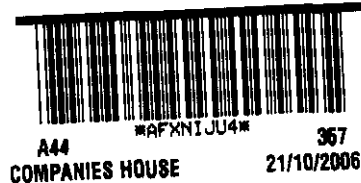


MACLAREN EUROPE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2005



MACLAREN EUROPE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2005

Company registration number: 04144247

Registered office: Station Works
Long Buckby
Northampton

Director: A E Crankshaw

Secretary: S Dacre

Bankers: Fortis Bank
Camomile Court
London

Solicitors: Nabarro Nathanson
Theobald's Road
London

Auditors: Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Elgin House
Billing Road
Northampton

MACLAREN EUROPE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2005

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MACLAREN EUROPE LIMITED

REPORT OF THE DIRECTOR

For the year ended 31 December 2005

The director presents his report together with financial statements for the year ended 31 December 2005.

Principal activity

The company's principal activity is the distribution and sale of pushchairs and ancillary products.

Business review

There was a profit for the year after taxation of £915,115 (2004: £1,032,663). The director recommends the payment of a dividend amounting to £785,000 (2004: £500,000).

Director

The membership of the Board is set out below.

Mr A E Crankshaw

The director did not have any interest in the shares of the company at 31 December 2005 or at any time during the year.

Charitable donations

During the year the company made charitable donations of £4,250 (2004: £4,250).

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MACLAREN EUROPE LIMITED

REPORT OF THE DIRECTOR

For the year ended 31 December 2005

Research and development

Expenditure incurred in respect of research and development arises solely from the development of new products.

Insurance of director

Insurance is maintained for the director of the company in respect of his duties as director.

Financial risk management

To mitigate the company's exposure to foreign exchange risk, transactions are undertaken in Sterling, Euros and US Dollars and bank accounts are maintained in these currencies. The company enters into US Dollar forward exchange contracts to minimise its exposure to exchange risks (Note 20).

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD



A E Crankshaw
Director

13 June 2006

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
MACLAREN EUROPE LIMITED**

We have audited the financial statements of Maclaren Europe Limited for the year ended 31 December 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cash flow statement and notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director's responsibilities for preparing the Director's Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Director's Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

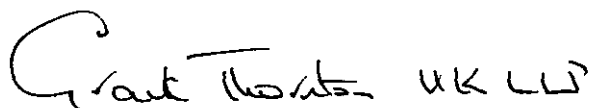
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
MACLAREN EUROPE LIMITED**

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended;
- and
- have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Northampton

19 June 2006

MACLAREN EUROPE LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention. The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year apart from the adoption of FRS 21 'Events After the Balance Sheet Date' and the adoption of FRS 25 'Financial Instruments: Disclosure and Presentation'. The changes are described in more detail below.

CHANGES IN ACCOUNTING POLICIES

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

FRS 21 'Events After the Balance Sheet Date'

The adoption of FRS21 has resulted in a change in accounting policy in respect of proposed dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. Previously, where these equity dividends were proposed after the balance sheet date but before authorisation of the financial statements, they were recorded as liabilities at the balance sheet date. The financial effect of this change in accounting policy is set out in Note 7.

FRS 25 'Financial Instruments: Disclosure and Presentation'

The adoption of FRS 25 has not impacted on the financial statements.

TURNOVER

Turnover represents the total amount receivable in the ordinary course of business for goods sold and services provided. It is stated exclusive of value added tax.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write-down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives.

The periods generally applicable are:

Plant and equipment	4 years
Office equipment	4 years
Computer equipment	3 years
Motor vehicles	4 years

STOCKS

Stocks are stated at the lower of cost and net realisable value.

MACLAREN EUROPE LIMITED

PRINCIPAL ACCOUNTING POLICIES

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account on a straight line basis over the lease term.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

RETIREMENT BENEFITS

Defined Contribution Pension Scheme

The pension costs charged against operating profits are the contributions payable to individual private pension schemes in respect of the accounting period.

RESEARCH AND DEVELOPMENT

Research and development expenditure is charged to profits in the year in which it is incurred.

FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Exchange differences are dealt with in the profit and loss account.

PROVISIONS

In accordance with Financial Reporting Standard (FRS) 12, the company provides for warranty costs arising from past events which result in a present obligation. Warranty costs are assessed through analysis of product sold to arrive at a best estimate of the likely costs to the company.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

MACLAREN EUROPE LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2005

	Note	2005 £	2004 £
Turnover	1	19,551,060	20,046,242
Cost of sales	2	(13,865,006)	(14,010,350)
Gross profit		5,686,054	6,035,892
Other operating income and charges	2	(4,173,468)	(4,430,195)
Operating profit		1,512,586	1,605,697
Net interest	3	(138,984)	(125,278)
Profit on ordinary activities before taxation		1,373,602	1,480,419
Tax on profit on ordinary activities	5	(458,487)	(447,756)
Transfer to reserves	15	915,115	1,032,663

There were no recognised gains or losses other than the profit for the financial year.

All operations are classed as continuing.


The accompanying accounting policies and notes form an integral part of these financial statements.

MACLAREN EUROPE LIMITED

BALANCE SHEET AT 31 DECEMBER 2005

	Note	£	2005 £	£	2004 £
Fixed assets					
Tangible assets	8		99,765		130,212
Current assets					
Stocks	9	4,201,803		2,182,185	
Debtors	10	2,194,104		2,188,234	
Cash		52,093		970,861	
		6,448,000		5,341,280	
Creditors: amounts falling due within one year	11	4,167,794		3,306,560	
Net current assets			2,280,206		2,034,720
Total assets less current liabilities			2,379,971		2,164,932
Creditors: amounts falling due in more than one year	12		1,095,691		1,003,357
Provisions for liabilities and charges	13		113,625		121,035
			1,170,655		1,040,540
Capital and reserves					
Called up share capital	14		105,061		105,061
Profit and loss account	15		1,065,594		935,479
Shareholders' funds	16		1,170,655		1,040,540

The financial statements were approved by the Board of Directors on 13 June 2006.



 A E Crankshaw
 Director

The accompanying accounting policies and notes form an integral part of these financial statements.

MACLAREN EUROPE LIMITED**CASH FLOW STATEMENT**

For the year ended 31 December 2005

	Note	2005 £	2004 £
Net cash inflow from operating activities	17	221,231	2,095,140
Returns on investments and servicing of finance			
Interest received		5,417	602
Interest paid		(52,067)	(39,801)
Net cash outflow from returns on investments and servicing of finance		<u>(46,650)</u>	<u>(39,199)</u>
Taxation		(463,384)	(606,215)
Capital expenditure and financial investment			
Purchase of tangible assets		(57,252)	(64,357)
Sale of tangible assets		3,457	4,951
Net cash outflow from capital expenditure and financial investment		<u>(53,795)</u>	<u>(59,406)</u>
Equity dividends paid		(785,000)	(500,000)
(Decrease)/increase in cash	18	<u>(1,127,598)</u>	<u>890,320</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

MACLAREN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover is attributable to the activity stated in the Report of the Director.

An analysis of turnover by geographical market is given below:

	2005 £	2004 £
United Kingdom	12,112,478	13,801,469
Europe	7,125,319	6,159,983
Rest of World	313,263	84,790
	<u>19,551,060</u>	<u>20,046,242</u>

Profit on ordinary activities before taxation is stated after:

	2005 £	2004 £
Auditors' remuneration	23,000	19,600
- Non-audit services	2,435	2,365
Depreciation:		
Tangible fixed assets, owned	85,197	107,514
Other operating lease rentals	279,556	224,327
Research and development expenditure	<u>266,147</u>	<u>407,003</u>

2 COST OF SALES AND OTHER OPERATING INCOME AND CHARGES

	2005 £	2004 £
Cost of sales	<u>13,865,006</u>	<u>14,010,350</u>
Administration costs	<u>4,173,468</u>	<u>4,430,195</u>

3 NET INTEREST

	2005 £	2004 £
On bank loans and overdrafts	52,067	39,801
On loans from parent	92,334	86,079
Interest receivable and similar income	(5,417)	(602)
	<u>138,984</u>	<u>125,278</u>

MACLAREN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2005 £	2004 £
Wages and salaries	1,153,863	1,333,408
Social security costs	151,299	161,960
Pension costs	32,934	40,735
	<u>1,338,096</u>	<u>1,536,103</u>

The average number of employees of the company in the year was as follows:

	2005 Number	2004 Number
Logistics, including warehouse, repairs and customer services	13	14
Sales and marketing	15	16
New product development	9	9
Management and administration	-	4
	<u>37</u>	<u>43</u>

The director received no remuneration from the company during the year.

Payments amounting to £43,340 (2004: £11,052) were paid to Akama Limited for services of the director.

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2005 £	2004 £
UK corporation tax	458,487	448,318
Origination and reversal of timing differences	-	-
Adjustment in respect of prior year corporation tax	-	(562)
	<u>458,487</u>	<u>447,756</u>

Total deferred tax and tax on profit on ordinary activities

MACLAREN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

5 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are explained as follows:

	2005 £	2004 £
Profit on ordinary activities before tax	1,373,602	1,480,419
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	412,081	444,126
Effect of:		
Expenses not deductible for tax purposes	2,946	3,275
Differences between capital allowances and depreciation	8,639	13,793
Other timing differences	27,700	18,769
Adjustment to tax charge in respect of prior years	7,121	(562)
Group relief	-	(31,645)
Current tax charge for the year	<u>458,487</u>	<u>447,756</u>

6 DIVIDENDS

	2005 £	2004 £
Dividends on shares classed as equity		
Interim dividend paid	<u>785,000</u>	<u>500,000</u>

7 PRIOR YEAR ADJUSTMENT

As disclosed in the accounting policies section, a new accounting standard was adopted in the year. The financial effect of this has been analysed:

FRS 21

In the prior year dividends of £500,000 were paid and disclosed in the profit and loss account. In the comparative figures these are now no longer disclosed on the face of the profit and loss account but disclosed as an appropriation of profit in Note 16.

MACLAREN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

8

TANGIBLE FIXED ASSETS

	Plant and equipment £	Office equipment £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2005	22,120	90,209	246,101	22,828	381,258
Disposals	(3,200)	-	-	(15,028)	(18,228)
Additions in the year	32,699	-	24,553	-	57,252
At 31 December 2005	<u>51,619</u>	<u>90,209</u>	<u>270,654</u>	<u>7,800</u>	<u>420,282</u>
Depreciation					
At 1 January 2005	15,363	59,517	158,901	17,265	251,046
Disposals	(3,203)	-	-	(12,523)	(15,726)
Provided in the year	8,499	20,085	54,037	2,576	85,197
At 31 December 2005	<u>20,659</u>	<u>79,602</u>	<u>212,938</u>	<u>7,318</u>	<u>320,517</u>
Net book amount at 31 December 2005	<u>30,960</u>	<u>10,607</u>	<u>57,716</u>	<u>482</u>	<u>99,765</u>
Net book amount at 31 December 2004	<u>6,757</u>	<u>30,692</u>	<u>87,200</u>	<u>5,563</u>	<u>130,212</u>

MACLAREN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

9 STOCKS

	2005 £	2004 £
Finished goods and spare parts (including goods in transit)	<u>4,201,803</u>	<u>2,182,185</u>

10 DEBTORS

	2005 £	2004 £
Trade debtors	2,024,615	2,008,498
Value Added Tax	79,908	38,427
Other debtors	1,888	-
Prepayments and accrued income	87,693	123,858
Corporation tax	-	17,451
	<u>2,194,104</u>	<u>2,188,234</u>

Included within trade debtors is an amount of £1,310,588 (2004: £1,554,962) relating to factored debts.

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank overdrafts and loans	208,830	-
Trade creditors	2,964,024	2,077,631
Amounts due to parent	45,000	45,000
Amounts due to associated undertakings	121,707	247,095
Corporation tax	187,421	209,769
Social security and other taxes	67,741	35,969
Other creditors	-	111,526
Accruals	573,071	579,570
	<u>4,167,794</u>	<u>3,306,560</u>

Included within bank loans and overdrafts is an amount of £204,752 (2004: £Nil) due to Lloyds TSB Commercial Finance Limited. This is secured by way of an all assets debenture.

MACLAREN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

12 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2005 £	2004 £
Amounts due to parent - loans	<u>1,095,691</u>	<u>1,003,357</u>

Until 14 February 2003 the loan from the parent attracted interest at 6% per annum.

On this date the loan became classified as a subordinate loan and bears imputed interest at 9% per annum, compounded twice yearly. The loan is due to be redeemed in full on 14 February 2008.

The loan is secured by a fixed and floating charge over all the assets of the company.

13 PROVISIONS FOR LIABILITIES AND CHARGES

	2005 £	2004 £
Warranty provision:		
At 1 January 2005	121,035	104,535
Provided during the year	113,625	121,035
Utilised during the year	(121,035)	(104,535)
At 31 December 2005	<u>113,625</u>	<u>121,035</u>

The warranty provision is the company's best estimate of the cost of fulfilling this obligation based upon the underlying claims rate by product line.

No deferred taxation liability existed at 31 December 2005 or 2004.

14 CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised 105,061 ordinary shares of £1 each	<u>105,061</u>	<u>105,061</u>
Allotted, called up and fully paid Ordinary shares of £1 each	<u>105,061</u>	<u>105,061</u>

MACLAREN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

15 PROFIT AND LOSS ACCOUNT

	Profit and loss account £
At 1 January 2005	935,479
Retained profit for the year	915,115
Equity dividends paid (Note 6)	(785,000)
At 31 December 2005	<u>1,065,594</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	Restated 2004 £
Profit for the year	915,115	1,032,663
Equity dividends paid	(785,000)	(500,000)
Net increase in shareholders' funds	130,115	532,663
Shareholders' funds at 1 January 2005	1,040,540	507,877
Shareholders' funds at 31 December 2005	<u>1,170,655</u>	<u>1,040,540</u>

17 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	1,512,586	1,605,697
Depreciation	85,197	107,514
(Increase)/decrease in stocks	(2,019,618)	157,687
Increase in debtors	(23,321)	(433,516)
Increase in creditors	674,752	641,258
Movement on provisions	(7,410)	16,500
Profit on sale of fixed assets	(955)	-
	<u>221,231</u>	<u>2,095,140</u>

MACLAREN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2005 £	2004 £
(Decrease)/increase in cash in the year	(1,127,598)	890,320
Cash outflow from financing	-	-
Movement in net debt in the year	(1,127,598)	890,320
Net debt at 1 January 2005	120,861	(769,459)
Net debt at 31 December 2005	(1,006,737)	120,861

19 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2005	Cashflow	At 31 December 2005
Cash at bank and in hand	970,861	(918,768)	52,093
Bank loans	-	(208,830)	(208,830)
Loan from parent	(850,000)	-	(850,000)
	120,861	(1,127,598)	(1,006,737)

20 COMMITMENTS

There were no capital commitments at 31 December 2005 or at 31 December 2004.

At 31 December 2005 the company had forward exchange contracts in place committing it to purchase \$10,460,000 (2004: \$7,190,000) for £5,945,127 (2004: £3,834,021).

21 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2005 or at 31 December 2004.

22 PENSIONS

Defined Contribution Pension Scheme

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

MACLAREN EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

23 LEASING COMMITMENTS

Operating lease payments amounting to £190,000 (2004: £190,000) are due within one year. The leases to which these amounts relate expire as follows:

	2005 Land and buildings £	2004 Land and buildings £
In five years or more	<u>190,000</u>	<u>190,000</u>

24 RELATED PARTY TRANSACTIONS

At 31 December 2005, included within amounts due to parent is an amount of £850,000 (2004: £850,000) owed to Spring Meadow Holdings Limited. Interest on this loan during the period amounted to £92,334 (2004: £86,079), with interest accrued in total of £245,691 (2004: £153,357).

During the year management charges were due to Spring Meadow Holdings Limited amounting to £45,000 (2004: £45,000). The balance outstanding at the year end owed to Spring Meadow Holdings Limited amounted to £45,000 (2004: £45,000).

During the year the company was charged £Nil (2004: £107,000) by Sina Holdco Limited in respect of consultancy fees.

Sina Holdco Limited is a 100% subsidiary of Spring Meadow Holdings Limited.

The company made sales in the year of £1,138 (2004: £3,005) to Performance Sailcraft Europe Limited. Purchases from this company amounted to £1,430 (2004: £5,823). Performance Sailcraft Europe Limited is a member of the group headed by Spring Meadow Holdings Limited.

The company made sales in the year of £20,811 (2004: £115,625) to Acela Limited and purchases from this company amounted to £1,122,152 (2004: £637,901). At the year end an amount of £91,707 (2004: £121,905) was due to Acela Limited. Acela Limited is a member of the group headed by Spring Meadow Holdings Limited.

Andrew Crankshaw is a director of Sina Holdco Limited and Acela Limited.

25 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTY

The directors consider that Spring Meadow Holdings Limited, a company registered in the British Virgin Islands, is the ultimate parent undertaking and controlling related party by virtue of shareholding.