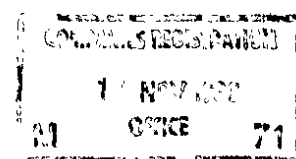


326911

BRITAX WEATHERSHIELDS LIMITED

31st DECEMBER, 1987



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, 1987.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £498,948. It is recommended that a dividend of 47.6p per share be paid and that £1,052 be set against reserves.

REVIEW OF BUSINESS

The principal activity of the company continues to be the manufacture and distribution of accessories to the motor trade.

The turnover for the year at £10,740,097 was 28.06% higher than the previous year. The profit on ordinary activities before taxation amounted to £538,741 compared with a profit of £448,244 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 £426,637 (1986 £381,834).

DIRECTORS

The following were directors of the company at 31st December, 1987:

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

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

Mr. G. Pyle was appointed as a director of the company on 8th May, 1987.

With the exception of Mr. Pyle all the directors served for the whole of the year.

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>1987</u>	<u>1986</u>
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:

<u>Directors</u>	Ordinary shares of 10p each	
	<u>1987</u>	<u>1986</u>
Mr. I.K. Showan	150,000	100,000
Mr. A. Parsonage	125,000	100,000

FIXED ASSETS

The movements in tangible fixed assets during the year and details of the property revaluation at 31st December, 1987 are set out in the notes 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

25th March, 1988

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 as modified by the revaluation of freehold and leasehold properties give a true and fair view of the state of the company's affairs at 31st December, 1987 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

25th March, 1988

KIDSONS,

Chartered Accountants

BRITAX WEATHERSHIELDS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31st DECEMBER, 19871986

	<u>Note</u>	<u>£</u>	<u>£</u>
TURNOVER	2	10,740,097	8,386,547
Cost of sales		<u>(8,755,293)</u>	<u>(6,409,640)</u>
GROSS PROFIT		1,984,804	1,976,907
Distribution costs		(364,106)	(366,470)
Administrative expenses		<u>(823,549)</u>	<u>(582,837)</u>
TRADING PROFIT		797,149	1,027,600
Interest payable	3	<u>(258,408)</u>	<u>(579,356)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	538,741	448,244
Taxation	7	<u>(39,793)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		498,948	448,244
Proposed dividend	8	<u>(500,000)</u>	<u>-</u>
RETAINED (LOSS) PROFIT FOR THE YEAR	15	<u>(1,052)</u>	<u>448,244</u>

Notes on financial statements - pages 6 to 12

BRITAX WEATHERSHIELDS LIMITED

BALANCE SHEET

31st DECEMBER, 19871986

	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS					
Tangible assets	9		1,618,540		1,347,812
CURRENT ASSETS					
Stocks	10	1,969,196		1,337,335	
Debtors	11	1,670,908		1,706,221	
Cash in hand		<u>3,387</u>		<u>3,229</u>	
		3,643,491		3,046,785	
CREDITORS					
Amounts falling due within one year	12	<u>(2,378,437)</u>		<u>(1,566,679)</u>	
NET CURRENT ASSETS			<u>1,265,054</u>		<u>1,480,106</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,883,594		2,827,918
PROVISION FOR LIABILITIES AND CHARGES					
Deferred tax	13		<u>(24,500)</u>		<u>-</u>
			<u>2,859,094</u>		<u>2,827,918</u>
CAPITAL AND RESERVES					
Called up share capital	14	1,050,000		1,050,000	
Revaluation reserve	15	32,228		-	
Profit and loss account	15	<u>1,776,866</u>		<u>1,777,918</u>	
		2,859,094		2,827,918	

The financial statements were approved by the
Board of Directors on 25th March, 1988

T. C. Cannon)

A. R. Starkey)

Directors

Notes on financial statements pages 6 to 12

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1987

1. ACCOUNTING POLICIES

a. Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold and leasehold properties.

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% - 33.3%
Vehicles	25%
Computer hardware and software	20% or 33.3%
Office equipment	10% - 20%
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, 1987

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>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
United Kingdom	5,133,552	4,281,716
Other European Countries	4,170,426	3,206,396
Other Overseas Countries	1,436,119	898,435
	<u>10,740,097</u>	<u>8,386,547</u>

3. INTEREST PAYABLE

Interest payable on loans repayable within 5 years:

Bank interest
Group interest

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
	198,288	196,356
	60,120	383,000
	<u>258,408</u>	<u>579,356</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

Amortisation of lease
Depreciation
Directors' emoluments (see note 5)
Auditors' remuneration
Hire and lease of plant and machinery

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
	6,086	4,160
	332,936	214,325
	183,751	132,212
	8,141	7,054
	<u>76,649</u>	<u>94,478</u>

and after crediting:

Foreign exchange currency gain

	<u>£</u>	<u>£</u>
	-	534,082

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1987

	<u>1987</u>		<u>1986</u>	
8. DIVIDEND	<u>£</u>		<u>£</u>	
Proposed dividend on ordinary shares at 47.6 pence per share	<u>500,000</u>		<u>-</u>	
9. TANGIBLE ASSETS	<u>Land and Buildings Freehold</u>	<u>Long Leasehold</u>	<u>Plant, Machinery Equipment and Motor Vehicles</u>	<u>Total</u>
Cost:	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
1st January, 1987	205,000	315,985	2,399,817	2,920,802
Additions	-	24,336	554,775	579,111
Disposals	-	-	(35,728)	(35,728)
Inter-company transfers	-	-	1,997	1,997
Revaluation in year	<u>95,000</u>	<u>(90,321)</u>	<u>-</u>	<u>4,679</u>
31st December, 1987	<u>300,000</u>	<u>250,000</u>	<u>2,920,861</u>	<u>3,470,861</u>
Depreciation:				
1st January, 1987	6,600	13,213	1,553,177	1,572,990
Charge for year	1,650	6,086	331,286	339,022
Disposal	-	-	(32,431)	(32,431)
Inter-company transfer	-	-	289	289
Revaluation in year	<u>(8,250)</u>	<u>(19,299)</u>	<u>-</u>	<u>(27,549)</u>
31st December, 1987	<u>-</u>	<u>-</u>	<u>1,852,321</u>	<u>1,852,321</u>
Net book value:				
31st December, 1987	<u>300,000</u>	<u>250,000</u>	<u>1,068,540</u>	<u>1,618,540</u>
31st December, 1986	<u>198,400</u>	<u>302,772</u>	<u>846,640</u>	<u>1,347,812</u>

The freehold and leasehold properties were professionally valued at 31st December, 1987 by Chartered Surveyors and the surplus over the net book value has been credited to revaluation reserve. The property was valued in the open market on the basis of existing use.

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

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Historical cost to fellow subsidiary on acquisition of properties and the cost of subsequent additions to date	336,392	312,056
Accumulated depreciation based on cost	<u>15,530</u>	<u>10,135</u>
Net book value	<u>320,862</u>	<u>301,921</u>
Depreciation for the year based on cost	<u>5,395</u>	<u>3,577</u>

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1987

	<u>1987</u>	<u>1986</u>
10. STOCKS	<u>£</u>	<u>£</u>
Raw materials	793,548	652,246
Work in progress	166,139	85,980
Finished products	<u>1,009,509</u>	<u>599,109</u>
	<u>1,969,196</u>	<u>1,337,335</u>
11. DEBTORS	<u>1987</u>	<u>1986</u>
Amounts falling due within one year:	<u>£</u>	<u>£</u>
Trade debtors	1,093,366	823,678
Amounts owed by holding company	-	266,327
Amounts owed by fellow subsidiaries	313,550	357,721
Taxes recoverable	176,436	141,814
Prepayments	<u>87,556</u>	<u>116,681</u>
Total debtors	<u>1,670,908</u>	<u>1,706,221</u>
12. CREDITORS	<u>1987</u>	<u>1986</u>
Amounts falling due within one year:	<u>£</u>	<u>£</u>
Trade creditors	1,075,183	1,103,786
Amount owed to holding company	164,791	-
Amounts owed to fellow subsidiaries	26,340	36,965
Taxes and social security	56,961	92,753
Corporation tax payable	15,293	-
Accruals	539,869	333,175
Proposed dividend	<u>500,000</u>	<u>-</u>
Total creditors	<u>2,378,437</u>	<u>1,566,679</u>

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1987

13. DEFERRED TAX	<u>1987</u>	<u>1986</u>
The amount provided at 35% is as follows:	<u>£</u>	<u>£</u>
Accelerated capital allowances on plant and vehicles	82,500	-
Other timing differences	3,000	-
Advance corporation tax	<u>(61,000)</u>	<u>-</u>
	<u>24,500</u>	<u>-</u>

The potential liability not provided at 31st December, 1987 in respect of capital allowances on buildings calculated on the liability method at 35% is £40,155.

The potential liability which might arise on properties being sold at their revalued amounts has not been quantified as the directors have no present intention of disposing of properties.

	<u>Authorised</u>	<u>Issued and Fully Paid</u>
14. CALLED UP SHARE CAPITAL (1987 and 1986)	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	<u>1,250,000</u>	<u>1,050,000</u>

	<u>Revaluation Reserve</u>	<u>Profit and Loss Account</u>	<u>Total</u>
15. RESERVES	<u>£</u>	<u>£</u>	<u>£</u>
Balance 1st January, 1987	-	1,777,918	1,777,918
Retained loss for the year	-	(1,052)	(1,052)
Revaluation in year	<u>32,228</u>	<u>-</u>	<u>32,228</u>
Balance 31st December, 1987	<u>32,228</u>	<u>1,776,866</u>	<u>1,809,094</u>

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS
31st DECEMBER, 1987

16. LEASING OBLIGATIONS

Payments due in 1988 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>
1988	-	15,818
1989	-	11,269
1990 to 1992 inclusive	-	4,549
After 1992	<u>603</u>	<u>-</u>
Total payable in 1988	<u>603</u>	<u>31,636</u>

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

	<u>£</u>
1988	34,083
1989	21,788
1990 to 1992 inclusive	<u>8,866</u>
	64,737
<u>Less</u> Finance charges allocated to future periods	<u>11,106</u>
Net obligations at 31.12.87	<u>53,631</u>

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, 1987 but not provided in these financial statements amounted to £84,355 (1986 £461,765) in respect of which contracts for £84,355 (1986 £320,294) 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.