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Financial Statements

BRITAX WEATHERSHIELDS LIMITED

31st DECEMBER, 1985

KIDSONS

CHARTERED ACCOUNTANTS

A MEMBER FIRM OF DFK INTERNATIONAL

BRITAX WEATHERSHIELDS LIMITED

31st DECEMBER, 1985

BRITAX WEATHERSHIELDS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31st December, 1985.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £343,807. It is recommended that a dividend of £200,000 be paid and £143,807 be transferred to reserves.

REVIEW OF BUSINESS

The principal activities of the company continue to be the manufacture and distribution of accessories to the motor trade.

The turnover for the year at £8,187,189 was 21% higher than the previous year and the trading profit at £403,006 showed an increase of 58%. Profit on ordinary activities before taxation amounted to £343,807 compared with a profit of £132,944 in the previous year.

The directors consider the state of affairs of the company to be satisfactory.

RESEARCH AND DEVELOPMENT

Total expenditure on research and development in the year was £268,000 (1984 £226,939).

DIRECTORS

The following were directors of the company at 31st December, 1985:

Mr. T.C. Cannon)	Directors of B.S.G.
Mr. A.R. Starkey)	International plc
Mr. E.S. Ainsworth		
Mr. K.A. Bosonnet		
Mr. A. Parsonage		
Mr. T. Penny		
Mr. I.K. Showan		
Mr. H.J. McTernan		

Mr. H.J. McTernan and Mr. C. Gibbs were appointed as directors on 1st May, 1985. Mr. C. Gibbs resigned as a director on 19th December, 1985.

All the other directors served for the whole of the year.

In accordance with the Articles of Association none of the directors retire.

BRITAX WEATHERSHIELDS LIMITED

DIRECTORS' REPORT

DIRECTORS' SHAREHOLDINGS

None of the directors have any beneficial interest in the share capital of the company.

The beneficial interests of the directors in the shares of B.S.G. International plc (other than directors of that company) are set out below:

<u>Director</u>	Ordinary shares of 10p each	
	<u>1985</u>	<u>1984</u>
Mr. K.A. Bosonnet	16,000	Nil
Mr. I.K. Showan	16,835	16,835

The directors (other than directors of the parent company) holding options under the BSG International plc Executive Share Option 1985 is:

	Ordinary shares of 10p each	
	<u>1985</u>	<u>1984</u>
Mr. I.K. Showan	100,000	-
Mr. A. Parsonage	100,000	-

FIXED ASSETS

The movements in fixed assets during the year are set out in note 9 to the financial statements.

CLOSE COMPANY PROVISIONS

The company is not a close company within the meaning of the Income and Corporation Taxes Act 1970 as amended.

AUDITORS

The auditors, Messrs. Kidsons, Chartered Accountants, have intimated their willingness to continue in office, subject to the approval of the members in general meeting.

Registered Office:

180, Sherlock Street,
Birmingham,
B5 7EH

26th March, 1986

By Order *[Signature]* of the Board,

R. Thorne,

for B.S.G. Secretarial Services Limited,

Secretary.

REPORT OF THE AUDITORS TO THE MEMBERS OF
BRITAX WEATHERSHIELDS LIMITED

We have audited the financial statements on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention give a true and fair view of the state of the company's affairs at 31st December, 1985 and of its result for the year ended on that date and comply with the Companies Act 1985. The financial statements do not show the manner in which the operations of the company have been financed or in which its financial resources have been used during the year as required by Statement of Standard Accounting Practice No.10 as such information is of little value as a result of the parent company's financial structuring of its subsidiary companies.

BIRMINGHAM

26th March, 1986

KIDSONS,

Chartered Accountants

BRITAX WEATHERSHIELDS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31st DECEMBER, 19851984

	<u>Note</u>	<u>£</u>	<u>£</u>
TURNOVER	2	8,187,139	6,746,364
Cost of sales		(6,913,716)	(5,611,338)
GROSS PROFIT		1,273,473	1,135,026
Distribution costs		(401,977)	(411,044)
Administrative expenses		(468,490)	(469,496)
TRADING PROFIT		403,006	254,486
Interest payable	3	(59,199)	(121,542)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	343,807	132,944
Taxation	7	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		343,807	132,944
Dividends	8	(200,000)	-
RETAINED PROFIT FOR THE YEAR	14	143,807	132,944

Notes on financial statements - pages 6 to 11

BRITAX WEATHERSHIELDS LIMITED

BALANCE SHEET

31st DECEMBER, 19851984

	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS					
Tangible assets	9		694,549		754,396
CURRENT ASSETS					
Stocks	10	1,797,561		1,595,702	
Debtors	11	2,262,233		4,421,356	
Cash in hand and at bank		<u>2,250</u>		<u>404,618</u>	
		4,062,044		6,421,676	
CREDITORS					
Amounts falling due within one year	12	<u>(2,376,919)</u>		<u>(4,940,205)</u>	
NET CURRENT ASSETS			<u>1,685,125</u>		<u>1,481,471</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,379,674</u>		<u>2,235,867</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,050,000		1,050,000
Profit and loss account	14		<u>1,329,674</u>		<u>1,185,867</u>
			<u>2,379,674</u>		<u>2,235,867</u>

The financial statements were approved by the
Board of Directors on 26th March, 1986

T. C. Cannon

) Directors

A. R. Starkey

Notes on financial statements - pages 6 to 11

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1985

1. ACCOUNTING POLICIES

a. Basis of accounting

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

b. Depreciation

Depreciation is calculated on cost on a straight line basis to write off the relevant assets over their expected useful lives. The principal annual rates used are as follows:

Plant and machinery	10%
Vehicles	25%
Office equipment	10%
Freehold buildings	1%
Leasehold properties	Amortised over the unexpired portion of the lease.

c. Stocks

Stocks are stated at the lower of cost, including an appropriate proportion of production overheads, and net realisable value. Production tooling is written off over its estimated useful life and is included in stock at its written down value.

d. 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 it can be shown with reasonable probability that no such liability will become payable in the foreseeable future no provision is made.

e. Research and development

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

f. Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year and differences are taken to the profit and loss account.

2. TURNOVER

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

The turnover and profit before taxation is attributable to the principal activity of the company, being the manufacture and distribution of accessories to the motor trade, and analysis by geographical area is as follows:

	<u>1985</u>	<u>1984</u>
	£	£
United Kingdom	4,496,502	3,633,920
Other European Countries	3,313,410	2,890,518
Other Overseas Countries	377,277	221,926
	<u>8,187,189</u>	<u>6,746,364</u>

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1985

3. INTEREST PAYABLE	<u>1985</u>	<u>1984</u>
Interest payable on loans repayable within 5 years:	<u>£</u>	<u>£</u>
Parent company	59,199	121,542
	<u>=====</u>	<u>=====</u>
4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1985</u>	<u>1984</u>
Profit on ordinary activities before taxation is stated after charging:	<u>£</u>	<u>£</u>
Amortisation of lease	2,840	5,830
Depreciation	108,670	43,895
Directors' emoluments (see note 5)	123,869	95,825
Auditors' remuneration	6,413	6,037
Hire of plant and machinery	67,452	54,233
	<u>=====</u>	<u>=====</u>
and after crediting:		
Profit on sale of fixed assets	1,472	909
Foreign exchange currency gain	70,250	79,862
	<u>=====</u>	<u>=====</u>
	<u>1985</u>	<u>1984</u>
5. DIRECTORS' EMOLUMENTS	<u>£</u>	<u>£</u>
As directors	Nil	Nil
For management (including pension contributions)	123,869	95,825
Compensation for loss of office	6,490	-
	<u>=====</u>	<u>=====</u>
Emoluments, excluding pension contributions are analysed as follows:		
Chairman	Nil	Nil
	<u>=====</u>	<u>=====</u>
Highest paid director	33,305	32,850
	<u>=====</u>	<u>=====</u>
Number of other directors whose emoluments were within the ranges:	<u>Nos.</u>	<u>Nos.</u>
£0 - £5,000	2	3
£10,001 - £15,000	2	1
£15,001 - £20,000	1	-
£20,001 - £25,000	2	2

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1985

6. STAFF NUMBERS AND COSTS

- a. The average number of persons, including directors, employed by the company during the year was:

	<u>1985</u>	<u>1984</u>
Production	152	146
Sales and distribution	19	21
Administration	15	14
	<u>186</u>	<u>181</u>

- b. The aggregate costs of employment were as follows:

	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
Wages and salaries	1,489,927	1,287,817
Social security costs	151,182	148,914
Pension costs	21,347	23,431
	<u>1,662,456</u>	<u>1,460,162</u>

7. TAXATION

No taxation is chargeable on the profit for the year due to the tax losses brought forward.

8. DIVIDENDS

	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
Ordinary shares	200,000	-

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS

31st DECEMBER, 1985

9. TANGIBLE ASSETS	Land and Buildings			Plant, Machinery Equipment and Motor Vehicles	Total
	Freehold	Leasehold Short	Long		
Cost:	£	£	£	£	£
1st January, 1985	205,000	143,280	168,115	626,179	1,142,574
Additions	-	-	-	68,846	68,846
Disposals	-	-	-	(12,523)	(12,523)
Inter-company transfers	-	(143,280)	-	177,637	34,357
31st December, 1985	205,000	-	168,115	860,139	1,233,254
Depreciation:					
1st January, 1985	3,300	9,438	6,213	369,227	388,178
Charge for year	1,650	-	2,840	107,020	111,510
Disposals	-	-	-	(11,398)	(11,398)
Inter-company transfers	-	(9,438)	-	59,853	50,415
31st December, 1985	4,950	-	9,053	524,702	538,705
Net book value:					
31st December, 1985	200,050	-	159,062	335,437	694,549
31st December, 1984	201,700	133,842	161,902	256,952	754,396

The properties were transferred from a fellow subsidiary company in 1981.
These had been previously revalued in 1978.

If the properties had not been revalued they would have been included at the following amounts:

	Freehold Property	Leasehold Property
	£	£
Cost at 31st December, 1984	85,885	112,680
Disposal	-	34,559
Depreciation	2,577	3,981
Net book value at 31st December, 1985	83,308	74,148
Net book value at 31st December, 1984	84,167	108,982

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS
31st DECEMBER, 1985

	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
10. STOCKS		
Raw materials	736,650	581,456
Work in progress	170,024	197,247
Finished products	619,396	635,260
Production tooling	271,491	181,739
	<u>1,797,561</u>	<u>1,595,702</u>
	<u> </u>	<u> </u>
11. DEBTORS	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Trade debtors	659,942	424,176
Amounts owed by fellow subsidiaries	1,464,089	3,931,657
Other debtors including taxes	70,583	39,199
Prepayments	67,619	26,324
	<u>2,262,233</u>	<u>4,421,356</u>
Total debtors	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
12. CREDITORS	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Trade creditors	815,686	553,019
Amount owed to holding company	1,142,439	4,047,854
Amounts owed to fellow subsidiaries	143,877	161,357
Other creditors including taxes and social security	95,542	69,656
Accruals	179,375	108,319
	<u>2,376,919</u>	<u>4,940,205</u>
Total creditors	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	<u>Authorised</u>	<u>Issued and Fully Paid</u>
	<u>£</u>	<u>£</u>
13. CALLED UP SHARE CAPITAL (1985 and 1984)		
Ordinary shares of £1 each	1,250,000	1,050,000
	<u> </u>	<u> </u>

BRITAX WEATHERSHIELDS LIMITED
NOTES ON FINANCIAL STATEMENTS
31st DECEMBER, 1985

	<u>Profit and Loss Account</u>
14. RESERVES	<u>£</u>
Balance 1st January, 1985	1,185,867
Retained profit for the year	<u>143,807</u>
Balance 31st December, 1985	<u><u>1,329,674</u></u>
14. POTENTIAL LIABILITY FOR DEFERRED TAX	
The potential liability in respect of accelerated capital allowances is covered by taxation losses carried forward.	
15. TRANSACTIONS INVOLVING DIRECTORS	
Directors' interest in contracts	
No director has had any beneficial interest in any material contract to which the company was a party.	
16. CAPITAL COMMITMENTS	
Capital expenditure authorised up to 31st December, 1985 but not provided in these financial statements amounted to £20,983 (1984 £373,394) in respect of which contracts for £3,325 (1984 £85,754) had been placed.	
17. CONTINGENT LIABILITIES	
The company has given a joint and several guarantee secured by a fixed first charge on its book and other debts in respect of the holding company's indebtedness to Barclays Bank PLC.	
18. ULTIMATE HOLDING COMPANY	
The company is a direct subsidiary of B.S.G. International plc, a company incorporated in England	