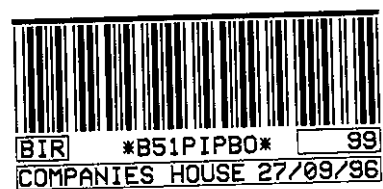


BRITAX VEGA LIMITED
REPORT AND FINANCIAL STATEMENTS
31 December 1995
Registered number 945580



BRITAX VEGA LIMITED

DIRECTORS' REPORT

31 December 1995

The directors present their annual report and the financial statements for the year ended 31 December 1995.

Results and dividends

The loss for the year after taxation amounted to £1,478,161. It is recommended that no dividend be paid and that the loss of £1,478,161 be transferred to reserves.

Review of business

The principal activity of the company continues to be the manufacture of vehicle lighting equipment and its associated tooling, and other motor accessories.

The turnover for the year at £23,019,680 was 6% higher than the previous year. The loss on ordinary activities before taxation amounted to £2,352,853 compared with a profit of £495,859 in the previous year.

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

Fixed assets

The movements in tangible fixed assets during the year are set out in the notes to the financial statements.

Directors

The following were directors of the company at 31 December 1995

| | |
|-----------------|-----------------------|
| R.E.C. Marton |) Directors of B.S.G. |
| A.R. Starkey |) International plc |
| P.I.F. Anderson | |
| A.M. Reid | |
| P.J. Inglis | |
| A.F. Peck | |
| T. Wilkins | |
| K. Worrall | |

On 3 July 1995 Mr. K. Worrall was appointed as a director of the company.

On 21 July 1995 Mr. R.H. Metcalf resigned as a director of the company.

On 31 October 1995 Mr. B.L. Amey resigned as a director of the company and Mr. A.R. Starkey was appointed in his place.

On 1 January 1996 Mr. S.P. Cornick was appointed as a director of the company.

On 16 February 1996 Mr. T. Wilkins resigned as a director of the company.

BRITAX VEGA, LIMITED

DIRECTORS' REPORT

31 December 1995

(continued)

Directors' shareholdings

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

The directors of the ultimate parent undertaking disclose their interest in the share capital of B.S.G. International plc in the financial statements of that company.

The interests of the remaining directors in the shares of B.S.G. International plc are as follows:

| Beneficial interest | 31 December 1995 Ordinary shares of 10p each | 31 December 1994 Ordinary shares of 10p each |
|---------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| A.F. Peck | 15,643 | 15,643 |
| Options held under the B.S.G. International plc Executive Share Option Scheme 1985 | | |
| P.I.F. Anderson | 100,000 | 100,000 |
| Options held under the B.S.G. International plc Savings Related Share Option Scheme 1988 | | |
| P.I.F. Anderson | 5,440 | 5,440 |
| P.J. Inglis | 5,440 | 5,440 |
| A.F. Peck | 3,626 | 3,626 |
| T. Wilkins | 7,244 | 7,244 |

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.

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.

BRITAX VEGA LIMITED

DIRECTORS' REPORT

31 December 1995
(continued)

Officers' insurance

The company has purchased and maintained insurance to cover its officers against liabilities in relation to their duties to the company.

Auditors

The company has elected to dispense with the annual re-appointment of auditors and in the absence of a specific resolution to the contrary Kidsons Impey will continue in office.

Registered Office

Seton House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DE

By order of the board



S.D. McCaslin

for B.S.G. Secretarial Services Limited

Secretary

28 March 1996

BRITAX VEGA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 December 1995

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

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

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates
- follow applicable accounting standards.

They are also responsible:

- for ensuring that the company keeps adequate accounting records
- to the company for safeguarding the company's assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRITAX VEGA LIMITED

AUDITORS' REPORT

Auditors' report to the shareholders of Britax Vega Limited

We have audited the financial statements on pages 6 to 16 which have been prepared under the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 4 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.

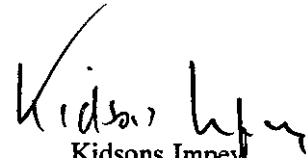
Basis of opinion

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 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Kidsons Impey

Registered Auditors

Chartered Accountants

Birmingham

28 March 1996

BRITAX VEGA LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1995

| | Note | 1995 £ | 1994 £ |
|-------------------------------------------------------------|------|--------------|--------------|
| Turnover | 2 | 23,019,680 | 21,737,775 |
| Cost of sales | | (21,539,391) | (18,417,438) |
| Gross profit | | 1,480,289 | 3,320,337 |
| Distribution costs | | (1,258,916) | (719,854) |
| Administrative expenses | | (1,502,871) | (1,518,510) |
| Operating (loss)/profit | 3 | (1,281,498) | 1,081,973 |
| Interest payable | 4 | (1,071,355) | (586,114) |
| (Loss)/profit on ordinary activities before taxation | | (2,352,853) | 495,859 |
| Taxation | 6 | 874,692 | (131,131) |
| Retained (loss)/profit for the year | 13 | (1,478,161) | 364,728 |

BRITAX VEGA LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

31 December 1995

There are no recognised gains or losses other than the loss for the year of £1,478,161 (1994 profit £364,728).

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 1995 £ | 1994 £ |
|-----------------------------|------------------|------------------|
| (Loss)/profit for the year | (1,478,161) | 364,728 |
| Opening shareholders' funds | 7,044,037 | 6,679,309 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 5,565,876 | 7,044,037 |
| | <hr/> | <hr/> |

BRITAX VEGA LIMITED

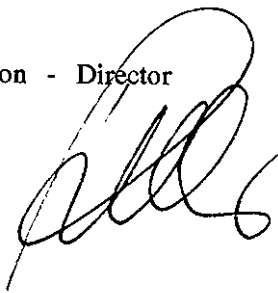
BALANCE SHEET

at 31 December 1995

| | Note | 1995 £ | 1994 £ |
|-------------------------------------------------------|------|---------------------|---------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 11,895,622 | 7,996,185 |
| Current assets | | | |
| Stocks | 8 | 1,856,396 | 1,101,788 |
| Debtors | 9 | 8,378,284 | 14,175,604 |
| Cash at bank and in hand | | <u>6,495</u> | <u>8,559</u> |
| | | 10,241,175 | 15,285,951 |
| Creditors: amounts falling due within one year | 10 | <u>(15,110,921)</u> | <u>(15,128,099)</u> |
| Net current (liabilities)/assets | | <u>(4,869,746)</u> | <u>157,852</u> |
| Total assets less current liabilities | | 7,025,876 | 8,154,037 |
| Provision for liabilities and charges | | | |
| Deferred tax | 11 | <u>(1,460,000)</u> | <u>(1,110,000)</u> |
| | | <u>5,565,876</u> | <u>7,044,037</u> |
| Capital and reserves (equity) | | | |
| Called up share capital | 12 | 25,200 | 25,200 |
| Profit and loss account | 13 | <u>5,540,676</u> | <u>7,018,837</u> |
| Total shareholders' funds | | <u>5,565,876</u> | <u>7,044,037</u> |

The financial statements on pages 6 to 16 were approved by the board of directors on 28 March 1996

R.E.C. Marton - Director



BRITAX VEGA LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

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 | 10 |
| Office equipment | 10 |
| Computer equipment | 20 - 33.33 |
| Tooling | 33.33 |

Stocks

The basis of valuation is the lower of cost and estimated realisable value. Cost includes materials, direct labour and production overheads where appropriate.

Leases

Assets held under finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the term of the lease, including any secondary period, and the useful economic life based upon the depreciation policies above. The obligation to pay future rentals is included in creditors net of interest charges allocated to future periods. The finance charge element of rentals is calculated on the reducing balance of capital outstanding and charged to the appropriate accounting period through the profit and loss account.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

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.

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.

BRITAX VEGA LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

1 Principal accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No.1 as it is a wholly owned subsidiary undertaking and the ultimate parent undertaking publishes consolidated financial statements which include a consolidated cash flow statement.

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 activity of the company, being the manufacture of vehicle lighting equipment and its associated tooling and other motor accessories and relate wholly to continuing operations.

| | 1995 £ | 1994 £ |
|-----------------------------------------------------------------|-------------------|-------------------|
| An analysis of turnover by geographical location is as follows: | | |
| United Kingdom | 10,529,006 | 13,662,652 |
| Other European countries | 11,252,443 | 7,578,179 |
| Rest of the World | <u>1,238,231</u> | <u>496,944</u> |
| | <u>23,019,680</u> | <u>21,737,775</u> |

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging

Depreciation of tangible fixed assets

| | | |
|---------------------------------------------|------------------|------------------|
| - Owned assets | 1,439,815 | 1,224,882 |
| - Assets held under hire purchase contracts | <u>-</u> | <u>80,698</u> |
| | <u>1,439,815</u> | <u>1,305,580</u> |

Loss on sale of tangible fixed assets

Auditors' remuneration

| | | |
|------------------|--------|--------|
| - Audit fees | 21,630 | 19,585 |
| - Other services | 900 | 875 |

Operating lease rentals

| | | |
|-------------------------------|----------------|----------------|
| - Hire of plant and machinery | 712,181 | 641,305 |
| - Motor vehicles | 71,437 | 62,279 |
| - Land and buildings | <u>575,100</u> | <u>534,810</u> |

BRITAX VEGA LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1995
(continued)

| 4 | Interest payable | 1995 £ | 1994 £ |
|---|--------------------------------------------------------------------|--------------------------|--------------------------|
| | Interest payable on loans repayable within 5 years | | |
| | Bank overdraft | 1,040,230 | 304,767 |
| | Group companies | 18,092 | 275,506 |
| | Finance leases and other | <u>13,033</u> | <u>5,841</u> |
| | | 1,071,355 | 586,114 |
| | | <u><u> </u></u> | <u><u> </u></u> |
| 5 | Directors and employees | | |
| | Staff costs including directors' emoluments | | |
| | Wages and salaries | 6,656,475 | 5,516,058 |
| | Social security costs | 619,247 | 509,038 |
| | Pension costs | <u>89,619</u> | <u>47,035</u> |
| | | 7,365,341 | 6,072,131 |
| | | <u><u> </u></u> | <u><u> </u></u> |
| | Average number of persons employed including executive directors | Number | Number |
| | Production | 407 | 362 |
| | Sales and distribution | 9 | 8 |
| | Administration | <u>45</u> | <u>41</u> |
| | | 461 | 411 |
| | | <u><u> </u></u> | <u><u> </u></u> |
| | Directors' emoluments | £ | £ |
| | For management | 274,777 | 270,988 |
| | | <u><u> </u></u> | <u><u> </u></u> |
| | Emoluments excluding pension contributions are analysed as follows | | |
| | Chairman | Nil | Nil |
| | | <u><u> </u></u> | <u><u> </u></u> |
| | Highest paid director | 61,960 | 68,947 |
| | | <u><u> </u></u> | <u><u> </u></u> |
| | Directors' emoluments were within the ranges | Number | Number |
| | £0 - £5,000 | 3 | 2 |
| | £20,000 - £25,000 | 2 | - |
| | £25,001 - £30,000 | - | 1 |
| | £35,001 - £40,000 | 3 | 1 |
| | £40,001 - £45,000 | 1 | 2 |
| | £45,001 - £50,000 | - | 1 |
| | £60,001 - £65,000 | 1 | - |
| | £65,001 - £70,000 | - | 1 |

BRITAX VEGA LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1995
(continued)

| | | | | |
|----------|----------------------------------------|-------------------------------|-------------------|-------------------|
| 6 | Taxation | | 1995 | 1994 |
| | | | £ | £ |
| | The taxation (credit)/charge comprises | | | |
| | U.K. corporation tax at 33% (1994 33%) | | (1,220,000) | 13,000 |
| | Deferred tax | | 350,000 | 118,000 |
| | Prior year's adjustment | | | |
| | - corporation tax | | (4,692) | 20,131 |
| | - deferred tax | | <u>-</u> | <u>(20,000)</u> |
| | | | <u>(874,692)</u> | <u>131,131</u> |
| 7 | Tangible fixed assets | | | |
| | | Assets in the | Plant and | Total |
| | | course of construction | vehicles | |
| | | £ | £ | £ |
| | Cost | | | |
| | 1 January 1995 | - | 15,439,891 | 15,439,891 |
| | Additions | 3,669,196 | 1,676,155 | 5,345,351 |
| | Disposals | <u>-</u> | <u>(19,949)</u> | <u>(19,949)</u> |
| | 31 December 1995 | <u>3,669,196</u> | <u>17,096,097</u> | <u>20,765,293</u> |
| | Depreciation | | | |
| | 1 January 1995 | - | 7,443,706 | 7,443,706 |
| | Charge for the year | - | 1,439,815 | 1,439,815 |
| | Disposals | <u>-</u> | <u>(13,850)</u> | <u>(13,850)</u> |
| | 31 December 1995 | <u>-</u> | <u>8,869,671</u> | <u>8,869,671</u> |
| | Net book amount | | | |
| | 31 December 1995 | <u>3,669,196</u> | <u>8,226,426</u> | <u>11,895,622</u> |
| | 31 December 1994 | <u>-</u> | <u>7,996,185</u> | <u>7,996,185</u> |

The net book amount of plant and vehicles includes £Nil (1994 £47,528) in respect of assets held under finance leases.

BRITAX VEGA LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

| 8 | Stocks | 1995 £ | 1994 £ |
|----|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| | Raw materials | 323,748 | 311,825 |
| | Work in progress | 1,076,092 | 591,679 |
| | Finished stocks | <u>456,556</u> | <u>198,284</u> |
| | | 1,856,396 | 1,101,788 |
| | | <u><u> </u></u> | <u><u> </u></u> |
| 9 | Debtors | | |
| | Trade debtors | 3,253,352 | 4,368,052 |
| | Amounts owed by ultimate parent undertaking | - | 7,353,255 |
| | Amounts owed by fellow subsidiary undertakings | 250,148 | 22,562 |
| | Corporation tax recoverable | 1,220,000 | - |
| | Other debtors | 203,344 | 113,183 |
| | Prepayments | 205,059 | 393,572 |
| | Accrued income - customer tooling | <u>3,246,381</u> | <u>1,924,980</u> |
| | | 8,378,284 | 14,175,604 |
| | | <u><u> </u></u> | <u><u> </u></u> |
| | Included within accrued income - customer tooling above is an amount of £546,567 (1994 £Nil) which is due after more than one year. | | |
| 10 | Creditors: amounts falling due within one year | | |
| | Bank overdraft | 6,992,311 | 10,011,380 |
| | Trade creditors | 6,511,524 | 4,116,873 |
| | Amount owed to ultimate parent undertaking | 467,092 | - |
| | Amounts owed to fellow subsidiary undertakings | 79,931 | 157,643 |
| | Corporation tax payable | - | 13,000 |
| | Finance lease obligations | - | 23,891 |
| | Other taxes and social security | 319,805 | 161,442 |
| | Accruals | <u>740,258</u> | <u>643,870</u> |
| | | 15,110,921 | 15,128,099 |
| | | <u><u> </u></u> | <u><u> </u></u> |

BRITAX VEGA LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995
(continued)

11 Deferred tax

The deferred tax liability at 31 December 1995 arising on timing differences, calculated on the liability method at 33 % (1994 33 %) is as follows:

| | 1995 | | 1994 | |
|---------------------------------|--------------------------|----------------------|--------------------------|----------------------|
| | Potential liability £ | Amount provided £ | Potential liability £ | Amount provided £ |
| Accelerated capital allowances | 1,389,000 | 1,389,000 | 1,047,000 | 1,047,000 |
| Other timing differences | 71,000 | 71,000 | 63,000 | 63,000 |
| Industrial buildings allowances | <u>(857,000)</u> | <u>-</u> | <u>(904,000)</u> | <u>-</u> |
| | 603,000 | 1,460,000 | 206,000 | 1,110,000 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

12 Called up share capital (1995 and 1994)

| | Authorised £ | Issued and fully paid £ |
|----------------------------|-----------------|----------------------------|
| Ordinary shares of £1 each | 50,000 | 25,200 |
| | <u> </u> | <u> </u> |

13 Profit and loss account

| | £ |
|-----------------------------|--------------------|
| Balance at 1 January 1995 | 7,018,837 |
| Retained loss for the year | <u>(1,478,161)</u> |
| Balance at 31 December 1995 | <u>5,540,676</u> |

14 Transactions involving directors

Directors' interest in contracts

No director, either during or at the end of the financial year, was materially interested in any significant contract to which the company was a party.

BRITAX VEGA LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

15 Capital commitments

Capital expenditure authorised up to 31 December 1995 but not provided in these financial statements amounted to £Nil (1994 £109,570) in respect of which contracts for £Nil (1994 £98,580) had been placed.

16 Leasing obligations

a Obligations under finance lease and hire purchase contracts were repayable as follows

| | 1995 £ | 1994 £ |
|-----------------|-----------|-----------|
| Within one year | - | 23,891 |

b Financial commitments under operating leases will result in the following payments falling due in the year to 31 December 1996

| Date of lease expiry | Land and buildings £ | Plant and vehicles £ |
|-----------------------|----------------------------|----------------------------|
| 1996 | - | 63,669 |
| 1997 | - | 39,168 |
| 1998 - 2000 | - | 208,513 |
| After 2000 | <u>575,150</u> | <u>-</u> |
| Total payable in 1996 | <u>575,150</u> | <u>311,350</u> |

17 Contingent liabilities

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

The company has given a guarantee to The Royal Bank of Scotland plc in respect of deferred duty payable to H.M. Customs & Excise for an amount not to exceed £20,000.

BRITAX VEGA LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1995

(continued)

18 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 of all schemes 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.

19 Immediate and intermediate parent undertaking

The company is a wholly owned subsidiary of Britax Technical Services Limited, which itself is a wholly owned subsidiary of an intermediate parent undertaking Britax International Limited.

20 Ultimate parent undertaking

The ultimate parent undertaking is B.S.G. International plc, a company incorporated in England. The ultimate parent undertaking is a publicly quoted company and copies of its published accounts are available from Seton House, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DE.