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BRITISH EVER READY LIMITED

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REPORT AND ACCOUNTS  
SEPTEMBER 28, 1985

ARTHUR YOUNG  
CHARTERED ACCOUNTANTS  
LUTON



BRITISH EVER READY LIMITED

NOTICE IS HEREBY GIVEN that the Annual General Meeting of British Ever Ready Limited will be held at the registered office of the company at Ever Ready House, 93 Burleigh Gardens, Southgate, London N14 5AQ at 10.00am on June 26, 1986, for the following business:

Resolutions

1. To consider and adopt the report of the directors and the accounts for the year ended September 28, 1985.
2. To declare a dividend.
3. To re-elect a director.
4. To re-appoint as auditors Arthur Young
5. To authorise the directors to fix the remuneration of the auditors.

BY ORDER OF THE BOARD

A.W. SWAN

Secretary

Ever Ready House,  
93 Burleigh Gardens,  
Southgate,  
London.  
N14 5AQ

May 30, 1986

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies who need not be members of the company to attend and, on a poll, vote instead of him/her.

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended September 28, 1985. The comparative figures are for the year ended September 29, 1984.

Results and dividends

	£'000	1985 £'000	£'000	1984 £'000
Net profit on ordinary activities		6,313		10,746
Extraordinary items (net)		(351)		1,046
		-----		-----
		5,962		11,792
Paid interim ordinary dividend	322		-	
Proposed final ordinary dividend	14,400	(14,722)	6,608	(6,608)
	-----	-----	-----	-----
Retained (loss)/profit for the financial year		(8,760)		5,184
		=====		=====

Review of the business

The company's principal activity during the year was as the holding company for a group of battery and electrical accessory manufacturing and selling companies.

Fixed assets

The changes in fixed assets during the year are summarised in the notes to the accounts.

Taxation

As detailed in note 7 tax assessments have been agreed in principle with Her Majesty's Inspector of Taxes which have hitherto been in dispute, the final liabilities however have yet to be agreed.

Future developments

The company intends to continue in its present sphere of activity.

Directors and their interests

The directors during the year were:

A.G.L. Alexander	
R.S. Fulford	(Chairman and Chief Executive)
D.J. Snowdon	
Maj. Gen. J.D.B. Smith	(resigned July 31, 1985).
R.R. Rowles	(resigned April 30, 1986).
D.J. Benny	(appointed July 2, 1985).

R.S. Fulford will retire by rotation and, being eligible, offers himself for re-election.

DIRECTORS' REPORT  
(continued)

The beneficial interests at September 28, 1985 of the directors who are not also directors of the ultimate holding company are shown below. Their interests at September 29, 1984 or at date of appointment are shown in brackets:

Hanson Trust PLC				
	Ordinary shares	Share options	9 3/4% convertible stock 2001/06	Convertible preference shares
R.S. Fulford	- (-)	507,374 (285,000)	- (-)	- (-)
R.R. Rowles	88,147 (-)	157,562 (135,000)	- £(18,624)	- (-)
D.J. Snowdon	56,812 (37,875)	187,574 (75,000)	- (-)	- (-)
D.J. Benny	2,100 (1,900)	161,437 (157,500)	- (-)	200 (-)

On January 14, 1986 interests in ordinary shares of Hanson Trust PLC were increased by a capitalisation issue of one new share for every three held and share options were increased in the same ratio. Since taking up the capitalisation issue Mr Rowles sold 33,750 ordinary shares.

There have been no other changes in the above interests in the period September 29, 1985 to April 30, 1986.

BRITISH EVER READY LIMITED

3.

DIRECTORS' REPORT

(continued)

Close company

The company is not a close company within the provisions of the Income and Corporation Taxes Act, 1970.

Auditors

A resolution to reappoint Arthur Young as auditors will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

  
A.W. SWAN

Secretary

Ever Ready House  
93 Burleigh Gardens,  
Southgate,  
London  
N14 5AQ

May 19, 1986

REPORT OF THE AUDITORS TO THE MEMBERS OF  
BRITISH EVER READY LIMITED

We have audited the accounts on pages 5 to 16 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at September 28, 1985 and of its results and source and application of funds for the year then ended and comply with the Companies Act 1985.



ARTHUR YOUNG

May 19, 1986

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED SEPTEMBER 28, 1985

	Notes	£'000	1985 £'000	1984 £'000
Other operating income	3		960	5,866
Staff costs	4	837		955
Depreciation		23		20
Other operating charges	5	9,576		675
Management charges payable		1,878		2,507
			12,314	4,157
Operating (loss)/profit	2		(11,354)	1,709
Income from investments in group companies		18,222		10,208
Interest receivable		3		9
Interest payable	6	(558)		(1,181)
			17,667	9,036
Profit on ordinary activities before taxation			6,313	10,745
Taxation	7		-	1
Profit on ordinary activities after taxation			6,313	10,746
Extraordinary items	8		(351)	1,046
Profit for the financial year			5,962	11,792
Dividends	9		(14,722)	(6,608)
Retained (loss)/profit for the financial year			£(8,760)	£ 5,184

## STATEMENT OF RETAINED PROFITS

Balance brought forward	47,569	42,385
Retained (loss)/profit for the financial year	(8,760)	5,184
Balance carried forward	38,809	47,569

The notes on pages 8 to 16 form part of these accounts

BALANCE SHEET AT SEPTEMBER 28, 1985

	<u>Notes</u>	£'000	<u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
Fixed assets:				
Tangible assets	10		85	38
Investments:	11			
Investments in subsidiaries		34,101		36,592
Other investments		6		5
			34,107	36,597
			34,192	36,635
Current assets:				
Debtors	12	69,991		80,733
Cash at bank and in hand		513		848
		70,504		81,581
Creditors: amounts falling due within one year	13	28,708		33,088
Net current assets			41,796	48,493
Total assets less current liabilities			75,988	85,128
Creditors: amounts falling due after more than one year:				
Loan capital	14		1,381	1,381
Other creditors			48	843
			1,429	2,224
			74,559	82,904
Provision for liabilities and charges:				
Future taxation	15		9,714	9,299
			£64,845	£73,605
Capital and reserves:				
Called up share capital	16		17,030	17,030
Share premium account			9,006	9,006
Profit and loss account			38,809	47,569
R.S. FULFORD )				
) Directors				
D.J. BENNY )				
May 19, 1986			£64,845	£73,605

The notes on pages 8 to 16 form part of these accounts



STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED SEPTEMBER 28, 1985

	£'000	1985 £'000	1984 £'000
Source of funds:			
Profit on ordinary activities before taxation		6,313	10,745
Extraordinary items		(351)	1,046
		<u>5,962</u>	<u>11,791</u>
Adjustment for items not involving the movement of working capital:			
(Profit) on sale of related company		-	(463)
Loss/(profit) on disposal of tangible fixed assets		2	(5)
Extraordinary depreciation		-	13
Ordinary depreciation		23	20
Deferred taxation		-	-
Provisions against subsidiaries		2,391	(10,665)
		<u>8,378</u>	<u>691</u>
Total funded from operations			
Funds from other sources:			
Proceeds of disposal of tangible fixed assets		11	127
Proceeds of sale of related company		-	699
Proceeds of disposal of subsidiary investment		100	-
		<u>8,489</u>	<u>1,517</u>
Application of funds:			
Dividends paid	8,830	-	-
Purchase of tangible fixed assets	83	30	30
Tax paid	1	12	12
Purchase of investments	1	-	-
		<u>(8,915)</u>	<u>(42)</u>
Working capital - (decrease)/increase		£ (426)	£ 1,475
Components of (decrease)/increase in working capital:			
Debtors		(10,742)	15,962
Creditors		10,651	(14,806)
		<u>(91)</u>	<u>1,156</u>
Movement in net liquid funds:			
Bank and cash		(335)	319
		<u>£ (426)</u>	<u>£ 1,475</u>

The notes on pages 8 to 16 form part of these accounts

NOTES TO THE ACCOUNTS AT SEPTEMBER 28, 1985

Events relating to the year ended September 28, 1985, which occurred before the date of approval of the accounts by the board of directors, have been included in the accounts to the extent that it is required by Statement of Standard Accounting Practice No. 17.

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention.

Group accounts

No group accounts have been prepared as the company is a wholly owned subsidiary of a company incorporated in Great Britain.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Motor vehicles - 25% p.a.  
Office machinery - 20% p.a.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences except for those which are not expected to reverse in the foreseeable future. Advance corporation tax paid and payable is set off against corporation tax liabilities where such set off is expected to be available; in other cases it is charged against the profits. (See note 15).

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Differences arising are reflected in the profit and loss account.

NOTES TO THE ACCOUNTS AT SEPTEMBER 28, 1985  
(continued)2. Operating (loss)/profit

	1985 £'000	1984 £'000
(a) (Loss)/profit is stated after charging:		
Directors' remuneration (see below)	219	201
Auditors' remuneration	19	33
Loss/(profit) on foreign currency	48	(14)
	===	===
(b) Directors' remuneration:		
Fees	2	2
Other emoluments (including pension contributions)	198	180
Payments to former directors and dependants of former directors	19	19
	===	===
	219	201
	===	===
Five directors waived emoluments totalling £9,488 (1984 - Four directors waived £9,000)		
Emoluments of the chairman (excluding pension contributions)	99	100
	===	===
The emoluments (excluding pension contributions) of the other directors fell with'n the ranges:		
	No.	No.
£ Nil - £ 5,000	3	4
£10,001 - £15,000	1	-
£55,001 - £60,000	1	-
£60,001 - £65,000	-	1

## (c) Senior employees:

Six employees (1984 Three) received remuneration over £30,000 during the year, falling within the ranges below:

	No.	No.
£30,001 - £35,000	1	1
£35,001 - £40,000	3	1
£40,001 - £45,000	-	1
£45,001 - £50,000	1	-
£55,001 - £60,000	1	-

NOTES TO THE ACCOUNTS AT SEPTEMBER 28, 1985  
(continued)

3. <u>Other operating income</u>	<u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
Release of net provision no longer required on investments held.	-	5,184
Other income	960	682
	<u>£ 960</u>	<u>£5,866</u>

4. <u>Staff costs</u>	<u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
Wages and salaries (see below)	768	868
Social security costs	17	21
Other pension costs	52	66
	<u>837</u>	<u>955</u>

Included in the wages and salaries are costs relating to subsidiary companies which were not recharged.

The average weekly number of employees during the year was made up as follows:

	No.	No.
Office and management	16	18

5. Other operating charges

Included within the charge to the profit and loss account is £9,019,000 relating to provisions held against investments in and receivable balances with subsidiary companies. (1984 produced a net £5,184,000 release of provisions, shown within other operating income, see note 3)

6. Interest payable

	<u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
Bank loans and overdrafts	-	5
Group loans wholly repayable within five years	21	220
Other loans and amounts payable not wholly repayable within five years	109	82
Interest in respect of taxation assessments which have been in dispute	428	874
	<u>558</u>	<u>1,181</u>

NOTES TO THE ACCOUNTS AT SEPTEMBER 28, 1985  
(continued)

7. Taxation

	<u>1985</u> £'000	<u>1984</u> £'000
The credit for the year is made up as follows:		
Write back of ACT carried in deferred taxation	-	3
Write off of overseas taxation	-	(2)
	-----	-----
	-	1
	=====	=====

The adjusted loss for taxation purposes for the period will be surrendered to other group companies.

8. Extraordinary items

	<u>1985</u> £'000	<u>1984</u> £'000
Gain on disposal of investment in associated company	-	463
Costs incurred in relation to disposal of investment in European group companies	(46)	(39)
Closure of establishments, redundancy and relocation	48	622
Nigerian debt provision	(135)	-
Nigerian dividends received, previously written off	254	-
Waiver of inter-company account balance with subsidiary company (see below)	(472)	-
	-----	-----
	£ (351)	£1,046
	=====	=====

- By virtue of an agreement dated September 26, 1985, the company discharged Hiplime Limited from its liability to repay the inter-company balance of £471,870.

9. Dividends

	<u>1985</u> £'000	<u>1984</u> £'000
Ordinary -- interim paid	322	-
-- final proposed	14,400	6,608
	-----	-----
	£14,722	£6,608
	=====	=====

Dividends in respect of preference shares for the year to September 28, 1985 have been waived.

NOTES TO THE ACCOUNTS AT SEPTEMBER 28, 1985  
(continued)10. Tangible fixed assets

	Motor vehicles £'000	Plant and machinery £'000	Total £'000
Cost:			
At September 29, 1984	76	161	237
Additions - inter-group	4	-	4
- outside group	44	36	80
Disposals - inter-group	-	(5)	(5)
- outside group	(50)	(141)	(191)
At September 28, 1985	74	51	125
Depreciation:			
At September 29, 1984	39	160	199
Provided during the year	20	3	23
Already provided on inter-group additions	1	-	1
Disposals - inter-group	-	(5)	(5)
- outside group	(37)	(141)	(178)
At September 28, 1985	23	17	40
Net book values:			
At September 28, 1985	51	34	85
At September 29, 1984	37	1	38

11. Investments

	Group companies £'000	Other investments - unlisted £'000	Total £'000
Cost:			
At September 29, 1984	37,824	5	37,829
Additions	-	1	1
Disposals	(100)	-	(100)
At September 28, 1985	37,724	6	37,730
Amounts provided for:			
At September 29, 1984	1,232	-	1,232
Provided during year	2,391	-	2,391
	3,623	-	3,623
Net book values:			
At September 28, 1985	£34,101	£ 6	£34,107
At September 29, 1984	£36,592	£ 5	£36,597

NOTES TO THE ACCOUNTS AT SEPTEMBER 28, 1985  
(continued)

11. Investments  
(continued)

The companies in which the company holds more than 10% of the equity and which principally affected the results for the year were:

<u>Name of company</u>	<u>Country of registration (or incorporation) and operation</u>	<u>Holding</u>	<u>Proportion held</u>	<u>Nature of business</u>
<b>Principal subsidiary companies:</b>				
Berec Holdings BV	Holland	Ordinary shares	100%*	Investment holding company
Berec Overseas Investments Ltd.	England	Ordinary shares	100%	Investment holding company
**Crabtree Electrical Industries Ltd.	England	Ordinary shares	100%	Manufacture of electrical accessories
**Eveready South Africa (Proprietary) Ltd.	South Africa	Ordinary shares	100%*)	Manufacture of batteries and torches
Ever Ready Ltd.	England	Ordinary shares	100% )	
**Ever Ready (Ireland) Ltd.	Eire	Ordinary shares	100%*)	Sale of batteries and torches
		Preference shares	99%*)	
**Marbourn Ltd.	England	Ordinary shares	100%	Manufacture of electrical accessories
<b>Associated company:</b>				
**Berec Caribbean Ltd.	Jamaica	Ordinary shares	40%*	

\* held by a subsidiary company

\*\* not audited by Arthur Young or their associates.

The trading activities of Cramic Engineering Company Ltd, Ever Ready (Micro-Batteries) Ltd, Ever Ready (Special Batteries) Ltd and Toolrite Ltd., subsidiary companies of British Ever Ready Ltd, were transferred to Ever Ready Ltd with effect from September 30, 1984.

The investment in the subsidiary company Berec Guernsey Ltd. was sold on April 29, 1985, to another subsidiary of Hanson Trust PLC.

NOTES TO THE ACCOUNTS AT SEPTEMBER 28, 1985  
(continued)

12. Debtors

	<u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
Amounts owed by subsidiaries	35,371	52,379
Amounts owed by parent company	34,370	28,029
Amounts owed by other group companies	-	24
Other debtors	209	225
Prepayments and accrued income	32	31
Loans to executives and employees	9	45
	<u>£69,991</u>	<u>£80,733</u>

Included within loans to executives and employees is an amount of £7,522 (1984 £10,000) falling due after more than one year and which bears interest at 3% less than current mortgage rate per annum.

13. Creditors: amounts falling due within one year

	<u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
Amounts owed to subsidiaries	11,276	21,073
Current corporation tax	939	940
Proposed final dividend	14,400	8,508
Other creditors	1,667	2,204
Accruals	426	363
	<u>£28,708</u>	<u>£33,088</u>

14. Loan capital

	<u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
6% Unsecured loan stock 1992/97: Repayable after five years	<u>1,381</u>	<u>1,381</u>



NOTES TO THE ACCOUNTS AT SEPTEMBER 28, 1985  
(continued)

15. Provision for liabilities and charges

There is no potential liability for deferred taxation at September 28, 1985 (1984 - Nil).

	<u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
Taxation and interest in respect of tax assessments which were in dispute and which are unlikely to result in tax being paid in the near future	9,714	9,299
	=====	=====

Subsequent to September 28, 1985, the company has reached agreement in principle in regard to the assessments which were in dispute. The final amount of this liability has yet to be agreed with the Inland Revenue.

16. Share capital

	<u>1985</u> <u>No.</u>	<u>Authorised</u> <u>1984</u> <u>No.</u>	<u>Allotted, called up</u> <u>and fully paid</u> <u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
Ordinary shares of 25p each	75,200,000	75,200,000	16,830	16,830
10% (now 7% plus tax credit)				
preference shares of £1 each	200,000	200,000	200	200
	-----	-----	-----	-----
	75,400,000	75,400,000	17,030	17,030
	=====	=====	=====	=====

17. Capital commitments

Amounts authorised by the directors but not contracted for were £12,000 (1984 £N11).

There were no amounts contracted by the company in either 1985 or 1984.

18. Contingent liabilities (None of which is expected to give rise to an actual liability).

	<u>1985</u> <u>£'000</u>	<u>1984</u> <u>£'000</u>
Guarantees and other claims arising in the normal course of business	-	94
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The company is party to a guarantee whereby Hanson Trust PLC and certain of its subsidiaries guarantee jointly and severally the liabilities of each such company to the National Westminster Bank PLC.

NOTES TO THE ACCOUNTS AT SEPTEMBER 28, 1985  
(continued)

19. Pension commitments

The company's pension fund is designed to provide, for all employees, retirement benefits based upon final salaries and is funded over the employees' periods of service. The company's contributions are based on the most recent triennial actuarial valuation by Bacon and Woodrow. The company also contributes to other pension funds in the Hanson Trust Group in respect of certain directors and employees.

The company has commitments to pay annual pensions amounting to £19,350 (1984 - £19,350) to past directors out of its own resources.

20. Ultimate holding company

The company's ultimate holding company is Hanson Trust PLC, incorporated in Great Britain.