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SLAZENGERS LIMITED

31 December 1984

Price Waterhouse



SLAZENGERS LIMITED

DIRECTORS' REPORT

The directors submit their report together with the audited accounts of Slazengers Limited for the year ended 31 December 1984.

The directors during the year were:

JE Barrett
RE McCowen
FF Picken
B Waters

Mr FF Picken resigned as a director of the company on 31 December 1984.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

This remains the sale of sports requisites.

On 1 January 1984 the business assets and liabilities of the company were transferred to its parent company, Dunlop Slazenger International Limited. The company will continue to manage and conduct the business in its own name, but as agent for and for the account of Dunlop Holdings plc. The company has not traded during the year.

DIRECTORS' INTERESTS

Except as stated below none of the Directors had an interest at the beginning or end of 1984 in the shares in a debentures of Dunlop Holdings plc or any of its subsidiaries.

	<u>1. January 1984</u>	<u>31 December 1984</u>
FF Picken - Ordinary shares in Dunlop Holdings plc	266	266

AUDITORS

Ernst & Whinney resigned as company auditors on 14 November 1984, and subsequently Price Waterhouse accepted the appointment as auditors. Price Waterhouse have indicated that they will not seek re-appointment at the Annual General Meeting, and a resolution to appoint Ernst & Whinney as auditors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

B Waters
Secretary

30 April 1985

Challenge House
Mitcham Road
Croydon
Surrey CR9 3AU

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF SLAZENGERS LIMITED

We have audited the accounts on pages 3 to 10 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1984 and of its results for the year then ended and comply with the Companies Acts 1948 to 1981.

Price Waterhouse

Chartered Accountants
London

30 April 1985

SLAZENGERS LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF RESERVES
FOR THE YEAR ENDED 31 DECEMBER 1984

	<u>Notes</u>	<u>1984</u> <u>£000s</u>	<u>1983</u> <u>£000s</u>
TURNOVER	2	-	31,651
Materials and services	3	-	(30,572)
Employee costs	4	-	(1,812)
Depreciation		-	(108)
LOSS BEFORE FINANCING CHARGES		-	(841)
Financing charges	6	-	1,170
LOSS ON ORDINARY ACTIVITIES BEFORE TAX		-	(2,011)
TAX ON LOSS ON ORDINARY ACTIVITIES	7	-	(63)
LOSS ON ORDINARY ACTIVITIES AFTER TAX		-	(1,948)
Extraordinary items after tax	8	-	(237)
LOSS FOR THE FINANCIAL YEAR		-	(2,185)

SLAZENGERS LIMITED

BALANCE SHEET - 31 DECEMBER 1984

	<u>Notes</u>	<u>1984</u> £000s	<u>1983</u> £000s
FIXED ASSETS			
Tangible assets	9	-	1,265
Investments	15	60	60
		<u>60</u>	<u>1,325</u>
CURRENT ASSETS			
Stocks	18	-	324
Debtors	12	-	6,294
Cash at bank and in hand		-	704
		<u>-</u>	<u>7,322</u>
CREDITORS: amounts falling due within one year	13	<u>(1,230)</u>	<u>9,817</u>
NET CURRENT LIABILITIES		<u>(1,230)</u>	<u>(2,495)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,170)</u>	<u>(1,170)</u>
CAPITAL AND RESERVE			
Called up share capital	15	904	904
Revaluation reserve	16	-	935
Profit and loss account	16	(2,074)	(3,009)
		<u>(1,170)</u>	<u>(1,170)</u>

Approved by the Board on 30 April 1985

B WATERS)

) DIRECTORS

C M DOWLE)

SLAZENGERS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1984

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention.

(b) Deferred taxation

Provision is made for deferred taxation only to the extent that a liability could arise in the foreseeable future.

(c) Exchange rates

At the year end, assets and liabilities in foreign currencies are expressed in sterling at the rate of exchange then ruling.

(d) Research and development

Expenditure on research and development is charged to profit and loss account in the year in which it is incurred except for expenditure on fixed assets which is written off over their expected useful lives.

2 TURNOVER

Turnover comprises invoice value of sales of sports requisites exclusive of VAT.

3 MATERIALS AND SERVICES

	1984 £000	1983 £000
Raw materials and consumables	-	22,971
Auditors' remuneration	-	25
Other operating charges	-	7,497
Decrease in stocks of finished goods	-	258
Other operating income	-	(184)
Loss on disposal of fixed assets	-	5
	-	30,572

SLAZENGERS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1984 (Continued)

4 EMPLOYEES

	<u>1984</u> £000	<u>1983</u> £000
Employee costs comprise:		
Wages and salaries	-	1,533
Social security costs	-	184
Other pension costs	-	95
	<u>-</u>	<u>1,812</u>

The above includes directors' remuneration of nil (1983 £77,000)

5 DIRECTORS' REMUNERATION

Excluding pension contributions

	<u>1984</u> £000	<u>1983</u> £000
Chairman	-	3
Highest paid director	-	20

Other directors emoluments fall within the following ranges:

£ 0 - £ 5,000	-	2
£ 5,001 - £10,000	-	1
£15,001 - £20,000	-	3

6 FINANCING CHARGES

	<u>1984</u> £000	<u>1983</u> £000
Interest payable	-	1,050
Other charges	-	120
	<u>-</u>	<u>1,170</u>

7 TAXATION

	<u>1984</u> £000	<u>1983</u> £000
Adjustment in respect of prior years	-	(63)

SLAZENGERS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1984 (Continued)

8 EXTRAORDINARY ITEMS

	<u>1984</u> <u>£000s</u>	<u>1983</u> <u>£000s</u>
Provision against investments	-	(184)
Special pension contribution	-	(43)
Write off of goodwill	-	(10)
	<u>-</u>	<u>(237)</u>

9 TANGIBLE FIXED ASSETS

	<u>Freehold property</u> <u>£'000</u>	<u>Plant & machinery</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Cost of or valuation			
31 December 1983	1,101	364	1,465
Inter group transfers	(1,101)	(364)	(1,465)
31 December 1984	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated depreciation			
31 December 1983	33	167	200
Inter group transfers	(33)	(167)	(200)
31 December 1984	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
31 December 1983	1,068	197	1,265
31 December 1984	<u>-</u>	<u>-</u>	<u>-</u>

SLAZENGERS LIMITED

10 INVESTMENTS

At 31 December 1984 Slazengers Limited held shares in the following subsidiary companies;

	<u>Description of shares held</u>	<u>Proportion of nominal value of issued shares</u>
Litesome Sportswear Limited	Ordinary	100%
Gradidges Limited	Ordinary	100%
William Sykes Limited	Ordinary	100%
Ayres Sports Goods Limited	Ordinary	100%

As this company is a wholly owned subsidiary of a company incorporated in Great Britain, no group accounts are submitted.

In the opinion of the directors, the value of the company's investments in its subsidiaries is not less than the amount at which they are included in the balance sheet.

	<u>1984 £000</u>	<u>1983 £000</u>
Shares at cost	981	981
Less: amounts written off	(921)	(921)
	<u>£60</u>	<u>£60</u>

11 STOCKS

All stock represents finished goods and goods for re-sale.

12 DEBTORS

	<u>1984 £000</u>	<u>1983 £000</u>
Trade debtors	-	4,809
Amounts owed by fellow subsidiary companies	-	766
Amounts owed by subsidiary companies	-	226
Prepayments and accrued income	-	493
	<u>-</u>	<u>6,294</u>

SLAZENGERS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1984 (CONTINUED)

13 CREDITORS

Amounts falling due within one year:

Trade creditors

Amounts owed to holding company and fellow subsidiaries

Amounts owed to subsidiary companies

Taxation

Social security costs

Other creditors

Accruals and deferred income

<u>1984</u>	<u>1983</u>
-	1,049
1,230	7,749
-	62
-	287
-	32
-	561
-	77
<u>1,230</u>	<u>9,817</u>

14 DEFERRED TAXATION

There is no potential deferred taxation liability.

15 SHARE CAPITAL

	<u>Authorised</u>		<u>Issued & fully paid</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
			£	£
Ordinary shares of 25p each	3,800,000	3,800,000	904,000	904,000

16 RESERVES

	<u>Profit and loss</u>	<u>Revaluation</u>	<u>Total</u>
	<u>account</u>	<u>Reserve</u>	<u>Total</u>
	£'000s	£'000s	£'000s
At 31 December 1983	(3,009)	935	(2,074)
Realised on transfer of assets	935	(935)	-
	<u>(2,074)</u>	<u>-</u>	<u>(2,074)</u>

SLAZENGERS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1984 (CONTINUED)

17 CONTINGENT LIABILITIES

The company, Dunlop Holdings plc and certain of its UK subsidiaries, and Dunlop International AG have jointly and severally given guarantees, in support of which the company, Dunlop Holdings plc and certain of its UK subsidiaries have created fixed and floating charges over their respective undertakings and all their properties and assets present and future, book debts and uncalled capital and Dunlop International AG has charged and pledged its stocks, shares and other securities, securing:

- i) Loans and short term facilities to Dunlop Holdings plc and its UK subsidiaries of £288 million.
- ii) The preferred shares of Dunlop Curacao NV as to capital, premium and dividend amounting to £15 million.

There are no other contingent liabilities at 31 December 1984. (1983 discounted bills £32,984; bank guarantees £4,287; pension scheme commitments of £176,000).

18 HOLDING COMPANY

The company's ultimate holding company at 31 December 1984 was Dunlop Holdings plc which is incorporated in England. On 28 March 1985 Dunlop Holdings plc became a subsidiary of BTR plc which is incorporated in England.