

116 000
18

SLAZENGERS LIMITED
REPORT AND ACCOUNTS
for the year ended
31ST DECEMBER 1980



DIRECTORS' REPORT

The directors submit the audited accounts for the year ended 31st December 1980.

DIRECTORS

The following are the directors who held office during the year:

J.E. Barrett
R.E. Birch (resigned 7th May 1980)
R.E. Hadingham, O.B.E., M.C. T.D. (Chairman)
R. Marsh (resigned 7th May 1980)
R.E. McCowen (appointed 8th July 1980)
I.D. Peacock
F.F. Picken

Mr. R.E. McCowen retires and, being eligible, offers himself for re-election.

Mr. I.D. Peacock and Mr. F.F. Picken retire by rotation and, being eligible, offer themselves for re-election.

PRINCIPAL ACTIVITY

This remains the distribution of sports goods.

FINANCIAL RESULTS

	£'000
Profit for the year after taxation	70
Proposed dividend	-
	<hr/>
Revenue reserve brought forward	70
	758
	<hr/>
Revenue reserve carried forward	828
	<hr/>

EXPORTS

During the year exports from the United Kingdom amounted to £7,170,000 (1979 - £6,871,000).

DIRECTORS' INTERESTS

Except as stated below, none of the directors holding office at 31st December 1980 had an interest during the year in the shares or debentures of Dunlop Holdings Limited, or any of its subsidiaries.

	<u>At 1st January 1980</u>	<u>At 31st December 1980</u>
F.F. Picken		
Dunlop Holdings Limited		
Ordinary Shares	266	266

SLAZENGERS LIMITED

2.

DIRECTORS' REPORT

AUDITORS

A resolution will be submitted at the forthcoming annual general meeting that Dearden Farrow, Chartered Accountants, be reappointed as auditors.

Challenge House,
Mitcham Road,
Croydon, Surrey.

27th March 1981

By order of the Board of
SLAZENGERS LIMITED

B. WATERS

Secretary

**REPORT OF THE AUDITORS
TO THE MEMBERS OF SLAZENGERS LIMITED**

We have audited the accounts set out on pages 4 to 10 in accordance with approved Auditing Standards.

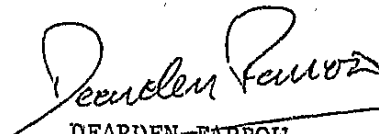
The investment in the wholly owned subsidiary William Sykes Limited, is carried in the company's books at its cost of £129,275.

The subsidiary does not trade and has net assets which in our opinion have a realisable value of not less than their book value of £59,855 but not equal to the sum of £129,275.

With the foregoing reservation, in our opinion the said accounts, which have been prepared under the historical cost convention apart from the revaluation of the freehold property, give a true and fair view of the state of affairs at 31st December 1980 and of the profit and the source and application of funds for the year ended on that date, and comply with the Companies Acts 1948 to 1980.

London

16th March 1981



DEARDEN-FARROW

Chartered Accountants

SLAZENGERS LIMITED

4.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1980

	<u>Notes</u>	<u>1980</u> <u>£'000</u>	<u>1979</u> <u>£'000</u>
TURNOVER	2	19,960	18,589
OPERATING PROFIT	3	305	544
Add:			
Dividend receivable from subsidiary company		-	47
PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM		305	591
Taxation	5	235	268
PROFIT BEFORE EXTRAORDINARY ITEM		70	323
Extraordinary item	6	-	(150)
PROFIT AFTER EXTRAORDINARY ITEM		70	173
Proposed dividend		-	323
PROFIT/(LOSS) RETAINED		70	(150)
Revenue reserve brought forward		758	908
REVENUE RESERVE CARRIED FORWARD		828	758

SLAZENGERS LIMITED

5.

BALANCE SHEET AS AT 31ST DECEMBER 1980

	Notes	1980 £'000	1979 £'000
FIXED ASSETS	7	315	315
GOODWILL		10	10
INVESTMENT IN SUBSIDIARIES	8	673	978
CURRENT ASSETS			
Inventories		338	351
Debtors		4,063	4,193
Amounts owing by holding company and fellow subsidiaries		246	302
Cash in hand		301	33
		<u>4,948</u>	<u>4,879</u>
CURRENT LIABILITIES			
Creditors and provisions		1,392	732
Bank overdrafts		200	56
Amounts owing to holding company and fellow subsidiaries		1,218	2,204
Taxation (group relief payable)		1,361	1,162
Proposed dividend		-	323
		<u>4,171</u>	<u>4,477</u>
NET CURRENT ASSETS		777	402
NET ASSETS		<u>1,775</u>	<u>1,705</u>
Financed by:			
SHARE CAPITAL	9	904	904
RESERVES			
Capital reserve		43	43
Revenue reserve		828	758
		<u>871</u>	<u>801</u>
		<u>1,775</u>	<u>1,705</u>




I.D. PEACOCK)
J.E. BARRETT) DIRECTORS

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 1980

	<u>1980</u>		<u>1979</u>	
	£'000	£'000	£'000	£'000
OPERATING PROFIT		305		544
Items not involving the use of funds:				
Reduction in valuation of investments	-		(150)	
Depreciation	54		47	
Revaluation of overseas fixed assets	5		2	
		<u>59</u>		<u>(101)</u>
		364		443
OTHER SOURCES OF FUNDS				
Dividends from subsidiary	-		47	
Disposal and transfer of fixed assets	12		13	
		<u>12</u>		<u>60</u>
FUNDS GENERATED		376		503
APPLICATION OF FUNDS				
Dividends paid	323		232	
Purchase and transfer of fixed assets	71		55	
Taxation paid	36		220	
		<u>430</u>		<u>507</u>
		<u>(54)</u>		<u>(4)</u>
(DECREASE) IN WORKING CAPITAL				
(Decrease)/increase in stock	(13)		133	
(Decrease)/increase in debtors	(130)		921	
Net increase/(decrease) in subsidiary, fellow subsidiary and holding company indebtedness	625		(1,387)	
(Increase)/decrease in creditors	(660)		208	
		<u>(178)</u>		<u>(115)</u>
MOVEMENT IN LIQUID FUNDS				
Increase in cash	268		28	
(Increase)/decrease in overdrafts	(144)		93	
		<u>124</u>		<u>121</u>
		<u>(54)</u>		<u>(4)</u>

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The following are the more important accounting policies adopted by the company.

(a) Accounting convention

The accounts have been prepared under the historical cost convention apart from the revaluation of the freehold property.

(b) Fixed assets

Fixed assets are stated at cost or valuation. Depreciation is provided at such rates as will write off the cost less the residual value of the various assets over the period of their estimated useful lives, namely:

Freehold properties	27 years
Vehicles	4 years
Plant	5 - 10 years

(c) Inventories

Inventories, representing finished goods, have been valued at the lower of cost and net realisable value.

(d) Exchange rates

Assets and liabilities in foreign currencies are expressed in sterling at the rate of exchange ruling at the year end.

2. TURNOVER

Turnover represents sales less deductions for trade and cash discounts.

3. OPERATING PROFIT

This is stated after charging:

	<u>1980</u>	<u>1979</u>
	£'000	£'000
Depreciation	54	47
Auditors' remuneration	20	21
Directors' remuneration:		
Management emoluments including		
pension contributions	47	31
Fees	-	1
Interest payable	21	10

NOTES TO THE ACCOUNTS

4. DIRECTORS' REMUNERATION excluding pension contributions

	<u>1980</u> £'000	<u>1979</u> £'000
Chairman	3	3
Highest paid director	16	14
The number of other directors whose emoluments fell within the range:		
Nil to £ 5,000	3	3
£ 5,001 to £10,000	1	1
£10,001 to £15,000	1	-

5. TAXATION based on the profit of the year

	<u>1980</u> £'000	<u>1979</u> £'000
Corporation tax at 52%	235	264
Less: Relief on foreign taxation	(13)	(28)
Foreign tax	13	31
Prior year adjustment	-	1
	<u>235</u>	<u>268</u>

Losses will be surrendered within the Group under the provisions of the Income and Corporation Taxes Act 1970.

6. EXTRAORDINARY ITEM

The cost of the company's investment in its wholly owned subsidiary, Slazengers Incorporated, has been totally written off.

7. FIXED ASSETS

	Freehold properties (valuation) £'000	Plant machinery and equipment (cost) £'000	Total £'000
Cost or valuation:			
1st January 1980	236	316	552
Additions	5	66	71
Disposals	-	(59)	(59)
Transfers from/(to) group companies	-	(41)	(41)
Exchange adjustments	-	(16)	(16)
	<u>241</u>	<u>266</u>	<u>507</u>
Accumulated depreciation:			
1st January 1980	47	190	237
Depreciation charge	9	45	54
Disposals	-	(51)	(51)
Transfers from/(to) group companies	-	(37)	(37)
Exchange adjustments	-	(11)	(11)
	<u>56</u>	<u>136</u>	<u>192</u>

SLAZENGERS LIMITED

9.

NOTES TO THE ACCOUNTS7. FIXED ASSETS (Continued)

	Freehold properties (valuation) £'000	Plant machinery and equipment (cost) £'000	Total £'000
Net book value:			
31st December 1980	185	130	315
31st December 1979	189	126	315

The freehold properties were professionally valued in 1974 at £225,000.
Other fixed assets are stated at cost.

8. INVESTMENT IN SUBSIDIARIES

	1980 £'000	1979 £'000
Shares at cost	563	563
Less: Amount written off Slazengers Incorporated	250	250
Current accounts including dividends since declared	313	313
Amounts owing to subsidiaries	421 (61)	726 (61)
	673	978

At the 31st December 1980 Slazengers held shares in the following subsidiary companies:

	Country of incorporation other than Great Britain	Description of shares held	Proportion of nominal value of issued shares
Litesome Sportswear Limited		Ordinary	100%
Gradidges Limited		Ordinary	100%
William Sykes Limited		Ordinary	100%
Ayres Sports Goods Limited		Ordinary	100%
Slazengers Incorporated	U.S.A.	Common Stock	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.

9. SHARE CAPITAL

	1980	1979
Authorised:		
3,800,000 ordinary shares of 25p each	£950,000	£950,000
Issued and fully paid:		
3,616,000 ordinary shares of 25p each	£904,000	£904,000

SLAZENGERS LIMITED

10.

NOTES TO THE ACCOUNTS

10. DEFERRED TAXATION

No provision for deferred taxation is included in the balance sheet as it is considered that no part of the potential liabilities will become payable in the foreseeable future. The potential liabilities are set out below. The rate of tax assumed is 52% or 30% in the case of the chargeable gains which would arise if revalued properties were to be sold at balance sheet values.

	<u>1980</u>	<u>1979</u>
	£'000	£'000
Accelerated capital allowances	15	17
Property revaluation	8	8
Other timing differences	(11)	(20)
	<u>12</u>	<u>5</u>

11. CONTINGENT LIABILITIES

There are contingent liabilities in respect of discounted bills receivable of £33,000 and bank guarantees of £53,000.

12. HOLDING COMPANY

The company's ultimate holding company is Dunlop Holdings Limited which is incorporated in Great Britain.