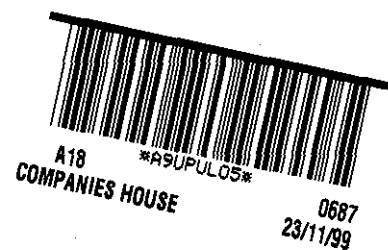


**METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
15 MAY 1999**

**Registered N°: 01432801**



# **METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED**

## **DIRECTORS' REPORT**

The directors present their report together with financial statements for the year ended 15 May 1999. The comparative period covers trading between 1 June 1997 and 15 May 1998.

## **ACTIVITIES**

The Company did not trade in the year under review.

## **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The Company was acquired by H Young Holdings PLC on 15 May 1998. The business and net assets were transferred at net book amount to a separate division of H Young (Operations) Limited on 16 May 1998 and the Company ceased to trade from that date.

## **DIVIDENDS AND TRANSFERS TO RESERVES**

There was a profit for the period after taxation amounting to £ Nil (1998: £682,398). Dividends of £ Nil (1998: £2,000,000) were paid during the period. The directors do not propose the payment of a final dividend.

## **DIRECTORS AND THEIR INTERESTS**

The following directors served throughout the year:

R H McGrath  
E J Johnston  
T S Redfern

None of the directors had an interest in the share capital of the Company.

The interests of the directors in the share capital of the ultimate parent company, H Young Holdings PLC, can be found in the financial statements of that company.

## **DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements 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 of the Company for that period. 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED**

**REPORT OF THE DIRECTORS (CONTINUED)**

**YEAR 2000 AND THE EURO**

It is recognised that there is a degree of risk and uncertainty associated with the Year 2000. These risks and uncertainties have been assessed and steps are being taken to ensure that the Company is Year 2000 compliant and to avoid significant disruption from its customers and suppliers. The cost of such steps have been assessed and are not significant

The potential impact of the Euro has been considered and is not thought to be significant to the Company at this stage.

By Order of the Board

A handwritten signature in black ink, appearing to read 'T S Redfern', written over the printed name.

T S Redfern  
Secretary

27 October 1999

## **METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED**

### **REPORT OF THE AUDITORS TO THE MEMBERS OF METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on pages 6 and 7.

#### **Respective Responsibilities of Directors and Auditors**

The directors are responsible for preparing the Annual Report, including as described on page 1 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' 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 transactions is not disclosed.

We read the other information contained in the Annual Report and 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 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 affairs of the Company as at 15 May 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants  
and Registered Auditors, Windsor  
27 October 1999

Thames Court  
1 Victoria Street  
Windsor, Berks  
SL4 1HB

**METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 15 MAY 1999**

	Note	Year ended 15 May 1999 £	Period 1 June 1997 to 15 May 1998 £
<b>TURNOVER</b>	2	-	8,420,836
Cost of sales		-	<u>(4,525,957)</u>
Gross profit		-	3,894,879
Distribution costs		-	(166,414)
Administrative expenses		-	<u>(3,100,002)</u>
<b>OPERATING PROFIT</b>	2	-	628,463
Net interest	3	-	<u>(50,802)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	577,661
Tax on profit on ordinary activities	5	-	<u>104,737</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD</b>	14	-	682,398
Equity dividends	6	-	<u>(2,000,000)</u>
<b>RETAINED PROFIT</b>	14	-	<u><u>(1,317,602)</u></u>

There are no recognised gains or losses other than those shown above. Accordingly no statement of total recognised gains and losses is given.

The notes on pages 6 to 12 form part of these financial statements.

# METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED

## BALANCE SHEET AT 15 MAY 1999

	Note	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	7	-	434,803
<b>CURRENT ASSETS</b>			
Stocks	8	-	932,352
Debtors	9	403,768	1,789,154
Cash at bank and in hand		<u>-</u>	<u>10,850</u>
		403,768	2,732,356
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	<u>-</u>	<u>(2,697,297)</u>
<b>NET CURRENT ASSETS</b>		<u>403,768</u>	<u>35,059</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		403,768	469,862
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	<u>-</u>	<u>(66,094)</u>
		<u>403,768</u>	<u>403,768</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	12,245	12,245
Profit and loss account	13	<u>391,523</u>	<u>391,523</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	14	<u>403,768</u>	<u>403,768</u>

The financial statements were approved by the Board of Directors on 27 October 1999.



E Johnston  
Director

The notes on pages 6 to 12 form part of these financial statements.

# **METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. PRINCIPAL ACCOUNTING POLICIES**

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

The principal accounting policies of the Company have remained unchanged from the previous period and are set out below.

The Company is a wholly-owned subsidiary of H Young Holdings PLC, a company registered in England and Wales and is exempt from the requirement to prepare a statement of cash flows.

#### **Turnover**

Turnover is the total amount received by the Company for goods supplied and services provided, excluding VAT and trade discounts.

#### **Depreciation**

Depreciation is calculated to write down the cost of all tangible fixed assets by annual instalments over their expected useful lives.

The periods generally applicable are:

Improvements to short leasehold property	- period of lease
Motor vehicles	- 4 years straight line
Fixtures and fittings	- 10 years straight line
Plant and machinery	- 4 years straight line
Computer software	- 2 years straight line
Computer hardware	- 4 years straight line
Mould tools	- 5 years straight line
Merchandising stands	- 2 years straight line

#### **Stocks**

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

#### **Deferred taxation**

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is possible that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

#### **Contributions to pension funds**

The Company contributes to the personal pension plans of certain former directors. The pension costs charged against profits represent the amount of the contribution payable in respect of the accounting period.

# METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

#### Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful 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 over the period of 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.

#### Foreign currencies

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

#### Transfer of business

The business and net assets of the Company were transferred at net book amount to a separate division of H Young (Operations) Limited on 16 May 1998. The Company ceased to trade from that date.

### 2. TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to the selling of automotive accessories and automotive security products.

	Year ended 15 May 1999 £	Period 1 June 1997 to 15 May 1998 £
UK	-	7,007,036
Rest of the world	-	<u>1,413,800</u>
	-	<u>8,420,836</u>



# METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

The profit/(loss) on ordinary activities is stated after:

	Year ended 15 May 1999 £	Period 1 June 1997 to 15 May 1998 £
Auditors' remuneration	-	14,500
Depreciation of tangible fixed assets:		
Owned	-	268,019
Held under finance leases and hire purchase contracts	-	-
Hire of plant and machinery	-	3,307
Other operating lease rentals	-	<u>295,713</u>

### 3. NET INTEREST

	Year ended 15 May 1999 £	Period 1 June 1997 to 15 May 1998 £
On bank overdraft	-	36,839
Finance charges in respect of finance leases	-	2,750
Other interest payable	-	<u>11,455</u>
	-	51,044
Other interest receivable and similar income	-	<u>(242)</u>
	-	<u>50,802</u>

### 4. DIRECTORS AND EMPLOYEES

Staff costs during the period were as follows:

	Year ended 15 May 1999 £	Period 1 June 1997 to 15 May 1998 £
Wages and salaries	-	925,789
Social security costs	-	87,784
Other pension costs	-	<u>13,695</u>
	-	<u>1,027,268</u>

**METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4. DIRECTORS AND EMPLOYEES (continued)**

The average number of employees of the Company during the period was as follows:

	Year ended 15 May 1999 No.	Period 1 June 1997 to 15 May 1998 No.
Production and warehouse	-	29
Sales and marketing	-	14
Administration	-	<u>7</u>
	<u>-</u>	<u>50</u>

Remuneration in respect of directors was as follows:

	Year ended 15 May 1999 £	Period 1 June 1997 to 15 May 1998 £
Emoluments	-	148,514
Pension contributions to money purchase pension schemes	-	<u>13,695</u>
	-	162,209
Compensation for loss of office	-	<u>77,000</u>
	<u>-</u>	<u>239,209</u>

During the year no director (1998: 1) participated in money purchase pension schemes.

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax credit represents:

	Year ended 15 May 1999 £	Period 1 June 1997 to 15 May 1998 £
Corporation tax at 31 %	-	3,475
Adjustments in respect of prior year:		
Corporation tax	-	<u>(108,212)</u>
	<u>-</u>	<u>(104,737)</u>

# METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. DIVIDENDS

	Year ended 15 May 1999 £	Period 1 June 1997 to 15 May 1998 £
Interim equity dividend	=	<u>2,000,000</u>

### 7. TANGIBLE FIXED ASSETS

	Short Leasehold £	Plant & equipment £	Motor vehicles £	Total £
Cost				
At 16 May 1998	148,144	1,615,223	69,101	1,832,468
Transfers to Group undertaking	<u>(148,144)</u>	<u>(1,615,223)</u>	<u>(69,101)</u>	<u>(1,832,468)</u>
At 15 May 1999	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>
Depreciation				
At 16 May 1998	148,144	1,192,742	56,779	1,397,665
Transfers to Group undertaking	<u>(148,144)</u>	<u>(1,192,742)</u>	<u>(56,779)</u>	<u>(1,397,665)</u>
At 15 May 1999	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>
Net book amount at 15 May 1999	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>
Net book amount at 15 May 1998	<u>=</u>	<u>422,481</u>	<u>12,322</u>	<u>434,803</u>

### 8. STOCKS

	1999 £	1998 £
Raw materials and components	-	740,976
Work in progress	-	76,557
Finished goods and goods for resale	-	<u>114,819</u>
	<u>=</u>	<u>932,352</u>

# METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9. DEBTORS

	1999 £	1998 £
Trade debtors	-	1,577,110
Amounts due from Group undertaking	403,768	-
Other debtors	-	5,327
Prepayments	-	<u>206,717</u>
	<u>403,768</u>	<u>1,789,154</u>

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Bank overdraft	-	1,127,195
Trade creditors	-	1,156,229
Amounts owed to Group undertakings	-	-
Corporation tax	-	16,915
Social security and other taxes	-	65,767
Other creditors	-	12,296
Accruals and deferred income	-	<u>318,895</u>
	-	<u>2,697,297</u>

### 11. PROVISIONS FOR LIABILITIES AND CHARGES

	Other Provisions £
16 May 1998	66,094
Transfer to Group undertaking	<u>(66,094)</u>
At 15 May 1999	<u>-</u>

### 12. SHARE CAPITAL

	1999 and 1998 £
Authorised	
20,000 Ordinary shares of £1 each	20,000
1,000 'A' non-voting shares of £1 each	<u>1,000</u>
	<u>21,000</u>
Allotted, called up and fully paid	
12,000 ordinary shares of £1 each	12,000
245 'A' non-voting shares of £1 each	<u>245</u>
	<u>12,245</u>

**METRO PRODUCTS (ACCESSORIES & LEISURE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****13. PROFIT AND LOSS ACCOUNT**

£

At 15 May 1999 and 15 May 1998

391,523**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1999 £	1998 £
Profit/(loss) for the period	-	682,398
Dividends	-	(2,000,000)
Net decrease in shareholders' funds	-	(1,317,602)
Shareholders' funds at 16 May 1998	403,768	<u>1,721,370</u>
Shareholders' funds at 15 May 1999	<u>403,768</u>	<u>403,768</u>

**15. PENSIONS**

The Company contributed to the personal pension plans for certain former directors in the prior period only.

**16. LEASING COMMITMENTS**

Operating lease payments amounting to £Nil (1998: £339,063) are due within one year. The leases to which these amounts relate expire as follows:

	1999 Land and Buildings £	1999 Other £	1998 Land and buildings £	1998 Other £
In one year or less	-	-	-	5,063
Between one and five years	-	-	<u>334,000</u>	-
	-	-	<u>334,000</u>	<u>5,063</u>

**17. CONTROLLING RELATED PARTY**

The immediate and ultimate parent undertaking and controlling related party of this Company is H Young Holdings PLC. Copies of the Group accounts for H Young Holdings PLC can be obtained from The Company Secretary, H Young Holdings PLC, Dominion House, Kennetside, Newbury, Berks, RG14 5PX.

As a wholly owned subsidiary of H Young Holdings PLC, the Company is exempt from the requirement of FRS 8 to disclose transactions with other members of the Group headed by H Young Holdings PLC.