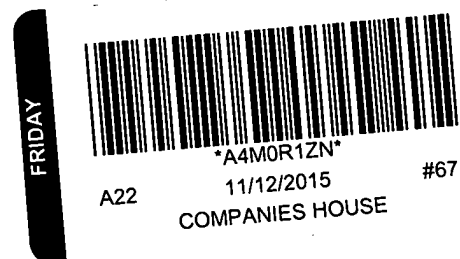


Bergstrom Holdings (Europe) Limited
CONSOLIDATED FINANCIAL STATEMENTS
for the period ended
3 January 2015



Company Registration No. 08365465

Bergstrom Holdings (Europe) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Rydell
S Boyle
A Potter
J Shaffer

REGISTERED OFFICE

41 Sycamore Close
Dyffryn Business Park
Ystrad Mynach
Mid Glamorgan
Wales
CF82 7RJ

AUDITORS

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Bergstrom Holdings (Europe) Limited

STRATEGIC REPORT

for the period from 29 December 2013 to 3 January 2015

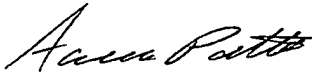
REVIEW OF THE BUSINESS

Trading was in line with expectations. Group turnover for the period was £8,956,007 and the net cash outflow from operating activities was £1,687,932. The group ended the year with cash of £199,110.

MATTERS OF STRATEGIC IMPORTANCE

The principal risks and uncertainties facing the group currently revolve around the future order book prospects, and the ability to balance income with expenditure. As such, all major manufacturers are forecasting a flat or modest upturn in 2015. We are in the middle stages of a prolonged recovery worldwide and there are still significant pressures on currency and commodities. Any order level stabilisation will be challenged by price inhibitors resulting in strained financial performance of the business.

On behalf of the board



A Potter
Director

Date: *Dec 4, 2015*

Bergstrom Holdings (Europe) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Bergstrom Holdings (Europe) Limited for the period from 29 December 2013 to 3 January 2015.

PRINCIPAL ACTIVITY

The principal activity of the group during the period was the manufacture of other parts and accessories for motor vehicles. The principal activity of the company was that of a holding company.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £971,256 (2013: £483,367). The directors have not recommended a dividend.

FUTURE DEVELOPMENTS

Trading continues in line with expectations. The directors are taking steps to reduce costs and to take advantage of new markets.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates and credit risk. The group's principal financial instruments comprise sterling cash, bank deposits and bank overdrafts together with trade debtors and trade creditors that arise directly from its operations. The main risks arising from the group's financial instruments can be analysed as follows.

Foreign currency risk

The group is exposed in its trading operations to the risk of changes in foreign currency exchange rates. As the group both buys and sells goods within Europe and the US, and has increased its level of overseas spend, the overall risk level has increased. The group manages its exposure to fluctuations in £ to \$ currency exchange rates by the use of forward exchange contracts to eliminate any uncertainty which would otherwise arise under these arrangements. The main foreign currencies in which the group operates are the Euro and the US dollar.

Credit risk

The group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the group's management based on prior experience and their assessment of the current economic environment. Insurance cover is also taken for major customers.

Cash flow interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a fixed rate. The interest rate on any bank overdraft is at market rate and the company's policy is to keep any overdraft within defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows.

RESEARCH AND DEVELOPMENT

The group undertakes research and development. Costs of £540,796 (2013: £468,486) were expensed to the profit and loss account during the period.

Bergstrom Holdings (Europe) Limited

DIRECTORS' REPORT *(continued)*

DIRECTORS

The directors who served the company during the period were as follows:

D Rydell
S Boyle
A Potter
J Shaffer

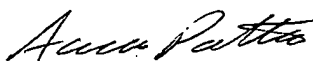
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

On behalf of the board



A Potter
Director

Date: Dec 4, 2015

Bergstrom Holdings (Europe) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BERGSTROM HOLDINGS (EUROPE) LIMITED

We have audited the group and parent company financial statements ("the financial statements") on pages 8 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 3 January 2015 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - contingent liability

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures in note 17 to the financial statements concerning the uncertain outcome of litigation over the amount to be paid for the acquisition by the group of the trade and assets of a business. The vendors are claiming that the purchase price is £590,790 more than what has been included in the financial statements. The ultimate outcome of the matter cannot presently be determined, and no provision in respect of the amount due from the vendors of £300,000 included in prepayments and accrued income nor for any additional liability that may result has been made in these financial statements. Any such adjustment would be set against the negative goodwill of £577,770 arising on acquisition of the business.

Emphasis of matter – going concern

In forming our opinion on the financial statements, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the ability of the company and group to continue as a going concern. The group is reporting a net loss of £971,256 for the period ended 3 January 2015 and, at that date, it had net liabilities of £1,400,782. A letter of support has been obtained from Bergstrom Inc., its parent undertaking, however this is not legally binding. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty about the group's and company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company and group were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
BERGSTROM HOLDINGS (EUROPE) LIMITED *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RSM UK Audit LLP

Thomas Morgan (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol BS1 6AD

Date: *10/12/15*

Bergstrom Holdings (Europe) Limited
PROFIT AND LOSS ACCOUNT
for the period from 29 December 2013 to 3 January 2015

		Period from 29 Dec 13 to 3 Jan 15	Period from 17 Jan 13 to 28 Dec 13
	<i>Notes</i>	£	£
GROUP TURNOVER	2	8,956,007	9,023,419
Cost of sales		(7,923,948)	(8,187,276)
Gross profit		1,032,059	836,143
Administrative expenses		(1,908,622)	(1,238,928)
OPERATING LOSS	3	(876,563)	(402,785)
Interest payable and similar charges	5	(90,198)	(80,582)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(966,761)	(483,367)
Taxation	6	(4,495)	—
LOSS FOR THE FINANCIAL PERIOD	20	(971,256)	(483,367)

The loss for the period arises from the group's continuing operations.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

Bergstrom Holdings (Europe) Limited

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the period from 29 December 2013 to 3 January 2015

	Period from 29 Dec 13 to 3 Jan 15 £	Period from 17 Jan 13 to 28 Dec 13 £
Loss for the financial period		
attributable to the shareholder of the parent company	(971,256)	(483,367)
Currency translation differences on foreign currency net investments	47,509	5,332
Total recognised gains and losses since the last financial statements	<u>(923,747)</u>	<u>(478,035)</u>

Bergstrom Holdings (Europe) Limited**GROUP BALANCE SHEET**

3 January 2015

	Notes	3 Jan 15 £	28 Dec 13 £
FIXED ASSETS			
Intangible assets:			
Negative goodwill	8	(144,662)	(192,883)
Other intangibles	8	96,645	136,292
		(48,017)	(56,591)
Tangible assets	9	1,148,416	1,608,158
		1,100,399	1,551,567
CURRENT ASSETS			
Stocks	11	1,851,071	1,792,630
Debtors due within one year	12	1,263,397	1,898,637
Cash at bank and in hand		199,110	755,232
		3,313,578	4,446,499
CREDITORS			
Amounts falling due within one year	13	(1,217,828)	(2,798,805)
NET CURRENT ASSETS		2,095,750	1,647,694
TOTAL ASSETS LESS CURRENT LIABILITIES		3,196,149	3,199,261
CREDITORS			
Amounts falling due after more than one year	14	(4,578,540)	(3,572,919)
PROVISIONS FOR LIABILITIES	15	(18,391)	(103,377)
NET LIABILITIES		(1,400,782)	(477,035)
CAPITAL AND RESERVES			
Called up share capital	19	1,000	1,000
Profit and loss account	20	(1,401,782)	(478,035)
SHAREHOLDER'S DEFICIT	21	(1,400,782)	(477,035)

The financial statements on pages 8 to 24 were approved by the board of directors and authorised for issue on *Dec 4, 2015* and are signed on their behalf by:

A. Potter
A Potter
Director

Bergstrom Holdings (Europe) Limited

BALANCE SHEET

3 January 2015

	Notes	3 Jan 15 £	28 Dec 13 £
FIXED ASSETS			
Investments	10	<u>1,252,191</u>	<u>1,252,191</u>
CURRENT ASSETS			
Debtors due within one year	12	160,227	356,004
Debtors due after one year	12	3,406,903	3,216,462
Cash at bank and in hand		<u>47,636</u>	<u>800</u>
		3,614,766	3,573,266
CREDITORS			
Amounts falling due within one year	13	<u>(227,768)</u>	<u>(1,230,391)</u>
NET CURRENT ASSETS		<u>3,386,998</u>	<u>2,342,875</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,639,189</u>	<u>3,595,066</u>
CREDITORS			
Amounts falling due after more than one year	14	<u>(4,578,540)</u>	<u>(3,572,919)</u>
NET ASSETS		<u>60,649</u>	<u>22,147</u>
CAPITAL AND RESERVES			
Called up share capital	19	1,000	1,000
Profit and loss account	20	<u>59,649</u>	<u>21,147</u>
SHAREHOLDER'S FUNDS		<u>60,649</u>	<u>22,147</u>

The financial statements on pages 8 to 24 were approved by the board of directors and authorised for issue on *Dec 4, 2015* and are signed on their behalf by:


A Potter
Director

Bergstrom Holdings (Europe) Limited
GROUP CASH FLOW STATEMENT
for the period from 29 December 2013 to 3 January 2015

		Period from 29 Dec 13 to 3 Jan 15 £	Period from 17 Jan 13 to 28 Dec 13 £
	<i>Notes</i>		
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	22	(1,687,932)	1,814,843
Returns on investments and servicing of finance	22	–	(80,582)
Taxation	22	(4,495)	–
Capital expenditure and financial investment	22	(97,552)	(212,018)
		(1,789,979)	1,522,243
Acquisitions and disposals	22	–	(4,340,930)
CASH OUTFLOW BEFORE FINANCING		(1,789,979)	(2,818,687)
Financing	22	1,265,721	3,573,919
(DECREASE)/INCREASE IN CASH IN THE PERIOD		(524,258)	755,232
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
		3 Jan 15 £	28 Dec 13 £
(Decrease)/increase in cash in the period		(524,258)	755,232
Net cash (inflow) from long-term amounts owed to group undertakings		(1,265,721)	(3,572,919)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	22	(1,789,979)	(2,817,687)
Translation differences		228,236	–
MOVEMENT IN NET DEBT IN THE PERIOD		(1,561,743)	(2,817,687)
Net debt at the beginning of the period	22	(2,817,687)	–
Net debt at the end of the period	22	(4,379,430)	(2,817,687)

Bergstrom Holdings (Europe) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 29 December 2013 to 3 January 2015

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

GOING CONCERN

The group is loss-making and has net liabilities and a deficit on shareholders' funds. The directors have received confirmation from the directors of the parent company that it will continue to support the group for the foreseeable future and ensure it has the necessary funds to meet third-party liabilities as and when they fall due. The directors have therefore prepared these financial statements on a going concern basis.

ACCOUNTING REFERENCE DATE

As permitted under Section 390 of the Companies Act 2006, the financial statements each year are drawn up to a date not more than seven days before or after the company's accounting reference date of 31 December, reflecting the calendar periods used by management to monitor and control the business. The respective period lengths are indicated in the column headings on the profit and loss account.

BASIS OF CONSOLIDATION

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to 3 January 2015. The results of subsidiaries sold or acquired are included in the profit and loss account up to or from the date control passes. All subsidiaries are accounted for using the acquisition method of accounting. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

TURNOVER

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year. Turnover is recognised on despatch of the goods or provision of the services.

RESEARCH AND DEVELOPMENT

Research and development expenditure is written off in the year in which it is incurred.

GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Negative goodwill arises when the fair value of the consideration for an acquired undertaking, or acquired trade and assets, is less than the fair value of the separable net assets. The amount up to the fair values of the non-monetary assets acquired is credited to the profit and loss account in the period in which those non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

Other intangible assets are initially recorded at cost.

Bergstrom Holdings (Europe) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 29 December 2013 to 3 January 2015

1 ACCOUNTING POLICIES *(continued)*

AMORTISATION

Amortisation is calculated so as to write off the cost of an intangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Negative goodwill	-	over the period in which the non-monetary assets acquired are utilised
Other intangibles	-	over 5-6 years on a straight line basis

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Short Leasehold Improvements	-	4% to 10% straight line basis
Plant & Machinery	-	10% to 33% straight line basis
Office Equipment	-	10% to 33% straight line basis

No depreciation is charged on assets under construction.

INVESTMENTS

Fixed asset investments are stated at cost. Provision is made for any impairment.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Bergstrom Holdings (Europe) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 29 December 2013 to 3 January 2015

1 ACCOUNTING POLICIES *(continued)*

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Assets, liabilities, and results of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Exchange differences arising are dealt with through reserves.

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.

WARRANTY PROVISIONS

Provision is made for liabilities arising in respect of expected warranty claims on warranties provided in conjunction with the sale of goods and services.

DEFERRED GOVERNMENT GRANTS

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	Period from 29 Dec 14 to 3 Jan 15	Period from 17 Jan 13 to 28 Dec 13
	£	£
Europe	<u>8,956,007</u>	<u>9,023,419</u>

Bergstrom Holdings (Europe) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 29 December 2013 to 3 January 2015

3 OPERATING LOSS

Operating loss is stated after charging/(crediting):

	Period from 29 Dec 13 to 3 Jan 15 £	Period from 17 Jan 13 to 28 Dec 13 £
Amortisation of negative goodwill	(48,221)	(384,887)
Amortisation of intangible assets	31,135	29,751
Depreciation of owned fixed assets	454,006	381,154
Net loss/(profit) on foreign currency translation	50,213	(34,329)
Operating lease charges: land and buildings	138,602	144,338
Operating lease charges: plant and machinery	28,003	31,103
Research and development expenditure written off	540,796	468,486
Auditor's remuneration for statutory audit of parent company and consolidation	7,000	5,500
Fees paid to auditor of subsidiary	<u>18,140</u>	<u>19,130</u>

The directors receive no specific emoluments in relation to their services for this group.

4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial period was:

	Period from 29 Dec 13 to 3 Jan 15 No	Period from 17 Jan 13 to 28 Dec 13 No
Number of production staff	37	33
Number of distribution staff	7	7
Number of administrative staff	<u>25</u>	<u>33</u>
	<u>69</u>	<u>73</u>

The aggregate payroll costs of the above were:

	Period from 29 Dec 13 to 3 Jan 15 £	Period from 17 Jan 13 to 28 Dec 13 £
Wages and salaries	1,707,013	1,594,644
Social security costs	<u>467,728</u>	<u>452,279</u>
	<u>2,174,741</u>	<u>2,046,923</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 29 Dec 13 to 3 Jan 15 £	Period from 17 Jan 13 to 28 Dec 13 £
On bank loans and overdrafts	-	2
Interest payable to parent company	<u>90,198</u>	<u>80,580</u>
	<u>90,198</u>	<u>80,582</u>

Bergstrom Holdings (Europe) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period from 29 December 2013 to 3 January 2015

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 29 Dec 13 to 3 Jan 15 £	Period from 17 Jan 13 to 28 Dec 13 £
Current tax:		
UK Corporation tax based on the results for the period at 21% (2013 - 23%)	-	-
Adjustment in respect of previous periods	4,495	-
Total current tax	<u>4,495</u>	<u>-</u>

There is no charge to UK corporation tax in the current period.

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 21% (2013 - 23%), as explained below.

	Period from 29 Dec 13 to 3 Jan 15 £	Period from 17 Jan 13 to 28 Dec 13 £
Loss on ordinary activities before taxation	<u>(966,761)</u>	<u>(483,367)</u>
Loss on ordinary activities by rate of tax	(203,020)	(111,174)
Effects of:		
Expenses not deductible	-	44,363
Utilisation of tax losses	4,620	-
Unrelieved tax losses	205,801	71,755
Adjustment in respect of previous periods	4,495	-
Group relief surrendered	2,898	-
Sundry tax adjusting items	<u>(10,299)</u>	<u>(4,944)</u>
Total current tax (note 6(a))	<u>4,495</u>	<u>-</u>

(c) Factors that may affect future tax charges

The main rate of corporation tax has been reduced to 20% from 1 April 2015.

7 LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £39,473 (2013: profit £21,496).

Bergstrom Holdings (Europe) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 29 December 2013 to 3 January 2015

8 INTANGIBLE FIXED ASSETS

Group	Negative goodwill £	Other intangibles £	Total £
Cost			
At 29 December 2013	(577,770)	166,043	(411,727)
Foreign exchange	—	(10,370)	(10,370)
At 3 January 2015	<u>(577,770)</u>	<u>155,673</u>	<u>(422,097)</u>
Amortisation			
At 29 December 2013	(384,887)	29,751	(355,136)
Charge for the period	(48,221)	31,135	(17,086)
Foreign exchange	—	(1,858)	(1,858)
At 3 January 2015	<u>(433,108)</u>	<u>59,028</u>	<u>(374,080)</u>
Net book value			
At 3 January 2015	<u>(144,662)</u>	<u>96,645</u>	<u>(48,017)</u>
At 28 December 2013	<u>(192,883)</u>	<u>136,292</u>	<u>(56,591)</u>

Negative goodwill arose on the acquisition of the trade and assets of Dirna, S.A. by the group's subsidiary, Dirna Bergstrom, S.L.U. on 7 February 2013.

9 TANGIBLE FIXED ASSETS

Group	Short Leasehold Improvements £	Plant & Machinery £	Office Equipment £	Total £
Cost				
At 29 December 2013	501,383	1,441,176	46,753	1,989,312
Additions	3,162	91,039	19,020	113,221
Disposals	—	(19,024)	(3,402)	(22,426)
Foreign exchange	(31,315)	(92,930)	—	(124,245)
At 3 January 2015	<u>473,230</u>	<u>1,420,261</u>	<u>62,371</u>	<u>1,955,862</u>
Depreciation				
At 29 December 2013	89,843	283,917	7,394	381,154
Charge for the period	94,014	351,210	8,782	454,006
On disposals	—	(3,795)	(114)	(3,909)
Foreign exchange	(5,611)	(17,732)	(462)	(23,805)
At 3 January 2015	<u>178,246</u>	<u>613,600</u>	<u>15,600</u>	<u>807,446</u>
Net book value				
At 3 January 2015	<u>294,984</u>	<u>806,661</u>	<u>46,771</u>	<u>1,148,416</u>
At 28 December 2013	<u>411,540</u>	<u>1,157,259</u>	<u>39,359</u>	<u>1,608,158</u>

Bergstrom Holdings (Europe) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 29 December 2013 to 3 January 2015

10 INVESTMENTS

Company	Shares in subsidiary undertakings £
Cost	
At 29 December 2013 and 3 January 2015	<u>1,252,191</u>
Net book value	
At 3 January 2015 and 28 December 2013	<u>1,252,191</u>

Shares in subsidiary undertakings reflect the company's interest in the entire ordinary issued share capital of Dirma Bergstrom, S.L.U., a company incorporated in Spain. The principal activity of Dirma Bergstrom, S.L.U. is the manufacture of parts and accessories for motor vehicles.

11 STOCKS

	3 Jan 15	Group 28 Dec 13	3 Jan 15	Company 28 Dec 13
	£	£	£	£
Stock	<u>1,851,071</u>	<u>1,792,630</u>	<u>-</u>	<u>-</u>

12 DEBTORS

	3 Jan 15	Group 28 Dec 13	3 Jan 15	Company 28 Dec 13
	£	£	£	£
Trade debtors	1,218,794	1,423,922	-	-
Amounts owed by group undertakings	21,512	-	3,567,130	3,572,466
Prepayments and accrued income	23,091	474,715	-	-
	<u>1,263,397</u>	<u>1,898,637</u>	<u>3,567,130</u>	<u>3,572,466</u>

The debtors above include the following amounts falling due after more than one year:

	3 Jan 15	Group 28 Dec 13	3 Jan 15	Company 28 Dec 13
	£	£	£	£
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>3,406,903</u>	<u>3,216,462</u>

13 CREDITORS amounts falling due within one year

	3 Jan 15	Group 28 Dec 13	3 Jan 15	Company 28 Dec 13
	£	£	£	£
Trade creditors	657,511	1,109,686	-	-
Amounts owed to group undertakings	330,189	1,467,601	227,768	1,230,391
Accruals and deferred income	230,128	221,518	-	-
	<u>1,217,828</u>	<u>2,798,805</u>	<u>227,768</u>	<u>1,230,391</u>

Bergstrom Holdings (Europe) Limited

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for the period from 29 December 2013 to 3 January 2015

14 CREDITORS amounts falling due after more than one year

	Group		Company	
	3 Jan 15	28 Dec 13	3 Jan 15	28 Dec 13
	£	£	£	£
Amounts owed to group undertakings	<u>4,578,540</u>	<u>3,572,919</u>	<u>4,578,540</u>	<u>3,572,919</u>

Amounts owed to group undertakings due after more than one year reflect finance provided by the parent company to finance the acquisition of the trade and assets of Dima, S.A. The loan bears interest at 2% above LIBOR. It is repayable, subject to the company's cash availability, from 7 February 2014 onwards and is fully repayable within five years of this date.

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Company	
	3 Jan 15	28 Dec 13	3 Jan 15	28 Dec 13
	£	£	£	£
Warranty provision:				
At start of period	103,377	-	-	-
Acquired with subsidiary	-	115,120	-	-
Utilisation in period	<u>(84,986)</u>	<u>(11,743)</u>	<u>-</u>	<u>-</u>
At end of period	<u>18,391</u>	<u>103,377</u>	<u>-</u>	<u>-</u>

The warranty provision is recognised for expected warranty claims on products sold during the last two years. It is expected that most of these costs will be incurred in the next financial year and all will have been incurred within two years of the balance sheet date.

16 COMMITMENTS UNDER OPERATING LEASES

At 3 January 2015 the group had annual commitments under non-cancellable operating leases as set out below.

Group	3 Jan 15		28 Dec 13	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	13,422	20,391	15,477	21,645
Within 2 to 5 years	<u>123,057</u>	<u>1,594</u>	<u>127,540</u>	<u>8,523</u>
	<u>136,479</u>	<u>21,985</u>	<u>143,017</u>	<u>30,168</u>

Bergstrom Holdings (Europe) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 29 December 2013 to 3 January 2015

17 CONTINGENT LIABILITY

The group's subsidiary, Dima Bergstrom, S.L.U., acquired the trade and assets of Dima, S.A. on 8 February 2013. The amount payable under the agreement was subject to adjustment by the amount that the assets acquired were greater or less than those assets as shown in the financial statements of Dima, S.A. as at 30 September 2012, using the same accounting policies at both dates to value the assets and liabilities acquired.

Dima Bergstrom, S.L.U. paid £4,640,930 when the agreement was signed, but now believes that the adjusted purchase price should be £4,340,930. This lower figure has been used as the cost of acquisition and the amount that has been overpaid of £300,000 has been included in prepayments and accrued income. The valuation of the assets and liabilities at 8 February 2013 is disputed by the vendors, Dima, S.A., who claim that the amount payable under the agreement should be £4,931,720.

The matter is currently subject to litigation. Whilst the directors are confident that the matter will be decided in their favour, the ultimate outcome cannot presently be determined and no provision for the liability of the difference of £590,790 has been included in these financial statements.

Should the purchase price be determined at more than the £4,340,930 currently used in these accounts, the negative goodwill arising of £577,770 would be reduced by the additional consideration and could become positive goodwill.

18 RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption in FRS 8 'Related Party Disclosures' and has not disclosed details of transactions or balances with wholly-owned entities within the group headed by its ultimate parent company.

19 SHARE CAPITAL

	3 Jan 15	28 Dec 13
	£	£
Allotted, called up and fully paid:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

20 RESERVES

Group	Profit and loss account £
Balance brought forward	(478,035)
Loss for the period	(971,256)
Foreign currency retranslation	<u>47,509</u>
Balance carried forward	<u>(1,401,782)</u>

Bergstrom Holdings (Europe) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 29 December 2013 to 3 January 2015

20 RESERVES *(continued)*

Company	Profit and loss account £
Balance brought forward	21,147
Loss for the period	(39,473)
Foreign currency retranslation	77,975
Balance carried forward	<u>59,649</u>

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	3 Jan 15 £	28 Dec 13 £
Loss for the financial period	(971,256)	(483,367)
New ordinary share capital subscribed	–	1,000
Foreign currency retranslation	47,509	5,332
Net reduction to shareholder's deficit	(923,747)	(477,035)
Opening shareholder's deficit	(477,035)	–
Closing shareholder's deficit	<u>(1,400,782)</u>	<u>(477,035)</u>

22 CASH FLOWS

RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	Period from 29 Dec 13 to 3 Jan 15 £	Period from 17 Jan 13 to 28 Dec 13 £
Operating loss	(876,563)	(402,785)
Amortisation	(17,086)	(355,136)
Depreciation	454,006	381,154
(Increase)/decrease in stocks	(175,526)	694,148
Decrease/(increase) in debtors	710,956	(700,412)
(Decrease)/increase in creditors	(1,702,828)	2,209,617
(Decrease)/increase in provisions	(80,891)	(11,743)
Net cash (outflow)/inflow from operating activities	<u>(1,687,932)</u>	<u>1,814,843</u>

ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW

Returns on investment and servicing of finance

	Period from 29 Dec 13 to 3 Jan 15 £	Period from 17 Jan 13 to 28 Dec 13 £
Interest paid	–	(80,582)
Net cash outflow from returns on investments and servicing of finance	<u>–</u>	<u>(80,582)</u>

Bergstrom Holdings (Europe) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 29 December 2013 to 3 January 2015

22 CASH FLOWS (continued)

Taxation

Period from 29 Dec 13 to 3 Jan 15	Period from 17 Jan 13 to 28 Dec 13
£	£
Taxation	
(4,495)	—

Capital expenditure

	Period from 29 Dec 13 to 3 Jan 15	Period from 17 Jan 13 to 28 Dec 13
	£	£
Payments to acquire tangible fixed assets	(116,626)	(212,018)
Receipts from sale of fixed assets	19,074	—
Net cash outflow from capital expenditure	<u>(97,552)</u>	<u>(212,018)</u>

Acquisitions and disposals

	Period from 29 Dec 13 to 3 Jan 15	Period from 17 Jan 13 to 28 Dec 13
	£	£
Acquisition of shares in group undertakings	—	(4,340,930)
Net cash outflow from acquisitions and disposals	<u>—</u>	<u>(4,340,930)</u>

Financing

	Period from 29 Dec 13 to 3 Jan 15	Period from 17 Jan 13 to 28 Dec 13
	£	£
Issue of equity share capital	—	1,000
Increase in long-term amounts owed to group undertakings	1,265,721	3,572,919
Net cash inflow from financing	<u>1,265,721</u>	<u>3,573,919</u>

ANALYSIS OF NET DEBT

	At 29 Dec 2013	Cash flows	Exchange movement	At 3 Jan 2015
	£	£	£	£
Cash in hand and at bank	755,232	(524,258)	(31,864)	199,110
Debt due after 1 year	(3,572,919)	(1,265,721)	260,100	(4,578,540)
Total	<u>(2,817,687)</u>	<u>(1,789,979)</u>	<u>228,236</u>	<u>(4,379,430)</u>

Bergstrom Holdings (Europe) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period from 29 December 2013 to 3 January 2015

23 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors regard Bergstrom Inc of 2390 Blackhawk Road, PO BOX 6007, Rockford, Illinois, 61125, a company registered in the United States of America, as the immediate and ultimate parent company. According to the register kept by the company, Bergstrom Inc has a 100% interest in the equity capital of Bergstrom Holdings (Europe) Limited at 3 January 2015. Bergstrom Inc heads the largest and smallest group in which the results of the company are consolidated. The financial statements of Bergstrom Inc are not publicly available. Bergstrom Inc is controlled by Mr D Rydell, who owns 100% of the issued share capital of that company.