



ARTHUR ANDERSEN

**Mayflower Automotive Products
(UK) Limited**

Accounts 31 December 1999
together with directors' and auditors' reports

Registered number: 3289111



Directors' report

For the year ended 31 December 1999

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 1999.

Principal activity, business review and dividends

The company continues to be an intermediate holding company.

The retained loss for the year was £23 (1998 – profit of £3,309).

Dividends of £4,000,000 were proposed and paid during the year (1998 – £8,000,000).

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

Directors' report (continued)

Directors and their interests

Directors who served during the year and subsequently were as follows:

D T Donnelly
T V Whitmore

None of the directors has any interests in the shares of the company.

The interests of D T Donnelly and T V Whitmore in the shares of the ultimate parent company including details of share options held are disclosed in the consolidated accounts of The Mayflower Corporation plc.

The number of directors who exercised share options during the year was 1 (1998 – 2).

Year 2000

As reported last year, the Company carried out a review of its software and hardware and took steps designed to ensure Year 2000 compliance. So far as the Directors are aware, the commencement of the Year 2000 has not caused any significant issues to arise in relation to the company's internal systems or the operation of its business.

The Directors will continue to monitor the situation but they do not expect significant further costs to be incurred.

Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Mayflower House
London Road
Loudwater
High Wycombe
Buckinghamshire
HP10 9RF

By order of the Board



D T Donnelly

Director

19 May 2000

To the Shareholders of Mayflower Automotive Products (UK) Limited:

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As set out on page 1, the directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgments 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 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1999 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

1 Victoria Square
Birmingham
B1 1BD

19 May 2000

Profit and loss account

For the year ended 31 December 1999

	Notes	1999 £	1998 £
Administrative expenses		(23)	(27)
Operating loss		(23)	(27)
Investment income	3	4,000,000	8,004,336
Profit on ordinary activities before taxation		3,999,977	8,004,309
Tax on profit on ordinary activities	4	-	(1,000)
Profit on ordinary activities after taxation		3,999,977	8,003,309
Dividends paid and proposed on equity shares	5	(4,000,000)	(8,000,000)
Retained (loss) profit for the year		(23)	3,309
Retained profit, beginning of year		7,583	4,274
Retained profit, end of year		7,560	7,583

There were no recognised gains or losses other than the (loss) profit for either year.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

31 December 1999

	Notes	1999 £	1998 £
Fixed assets			
Investments	6	13,500	13,500
Current assets			
Debtors	7	4,123,915	1,131,980
Cash at bank and in hand		495	518
		4,124,410	1,132,498
Creditors: Amounts falling due within one year	8	(2,992,935)	(1,000)
Net current assets		1,131,475	1,131,498
Net assets		1,144,975	1,144,998
Capital and reserves			
Called-up share capital	9	1,137,415	1,137,415
Profit and loss account		7,560	7,583
Total shareholders' funds (all equity)	10	1,144,975	1,144,998

The accounts on pages 4 to 8 were approved by the board of directors on 19 May 2000 and signed on its behalf by:

D T Donnelly

Director

19 May 2000

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

31 December 1999

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

In accordance with Financial Reporting Standard 1 (Revised), the company has not presented a cash flow statement as more than 90% of its voting rights are controlled within the group and the consolidated accounts in which the results of the company are included are publicly available.

The company has taken advantage of the exemption granted within Financial Reporting Standard 8, which does not require disclosure of transactions between group undertakings, as more than 90% of the company's voting rights are controlled within the group.

b) Investments

Investments in subsidiary undertakings are shown at cost less provision for impairment.

Consolidated accounts have not been prepared as Mayflower Automotive Products (UK) Limited is itself a wholly owned subsidiary of The Mayflower Corporation plc, which has prepared group accounts that are publicly available.

c) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is provided using the liability method in respect of timing differences to the extent that it is probable that a liability or asset will crystallise in the future.

2 Staff costs

Apart from the directors, the average monthly number of employees was Nil (1998 – Nil).

None of the directors received remuneration from the company during either year.

3 Investment income

	1999 £	1998 £
Interest receivable from group undertakings	-	4,336
Dividends received	4,000,000	8,000,000
	<u>4,000,000</u>	<u>8,004,336</u>

Notes to accounts (continued)

4 Tax on profit on ordinary activities

The tax charge comprises:

	1999 £	1998 £
UK corporation tax at 30.25% (1998 – 31.0%)	-	1,000

The company had no unprovided deferred tax liability at either year end.

5 Dividends paid and proposed on equity shares

	1999 £	1998 £
Dividends paid of £3.52 (1998 - £7.03) per ordinary share	4,000,000	8,000,000

6 Investments

Subsidiary undertakings

	£
Cost and net book value at the beginning and end of the year	13,500

Subsidiary undertakings comprise the following, which are registered in England and Wales.

Name of subsidiary	Ordinary shares	Principal activities
Mayflower Vehicle Systems plc	100%	Vehicle component manufacture
Motor Panels plc	100%	Dormant

7 Debtors

	1999 £	1998 £
Amounts owed by group undertakings	4,123,915	1,131,980

Notes to accounts (continued)

8 Creditors: Amounts falling due within one year

	1999 £	1998 £
UK and overseas taxation	1,000	1,000
Amounts owed to group undertakings	2,991,935	-
	<u>2,992,935</u>	<u>1,000</u>

9 Called-up share capital

	1999 £	1998 £
<i>Authorised</i>		
1,137,416 ordinary shares of £1 each	<u>1,137,416</u>	<u>1,137,416</u>
<i>Allotted, called-up and fully-paid</i>		
1,137,415 ordinary shares of £1 each	<u>1,137,415</u>	<u>1,137,415</u>

10 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Retained (loss) profit for the year	(23)	3,309
Opening shareholders' funds	<u>1,144,998</u>	<u>1,141,689</u>
Closing shareholders' funds	<u>1,144,975</u>	<u>1,144,998</u>

11 Ultimate parent company and controlling party

The ultimate parent company and controlling party is The Mayflower Corporation plc, a company registered in England and Wales.

The only group of which Mayflower Automotive Products (UK) Limited is a member and for which group accounts are drawn up is that headed by The Mayflower Corporation plc, whose principal place of business is at Mayflower House, London Road, Loudwater, High Wycombe, Buckinghamshire, HP10 9RF. The consolidated accounts of this group are available to the public and may be obtained from the address above.