

# **Britax Birmingham Limited**

## **Annual report for the year ended 31 December 1996**

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**Directors' report  
for the year ended 31 December 1996**

The directors present their report and the audited financial statements for the year ended 31 December 1996.

**Principal activities**

The company ceased trading on 19 October 1995 when its remaining business was sold to Vermeulen Hollandia BV. The company has not traded during 1996.

**Review of business**

The profit and loss account for the year is set out on page 4.

**Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend. The loss for the financial year of £66,921 will be transferred to reserves.

**Directors**

The directors of the company at 31 December 1996 all of whom (unless otherwise stated) have been directors for the whole of the year ended on that date, are listed below:

|              |                              |
|--------------|------------------------------|
| R E C Marton |                              |
| R Thorne     |                              |
| P Turnbull   | (appointed 23 April 1996)    |
| E T Jones    | (appointed 28 February 1997) |
| S D McCaslin |                              |

R E C Marton, R Thorne, P Turnbull and E T Jones are also directors of the ultimate parent company, BSG International plc.

**Directors' interests**

None of the directors had any beneficial interest, other than in the ordinary course of business, in any contract to which the company was a party during the year.

The directors of the ultimate parent undertaking disclose their interests in the share capital of BSG International plc in the financial statements of that company.

**Employee Participation**

It is the company's policy to meet at regular intervals with representatives of various sections of employees at which relevant information and developments are discussed.

**Directors' report  
for the year ended 31 December 1996 (continued)****Disabled persons**

The company gives equal consideration to all applicants for employment irrespective of any disability. If a person becomes disabled while employed by the company every endeavour is made to protect that person's position. Disabled persons have the same opportunities for training and career development as other employees with similar skills and abilities.

**Directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1996. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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

**Auditors**

Kidsons Impey resigned from office during the year. The company has appointed Coopers & Lybrand as auditors and elected to dispense with annual re-appointment of auditors. In the absence of a specific resolution Coopers & Lybrand will continue in office.

**By order of the board**



S D McCaslin  
for BSG Secretarial Services Limited  
**Company Secretary**  
4 April 1997

**Registered Office**  
Seton House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DE

## **Report of the auditors to the members of Britax Birmingham Limited**

We have audited the financial statements on pages 4 to 12.

### **Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

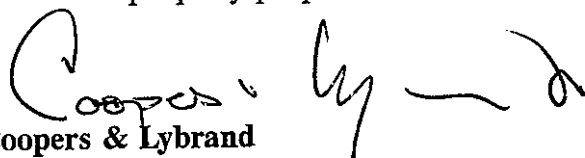
### **Basis of opinion**

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 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 the company's affairs at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Coopers & Lybrand

Chartered Accountants and Registered Auditors  
Birmingham  
4 April 1997

**Profit and loss account  
for the year ended 31 December 1996**

|   | Notes | 1996<br>£ | 1995<br>£   |
|---|-------|-----------|-------------|
| Turnover  | 2     | -         | 7,360,712   |
| Cost of sales   |       | -         | (7,751,773) |
|   |       | <hr/>     | <hr/>       |
| Gross loss  |       | -         | (391,061)   |
| Distribution costs                                      |       | -         | (431,536)   |
| Administrative expenses                                 |       | (61,729)  | (661,102)   |
|   |       | <hr/>     | <hr/>       |
| Operating loss  | 3     | (61,729)  | (1,483,699) |
| Loss on sale of business                                | 4     | -         | (2,028,863) |
| Interest payable  | 5     | -         | (340,597)   |
|   |       | <hr/>     | <hr/>       |
| Loss on ordinary activities before taxation             |       | (61,729)  | (3,853,159) |
| Taxation (charge)/credit on loss on ordinary activities | 8     | (5,192)   | 1,258,445   |
|   |       | <hr/>     | <hr/>       |
| Retained loss for the financial year                    | 13    | (66,921)  | (2,594,714) |
|   |       | <hr/>     | <hr/>       |

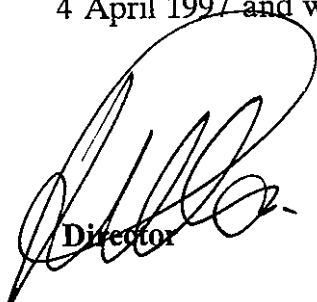
The loss before taxation relates wholly to discontinued operations.

The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

**Balance sheet  
at 31 December 1996**

|   | Notes | 1996<br>£          | 1995<br>£          |
|---|-------|--------------------|--------------------|
| <b>Current assets</b>                                 |       |                    |                    |
| Property awaiting sale                                | 9     | -                  | 750,000            |
| Debtors   | 10    | 62,921             | 1,456,484          |
|   |       | <u>62,921</u>      | <u>2,206,484</u>   |
| <b>Creditors: amounts falling due within one year</b> | 11    | (3,200,526)        | (5,277,168)        |
| <b>Net current liabilities</b>                        |       | <u>(3,137,605)</u> | <u>(3,070,684)</u> |
| <b>Net liabilities</b>                                |       | <u>(3,137,605)</u> | <u>(3,070,684)</u> |
| <b>Capital and reserves</b>                           |       |                    |                    |
| Called up share capital                               | 12    | 2,000,000          | 2,000,000          |
| Revaluation reserve                                   | 13    | -                  | 264,670            |
| Profit and loss account                               | 13    | (5,137,605)        | (5,335,354)        |
| <b>Equity shareholders' funds</b>                     | 14    | <u>(3,137,605)</u> | <u>(3,070,684)</u> |

The financial statements on pages 4 to 12 were approved by the board of directors on 4 April 1997 and were signed on its behalf by:



Director

REC MARTON

**Notes to the financial statements  
for the year ended 31 December 1996****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

**Changes in presentation of financial information**

FRS 8 "Related party disclosures" requires the disclosure of the details of material transactions between the reporting entity and any related parties. The new standard came into effect for all accounting periods commencing on or after 23 December 1995. Accordingly, the new disclosure requirements are dealt with in note 17.

**Deferred taxation**

Deferred taxation is calculated on the liability method in respect of timing differences between profits as stated in the financial statements and as computed for tax purposes. Where such timing differences are anticipated to continue for the foreseeable future no provision is made.

**Pensions**

The ultimate parent undertaking operates a number of defined benefit pension schemes for its employees. All the schemes are funded; liabilities are provided on a systematic basis over the period of employment of scheme members. Variations disclosed by actuarial valuations are spread over the average remaining service lives of current scheme members.

**Cash flow statement**

A cash flow statement has not been prepared because the company is a wholly owned subsidiary of BSG International plc within whose consolidated cash flow statement the cash flows of the company are included.

**Notes to the financial statements  
for the year ended 31 December 1996 (continued)**

**2 Turnover**

Turnover represents the invoiced value, excluding value added tax, of goods sold and services provided to customers.

The turnover and loss before taxation are attributable to the principal activities of the company, being the manufacture and distribution of accessories to the motor trade, and relates wholly to discontinued operations.

The analysis of turnover by geographical area is as follows:

|                          | 1996<br>£ | 1995<br>£        |
|--------------------------|-----------|------------------|
| United Kingdom           | -         | 1,943,959        |
| Other European countries | -         | 4,691,545        |
| Rest of the world        | -         | 725,208          |
|                          | <u>-</u>  | <u>7,360,712</u> |

**3 Operating loss**

|  | 1996<br>£ | 1995<br>£    |
|--|-----------|--------------|
| Operating loss is stated after charging: |           |              |
| Depreciation of tangible fixed assets    |           |              |
| Owned assets                             | -         | 386,213      |
| Loss on disposal of fixed assets         | -         | 584,725      |
| Auditors' remuneration                   |           |              |
| Audit                                    | 10,636    | -            |
| Operating lease rentals                  |           |              |
| Hire of plant and machinery              | -         | 1,345        |
|  | <u>-</u>  | <u>1,345</u> |

**4 Loss on sale of business**

|                                   | 1996<br>£ | 1995<br>£        |
|-----------------------------------|-----------|------------------|
| Renault Twingo Sunroof operations | -         | 763,365          |
| Cessation of remaining operations | -         | 1,265,498        |
|                                   | <u>-</u>  | <u>2,028,863</u> |



**Notes to the financial statements  
for the year ended 31 December 1996 (continued)**

**5 Interest payable**

|                | 1996<br>£ | 1995<br>£      |
|----------------|-----------|----------------|
| Finance leases | -         | 60,174         |
| Bank overdraft | -         | 280,423        |
|                | <u>-</u>  | <u>340,597</u> |
|                | <u>-</u>  | <u>340,597</u> |

**6 Employee information**

The average number of persons (including executive directors) employed by the company during the year was:

|                        | 1996<br>Number | 1995<br>Number |
|------------------------|----------------|----------------|
| By activity            |                |                |
| Production             | -              | 119            |
| Administration         | 4              | 7              |
| Sales and distribution | -              | 5              |
|                        | <u>4</u>       | <u>131</u>     |
|                        | <u>4</u>       | <u>131</u>     |

|                                     | 1996<br>£ | 1995<br>£        |
|-------------------------------------|-----------|------------------|
| Staff costs (for the above persons) |           |                  |
| Wages and salaries                  | -         | 1,576,782        |
| Social security costs               | -         | 152,129          |
| Pension costs (see note 16)         | -         | 15,590           |
|                                     | <u>-</u>  | <u>1,744,501</u> |
|                                     | <u>-</u>  | <u>1,744,501</u> |

**7 Directors' emoluments**

|   | 1996<br>£ | 1995<br>£      |
|---|-----------|----------------|
| Emoluments (including pension contributions and benefits in kind) | -         | 174,841        |
|   | <u>-</u>  | <u>174,841</u> |
|   | <u>-</u>  | <u>174,841</u> |

**Notes to the financial statements  
for the year ended 31 December 1996 (continued)**

**7 Directors' emoluments (continued)**

Fees and other emoluments (excluding pension contributions) include amounts paid to:

|                           | 1996<br>£  | 1995<br>£     |
|---------------------------|------------|---------------|
| The chairman              | <u>nil</u> | <u>nil</u>    |
| The highest paid director | <u>nil</u> | <u>82,545</u> |

The number of directors (including the chairman and the highest paid director) who received fees and other emoluments (excluding pension contributions) within the following ranges was:

|                   | 1996<br>Number | 1995<br>Number |
|-------------------|----------------|----------------|
| £0 - £5,000       | 4              | 4              |
| £40,001 - £45,000 | -              | 2              |
| £80,001 - £85,000 | -              | 1              |
|                   | <u>      </u>  | <u>      </u>  |

**8 Taxation on loss on ordinary activities**

|  | 1996<br>£    | 1995<br>£          |
|--|--------------|--------------------|
| United Kingdom corporation tax at 33% (1995: 33%): |              |                    |
| Current charge/(credit)                            | -            | (1,010,000)        |
| Deferred   | -            | (262,000)          |
| Under provision in respect of prior years:         |              |                    |
| Current  | <u>5,192</u> | <u>13,555</u>      |
|  | <u>5,192</u> | <u>(1,258,445)</u> |

**9 Property awaiting sale**

During the year the company transferred its freehold property to BSG International plc.

**Notes to the financial statements  
for the year ended 31 December 1996 (continued)**

**10 Debtors**

|                                     | 1996          | 1995             |
|-------------------------------------|---------------|------------------|
|                                     | £             | £                |
| Amounts falling due within one year |               |                  |
| Trade debtors                       | -             | 96,635           |
| Amounts owed by group undertakings  | -             | 17               |
| Corporation tax recoverable         | -             | 1,005,706        |
| Other debtors                       | 62,921        | 314,055          |
| Prepayments and accrued income      | -             | 40,071           |
|                                     | <u>62,921</u> | <u>1,456,484</u> |

**11 Creditors: amounts falling due within one year**

|                                   | 1996             | 1995             |
|-----------------------------------|------------------|------------------|
|                                   | £                | £                |
| Trade creditors                   | 14,259           | 149,925          |
| Amount owed to group undertakings | 3,075,476        | 5,016,564        |
| Accruals and deferred income      | 110,791          | 110,679          |
|                                   | <u>3,200,526</u> | <u>5,277,168</u> |

**12 Called up share capital**

|                                      | 1996             | 1995             |
|--------------------------------------|------------------|------------------|
|                                      | £                | £                |
| Authorised                           |                  |                  |
| 2,000,000 ordinary shares of £1 each | <u>2,000,000</u> | <u>2,000,000</u> |
| Allotted, called up and fully paid   |                  |                  |
| 2,000,000 ordinary shares of £1 each | <u>2,000,000</u> | <u>2,000,000</u> |

**Notes to the financial statements  
for the year ended 31 December 1996 (continued)**

**13 Reserves**

|   | Revaluation<br>reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£  |
|---|-----------------------------|---------------------------------|-------------|
| At 1 January 1996   | 264,670                     | (5,335,354)                     | (5,070,684) |
| Retained loss for the financial year                            | -                           | (66,921)                        | (66,921)    |
| Transfer from revaluation reserve to profit and<br>loss account | (264,670)                   | 264,670                         | -           |
| At 31 December 1996   | -                           | (5,137,605)                     | (5,137,605) |

**14 Reconciliation of movement in shareholders' funds**

|                             | 1996<br>£   | 1995<br>£   |
|-----------------------------|-------------|-------------|
| Opening shareholders' funds | (3,070,684) | (475,970)   |
| Loss for the financial year | (66,921)    | (2,594,714) |
| Closing shareholders' funds | (3,137,605) | (3,070,684) |

**15 Contingent liabilities**

The company has given a joint and several guarantee in respect of the ultimate parent undertaking's indebtedness to Barclays Bank plc.

**16 Pensions**

Pension costs have been assessed in accordance with advice received from the actuary to the schemes on the basis of reviews carried out for the purpose of Statement of Standard Accounting Practice No 24. Pension costs were assessed using the projected unit actuarial costing method based on assumptions including a long term rate of investment return on assets of 9% per annum, a general rate of increase in members' earnings 2% less than this figure, pension increases in accordance with the scheme rules and appropriate allowances for mortality, members leaving service and early retirements.

Actuarial valuations are carried out triennially and full details of the valuation at 31 March 1995 appear in the published financial statements of the ultimate parent undertaking.

**Notes to the financial statements  
for the year ended 31 December 1996 (continued)**

**17 Related party transactions**

There were no related party transactions disclosable under FRS8 (Related Party Disclosures).

**18 Ultimate and immediate parent undertakings**

The company's immediate parent company is Britax International Limited.

The company's ultimate parent company is BSG International plc.

Copies of the accounts of BSG International plc are available from The Secretary, Seton House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DE.