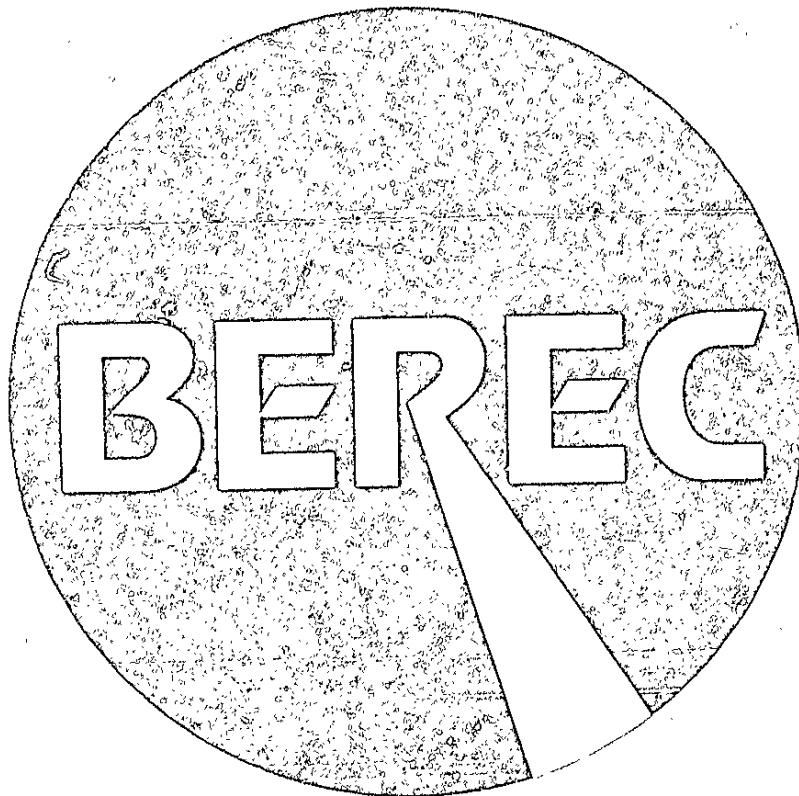


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Berec Group Limited

Report
and Accounts 1981



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Berec Group Limited

Report and Accounts 1981



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Financial Highlights

	1981 £000	1980 £000
Turnover	241,289	229,712
Gross Exports from U.K.	62,349	50,782
Profit before tax and Extraordinary Items	10,537	17,185
Profit attributable to Shareholders	5,890	10,172
Dividend per share (including tax credit)	4.9p	7.8p
Earnings per share	11.1p	15.1p
Attributable net assets per share	£1.94	£1.94



Financial Calendar

Annual General Meeting	8th July 1981
Expected Announcement Dates	
Interim Results 26 weeks to 29th August 1981	23rd October 1981
Preliminary Results 52 weeks to 27th February 1982	14th May 1982
Dividends	
Ordinary Shares	Expected Payment Date
Final 1980/81	9th July 1981
Interim 1981/82	8th January 1982
Preference Shares	
Final 1980/81	9th July 1981
Interim 1981/82	11th December 1981
Interest	
5½% Debenture Stock 1976/81	Payment Date
	30th September 1981 (Redemption)
6% Convertible Unsecured Loan Stock 1992/97 (Final Conversion Period 1st to 31st July 1981)	24th August 1981 24th February 1982



Directors

Directors

C. G. Stapleton (Chairman and Managing Director)

C. A. D. Black

G. P. Knight

B. C. Ralph

R. R. Rowles

G. S. G. Brown

Secretary

P. F. Lines

Auditors

Arthur Young McClelland Moores & Co.

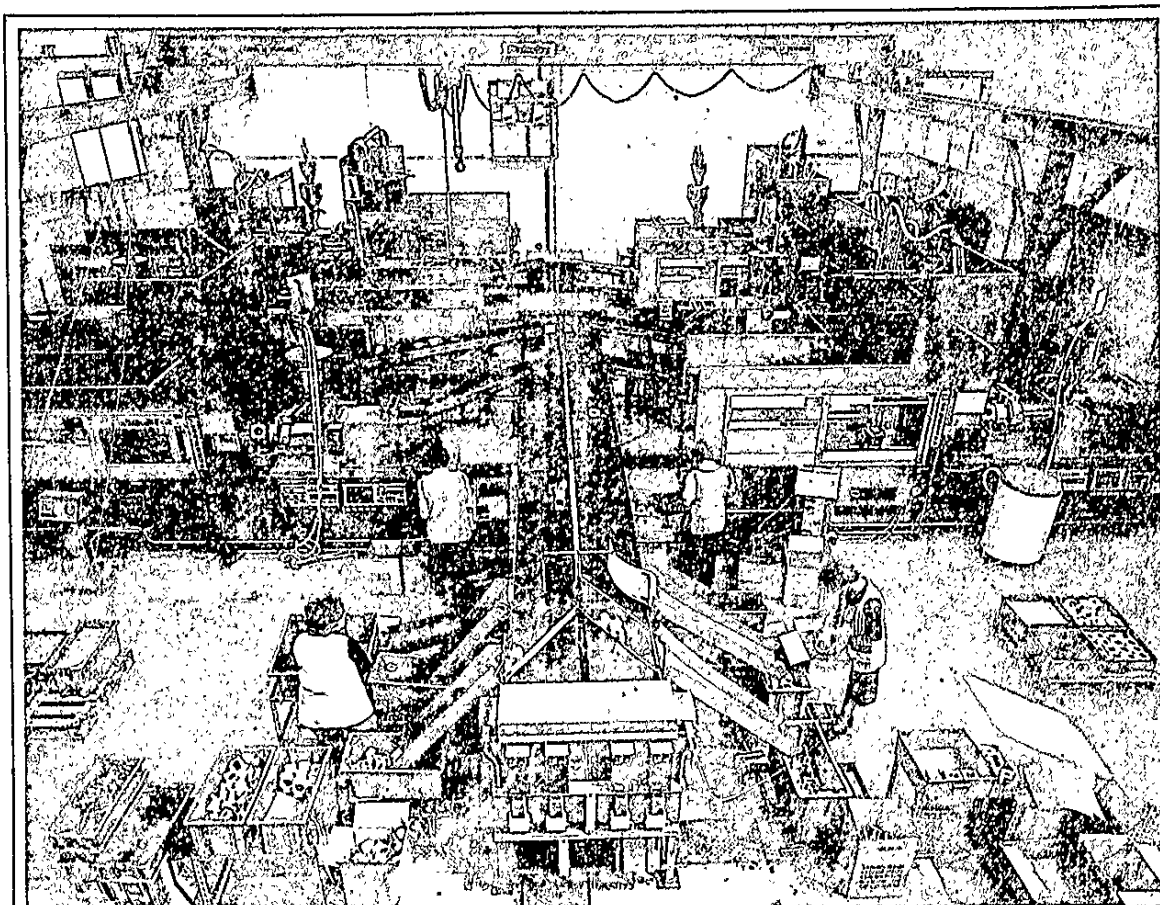
Registered Office

Berec House
1255 High Road
Whetstone
London N20 0EJ



Review by The Chairman

continued



Automated injection moulding at the Ever Ready (G.B.) torch factory.

further reductions in stock levels and debtors have been imposed on management and strict cash control remains an essential.

Interest rates and inflation in the U.K. are at long last coming down. Whilst we, along with other manufacturing industry, are delighted with these reductions we feel that the private sector has borne the brunt of the consequences brought on by the mechanism used.

The further imposition of indirect taxes occasioned by the substantial increases in nationalised industry charges has further exacerbated the problems.

FINANCE

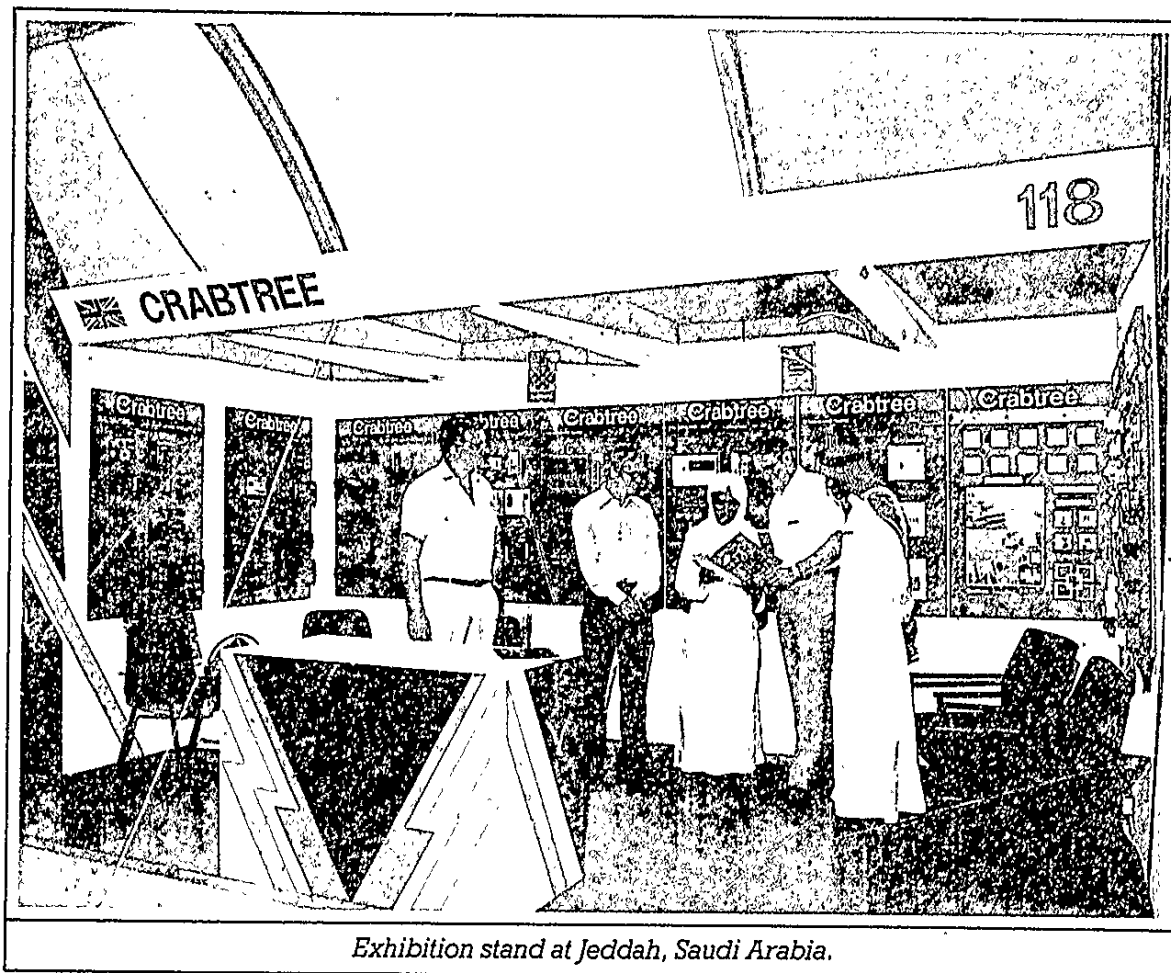
Net borrowings increased by approximately

£18.5m largely due to continuing capital expenditure on the newer battery systems and the expansion of the Group's activities outside Europe.

The increased interest rates this year cost the Group an additional £0.7m whilst further borrowings themselves attracted a further cost of £3.5m.

A self-imposed limitation on borrowings and the generally high interest charges that still pertain have highlighted the necessity for adequate returns before authorising capital expenditure.

Violent fluctuations in exchange rates over relatively short periods have vindicated our



Exhibition stand at Jeddah, Saudi Arabia.

policy of wherever possible matching borrowings with assets in the various countries. We see no reason to change as the vagaries of trading are difficult enough to deal with without adding to them currency exposure risks.

BOARD

Subsequent to the year end Mr. C. J. Weeks, an employee of the Company for some 21 years and a Director for the last nine years, left your employ. The remaining members of the Board have taken up the duties previously undertaken by Mr. Weeks. This has necessitated some reorganisation which is logistical rather than fundamental. The report in these accounts is

based on the structure that obtained during the financial year.

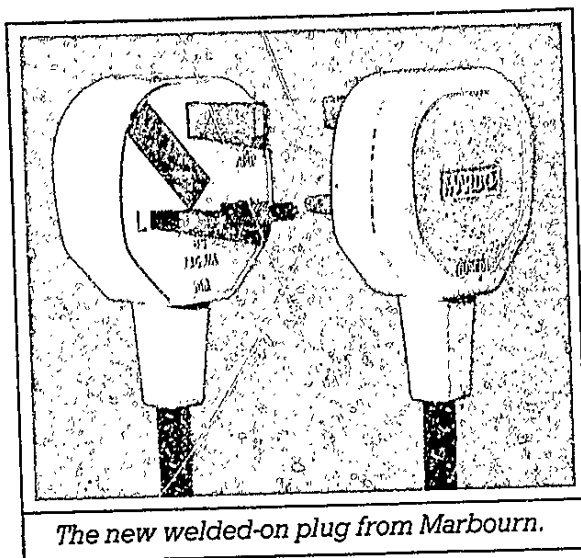
DIVIDENDS

This Company has a record over very many years, of which it can be justifiably proud, of paying increasing dividends. It is therefore with very much regret that your Board now considers it inappropriate to pay a final dividend commensurate with last year. Although earnings on an historical basis would cover the dividend fully, we must also consider the CCA statement which shows a loss. We recommend, therefore, a compromise with every hope of returning in future years to a dividend performance in line with the past.



Review by The Chairman

continued



The new welded-on plug from Marbourn.

BRAND HARMONISATION

In the Chairman's Comments of 1978 shareholders were informed of our intention to harmonise eventually all our battery products throughout the world under the single trade mark BEREC. The reasoning behind this policy decision applies even more now than at that time and the programme is continuing to plan. BEREC-named products are already selling in some markets alongside others bearing the traditional trade mark. You can expect to see in England batteries bearing the name BEREC in the logo that is represented on the front cover of these accounts.

We are also changing the names of our battery trading companies so that all have the lead word BEREC. This is an essential part of the plan as it will help to communicate the strategy both to customers and employees. The Report next year will be based on the new trading names.

SAFETY AT WORK

We attach great importance to the health and safety of our employees because only by providing the proper environment can we expect the results we seek to achieve.

One specific example of our record is the factory we have at Dawley in Shropshire, which for three consecutive years from 1978 has won a RoSPA award, climbing to the silver in that time. In 1981 we are confident of achieving the gold award.

REVIEW OF OPERATIONS

REGION 1

The Ever Ready Company (Great Britain) Ltd.

Whilst domestic battery sales reflect the general pattern of the recession, we maintained our dominant market share and profits were higher than last year. Our battery, Power Plus, continues to show growth.

The introduction of our new cycle lamps made to the highest standards confirms our belief in the continuing need for quality products particularly where personal safety is concerned.

Vigorous efforts are being made to drive costs down by automation and the recent introduction of some robotics is helping towards this aim.

Crabtree Electrical Industries Ltd.

The severe recession in the U.K. building industry, coupled with wholesaler de-stocking, had an adverse effect on loading. This has meant a reduction in the number of people employed and the closure of a small factory.

Strenuous efforts were applied elsewhere and as a result exports showed a growth of more than 50% over the previous year.

The capital investment programme has been directed towards increasing efficiency and reducing costs at all levels throughout the organisation.

Profits were as good as last year, which in view of the current economic climate is very satisfactory.

Crabtree Electrical Industries (M) Sdn. Bhd.

This company again traded profitably and we are very satisfied with progress to date.

J. A. Crabtree (Proprietary) Ltd.

The up-turn in the South African economy was reflected in increased sales for this company.

The planned extension to the manufacturing facility should be completed by 1982 and will give a substantial increase in production capacity.

Marbourn Ltd.

As foreshadowed last year, the results were poor with sales reflecting the drop in the demand for domestic electrical accessories.

There has been, however, further substantial capital expenditure on new products, particularly the development of the 'compact' plug and the 'welded-on' plug. Sales for these latter two products are extremely encouraging.

The technical management has been strengthened to develop more new products and improve manufacturing efficiencies.

Ever Ready (Ireland) Ltd.

Reorganisation and increased sales, leading to even further factory loading gave a very satisfactory increase in local currency profits. Regrettably, devaluation reduced this figure to the Sterling value of last year.

REGION 2

Daimon G.m.b.H.

Competition from three major world producers continues in Germany but nevertheless Daimon were able more than to hold their own. It was encouraging that they increased their market share in the new battery systems.

However, the commissioning costs of the alkaline manganese manufacture more than offset the profits of trading and resulted in a loss for the company as a whole.

Northern Europe

Our long established businesses in Sweden and Norway were again profitable but not up to expectations. The newly established operations in Denmark, Belgium and Netherlands, whilst making losses, were performing generally to plan.

S.p.A. Superpila

This company has had to face a difficult year, beset by political and economic problems.

A very high inflation rate causing very heavy cost increases coupled with a down-turn in economic activity resulted in a reduction in profits. Further, owing to the devaluation of the Lira the conversion of these profits into Sterling made the position even worse.

During the year, the company (which is 97.6% owned) undertook a restructuring. In place of the single company hitherto there is now a holding company with two wholly-owned subsidiaries, one devoted to the manufacturing process and the other to the marketing and selling operation.

Southern Europe

Berec in Greece turned last year's loss into a break-even position and Portugal is still profitable despite adverse trading conditions.

REGION 3

Berec International Ltd.

Continued U.K. inflation and a strong pound made exporting very difficult. Nevertheless sales were substantially up but as the margins were extremely slim the profits were very low.

Steps have now been taken to concentrate our efforts in fewer more profitable markets but although prospects look slightly better than they did six months ago, the overall trend must still remain uncertain.

Eveready South Africa (Proprietary) Ltd.

The South African economy experienced significant growth during the year. This contributed to record sales and profits. Again, sales of nickel cadmium rechargeable batteries showed a worthwhile increase and we look to continued expansion in this product range.

The long term prospects for the economy of South Africa are excellent and we are confident that the present political problems will be overcome.

As in previous years, details of our employment practices may be had on application to the company secretary.

Berec Nigeria Ltd.

After a good first half, results were badly affected in the second by large volumes of illegal imports which evaded customs duties. This problem seems to have become endemic and a large part of Nigerian industry has suffered during the last six to nine months. We have made representations at the highest level and can now only hope that the government will act decisively to protect local industry.

The future of our new factory in Kaduna may well rest on a satisfactory outcome.

Berec International Sales Nigeria Ltd.

As this company continues to be denied permission to import the main product line, it has done no better than break-even. Steps have been taken to expand the product range and so make full use of the very extensive sales and distribution organisation that this company has built up over the years.



Review by The Chairman

continued

Berec (Ceylon) Ltd.

Once again a small profit was achieved. Since the year end the minority shareholding of 49% has changed hands and our new partners are extremely experienced in marketing and distribution. We are confident that with their expertise this company should be more profitable in the coming years.

Berec Caribbean Ltd.

Jamaica has recently experienced serious economic problems which led to the disruption of production owing to shortages of materials.

Despite this the company produced good profits and with signs of improvement in the situation prospects look better than they have done for some considerable time.

Hing Wah Battery Factory (Hong Kong) Ltd.

The move of our production facilities was completed during the year under review. This company is still running at a loss. However, the manufacturing costs of the products are very encouraging and, as this factory is intended to be complementary to our U.K. export effort, we feel confident that this will improve significantly the market penetration by this Group.

REGION 4

Toolrite Ltd.

The Group's specialist toolmaking company improved its performance for the fifth consecutive year. It also saw the first full year of trading by the plastic moulding unit under the name Mouldrite. We are extremely pleased with the quality and range of products and also our competitiveness.

Chemical and Carbon Products Ltd.

This company showed a total net sales increase of 11%, with exports up by 22%. Trade with South Africa was particularly buoyant in support of its booming economy.

In the continuing quest to strengthen the company, it became apparent that Berec Packaging could no longer make a contribution and its Watford factory was formally closed in November 1980.

Despite the above, profits were lower than the previous year and a detailed investigation into



Superpila ultra violet equipment being used to detect minerals.

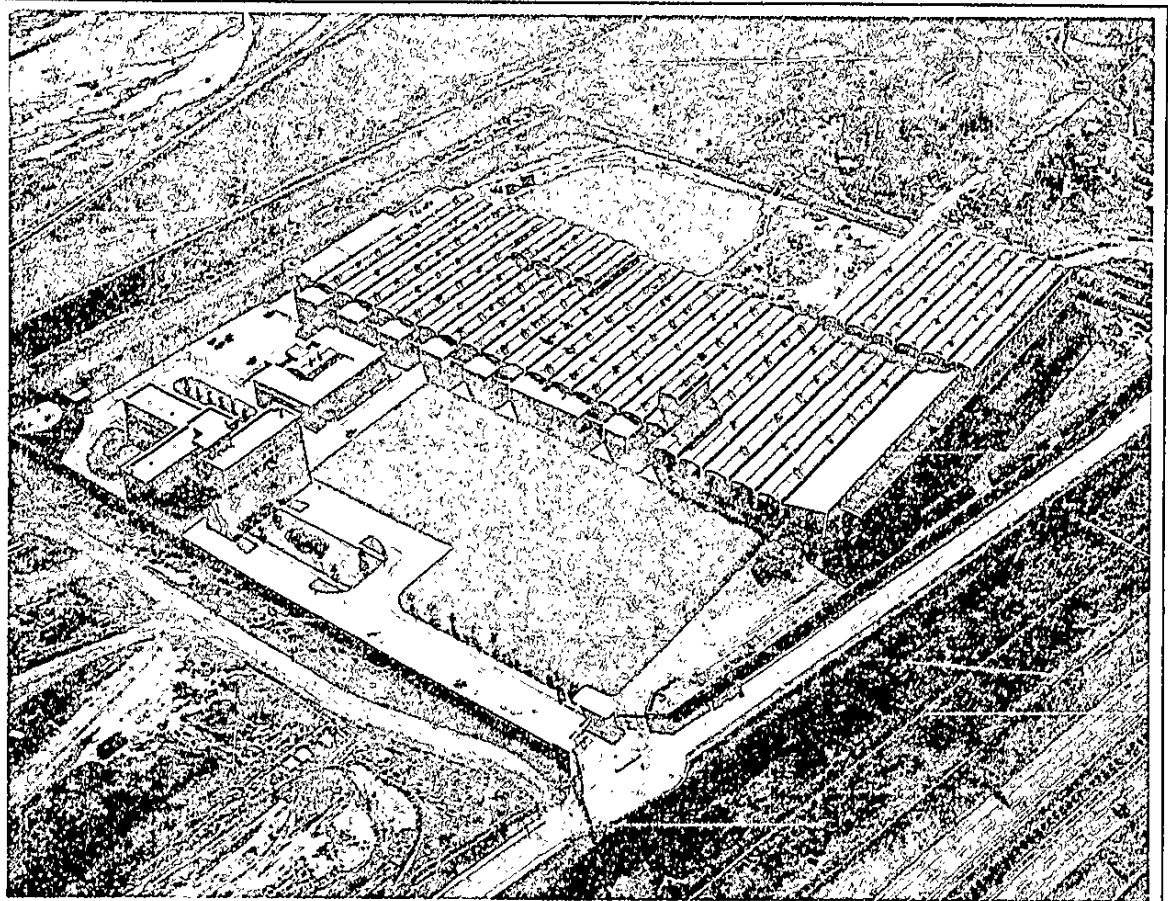


Quality control in Nigeria.

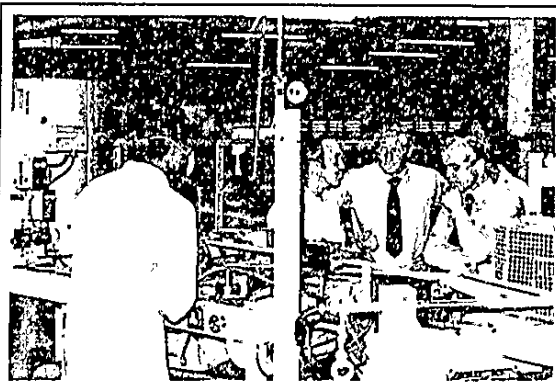
the future prospects of sectors of this business is being carried out.

Berec (Micro-Batteries) Ltd.

This company made further moves to consolidate its position in the increasingly important field of miniature batteries, including silver oxide, mercuric oxide and alkaline



The large Eveready South Africa factory at Port Elizabeth.



Tube winding machinery in Jamaica.

manganese systems. Under a licence agreement signed with Gould Inc. in the United States, plant and know-how for the manufacture of zinc-air batteries has been added and some initial production was achieved towards the end of the year.

As we expect this company to be a substantial contributor to Group profits in the coming years, management has been significantly strengthened.

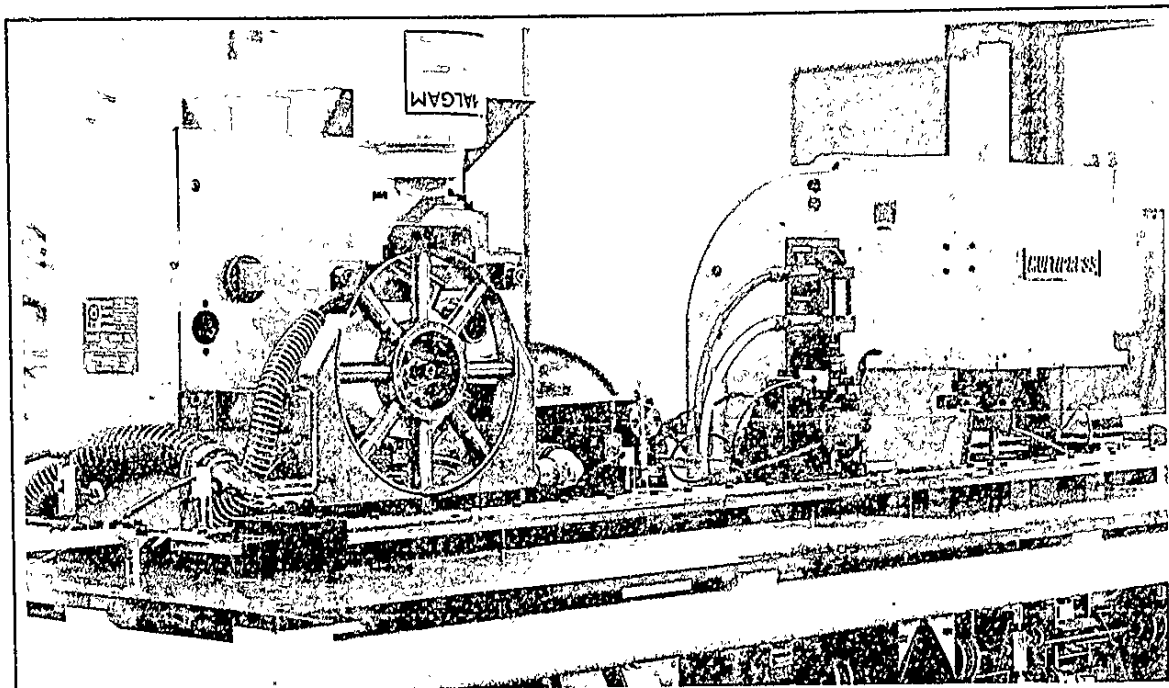
Berec (Special Batteries) Ltd.

Increased output and sales of nickel cadmium batteries were achieved. Exports greatly improved although margins were still poor.



Review by The Chairman

continued



Berec (Micro-Batteries) Ltd – new zinc-air cell assembly machine.

Productivity is higher and the market situation is buoyant but competition from very large producers is still extremely keen. The results of this company have not yet lived up to their promise.

Berec (Varley Batteries) Ltd.

We have captured new business in the specialist end of the sealed lead-acid sector of the market and sales of aircraft batteries and similar products show a healthy growth.

The company, which showed a very heavy loss in the previous financial year, has improved considerably on this but is not yet showing a profit. As it has been an extremely hard time for the lead-acid business, the results were expected but are not acceptable.

A/S Skaland Grafitverk.

The rock fall which took place towards the end of the previous financial year considerably affected production throughout and profits for the full year were down. Trading is now at the planned level.



Individual quality check of button cells.

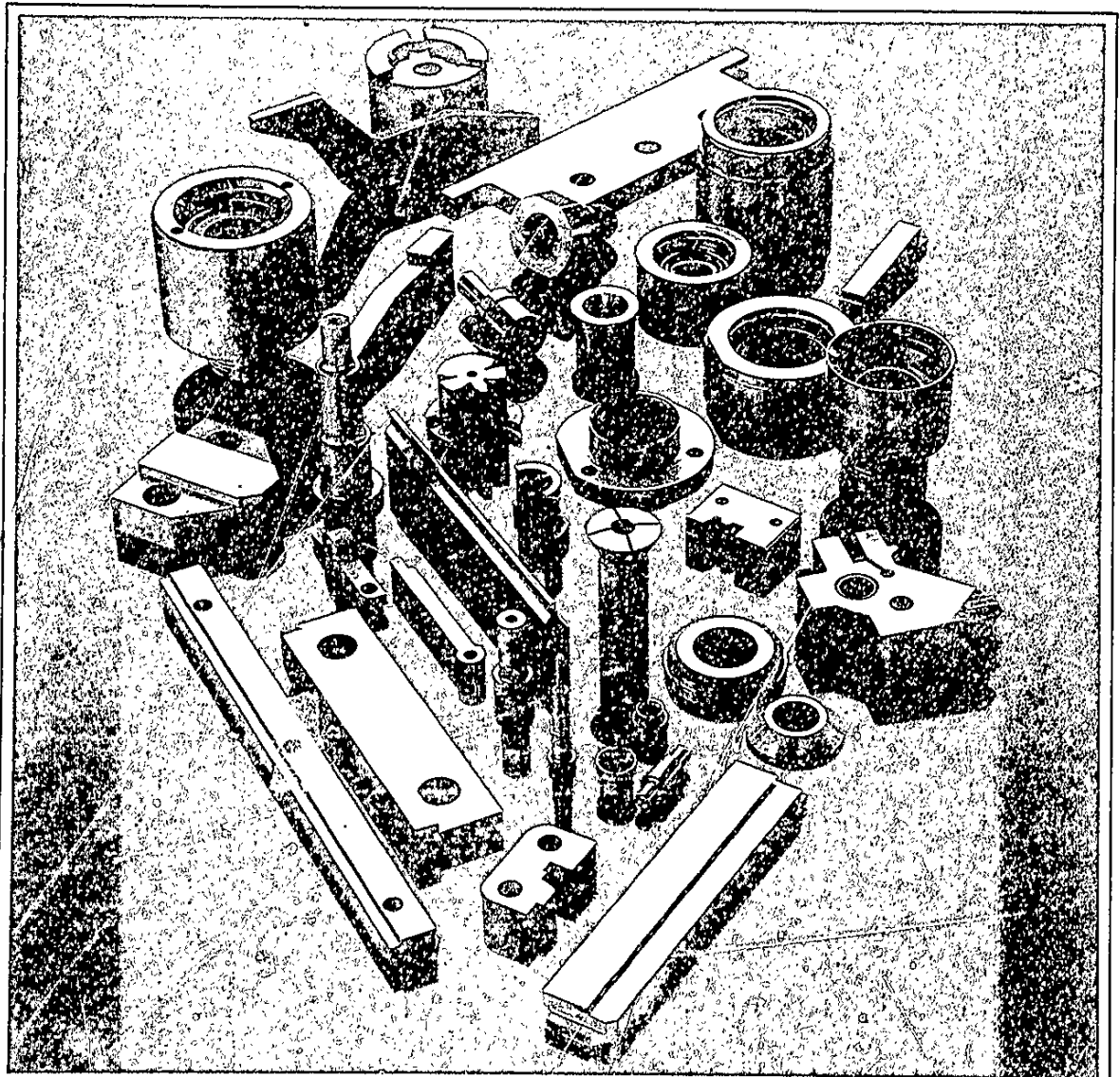
Electro Formers Ltd.

Following the loss of an important sector of this company's business, the decision was taken to concentrate the operations in one factory as opposed to the previous two.

RESEARCH AND DEVELOPMENT

Despite the current stringent financial

restrictions imposed on all Group operations, we continue to support a high level of research and development. We consider this to be essential for the continued health of the business. Some economies have been made in line with Group policy but these will not affect our main line business.



Precision machined tooling by Toolrite Ltd.



Review by The Chairman

continued

Considerable technical effort is being directed towards assisting the manufacturing operations in reducing costs. The main thrust is in value engineering which of course aims to give a similar or better product for a lower cost.

Development of the Group's range of alkaline manganese batteries has continued and the performance of these now places them amongst the best in the world. Production facilities are being established in our three European manufacturing operations with continued support from the research operation.

New 'dry room' facilities have been added to our lithium pilot plant to enable production of these high energy density batteries to be stepped up. Lithium batteries we feel to be one of the exciting emerging systems and the Group is putting considerable effort into their development.

THE FUTURE

Trading for the first two months of this year is still poor. There are indeed some bright spots but regrettably relatively few.

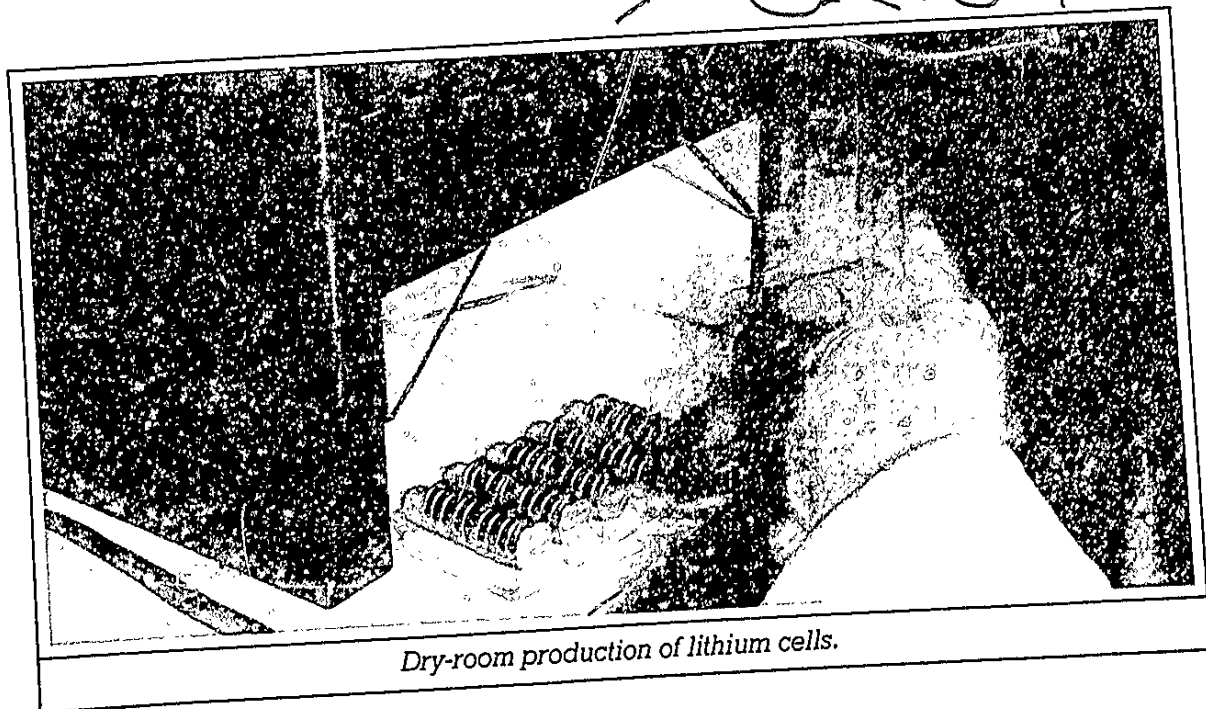
We are told by Government that there are indications that the recession is bottoming out

in the U.K. but although it is heartening to hear that matters are not going to get worse, the current low level of operations is still of little consolation.

To conclude on a more optimistic note, we are still firmly of the view that the two major industries in which we operate have a sound future and that we can manufacture and sell those products at a profit. We are able to assure shareholders that we have taken all steps necessary to keep the business viable during these difficult times. Further, we are determined that when the up-turn eventually comes we will hold on to our productivity gains, improved labour relations and cost effectiveness such that all of these will be reflected in our profits.

Finally, may I on your behalf give sincere thanks to all our employees who are most certainly giving of their very best to secure the future of this Group.

Ge. Stapleton
Ge. Stapleton



Dry-room production of lithium cells.



Statement of Value Added

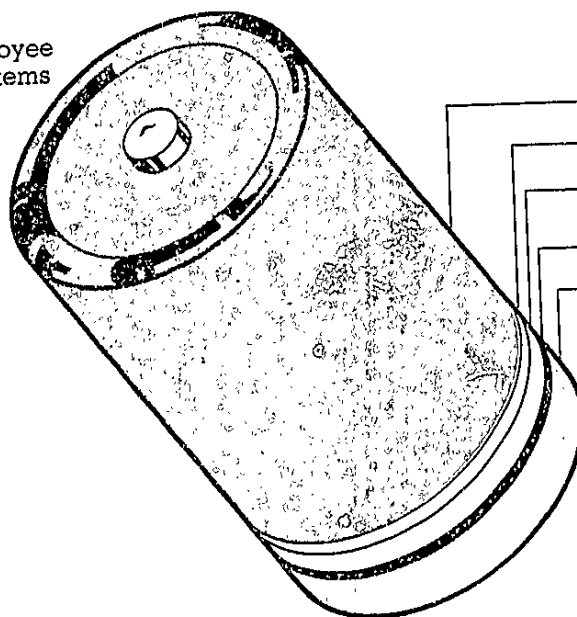
52 weeks ended 28th February 1981

Value added is a measure of the wealth that the Group creates by its activities throughout the world.

This Statement shows how the value added has been shared amongst those contributing towards its creation.

	1981		1980	
	£m	£m	£m	£m
Sales		241.3		229.7
Less: Bought in materials and services		134.5		128.3
		106.8		101.4
Share of Associated Companies' profits		0.3		0.1
Extraordinary Items		(1.5)		0.2
Value Added		105.6		101.7
Applied as follows:				
To Employees:		82.2		75.4
Wages, pensions and related costs				
To Governments:		3.0		6.2
Taxation on Profits				
To Providers of Capital:				
Net interest on borrowings	6.5		2.3	
Minority shareholders in subsidiaries	0.2		1.0	
Dividends to Company shareholders	2.3		3.7	
		9.0		7.0
To Provide for maintenance of assets and expansion:				
Depreciation	7.8		6.7	
Retained earnings	3.6		6.4	
		11.4		13.1
		105.6		101.7

Value added per employee
before extraordinary items
£6,900 (1980 - £6,000)



- To employees as payroll
- To government as tax
- Net interest on borrowing and outside shareholders interests
- To shareholders as dividends
- Retained profit



Ten Year Record

	1981 £m	1980 £m	1979 £m	1978 £m	1977 £m
Sales to third parties					
U.K. Companies	129.9	119.0	114.3	109.6	96.4
Overseas Companies	111.4	110.7	100.6	84.4	75.9
	241.3	229.7	214.9	194.0	172.3
Gross Exports	62.3	50.8	53.3	53.5	41.9
Profit before Tax	10.5	17.2	20.3	25.3	29.0
Tax	3.0	6.2	7.5	9.5	10.5
Profit after Tax	7.5	11.0	12.8	15.8	18.5
Minority Interests	0.2	1.0	2.0	1.5	2.1
Dividends	2.3	3.7	3.2	2.8	2.5
Profit retained before extraordinary items	5.0	6.3	7.6	11.5	13.9
Source of Capital					
Share Capital	16.7	16.7	16.7	16.6	16.5
Reserves	111.5	111.0	85.8	80.4	73.8
	128.2	127.7	102.5	97.0	90.3
Minority Interests	4.5	5.7	10.4	8.5	8.2
Loan Capital	20.7	8.7	11.2	14.0	15.3
Deferred Liabilities and Credits	13.8	17.2	16.4	11.4	9.0
	167.2	159.3	140.5	130.9	122.8
Employment of Capital					
Fixed Assets	93.8	89.1	55.1	49.8	47.9
Goodwill	—	—	—	—	7.4
Investments	1.3	0.7	0.7	0.8	6.5
Net Current Assets	72.1	69.5	84.7	80.3	61.0
	167.2	159.3	140.5	130.9	122.8



1976 £m	1975 £m	1974 £m	1973 £m	1972 £m
72.9	61.0	51.4	40.5	34.4
56.8	42.9	37.8	30.5	25.7
129.7	103.9	89.2	71.0	60.1
29.5	22.6	16.3	12.4	10.9

16.4	12.4	12.9	12.2	8.6
8.0	6.0	6.3	5.2	3.5
8.4	6.4	6.6	7.0	5.1
1.3	1.0	1.0	0.7	0.5
2.3	1.7	1.5	1.7	2.0
4.8	3.7	4.1	4.6	2.6

16.5	13.1	13.1	13.1	8.6
38.0	28.2	24.2	18.3	16.0
54.5	41.3	37.3	31.4	24.6

6.0	5.2	5.0	4.6	3.4
16.6	16.9	12.3	4.1	1.3
14.4	11.8	8.0	4.9	4.6
91.5	75.2	62.6	45.0	33.9

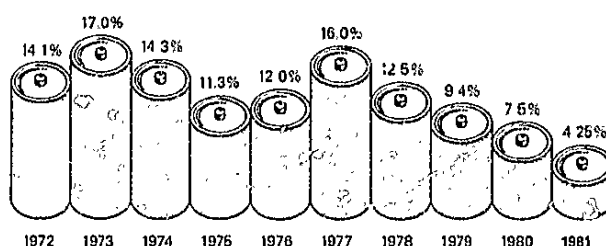
39.5	39.2	36.7	29.5	26.9
7.7	7.7	7.7	7.7	—
1.9	1.7	1.2	1.1	1.1
42.4	26.6	17.0	6.7	5.9
91.5	75.2	62.6	45.0	33.9

Notes:

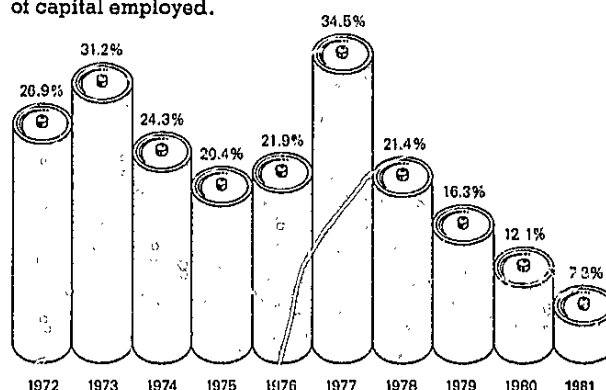
(1) Figures are stated adopting the accounting policies in use when the figures were prepared.

(2) Adjusted for scrip and rights issues.

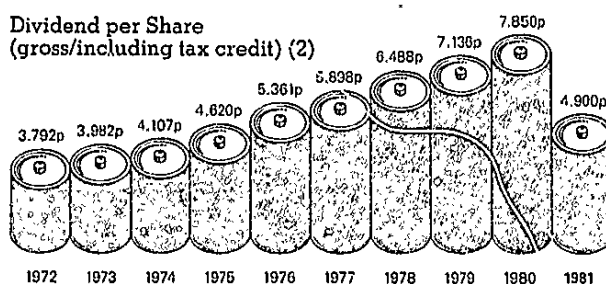
Profit before Tax (excluding share of profits of Associated Companies) as a percentage of sales.



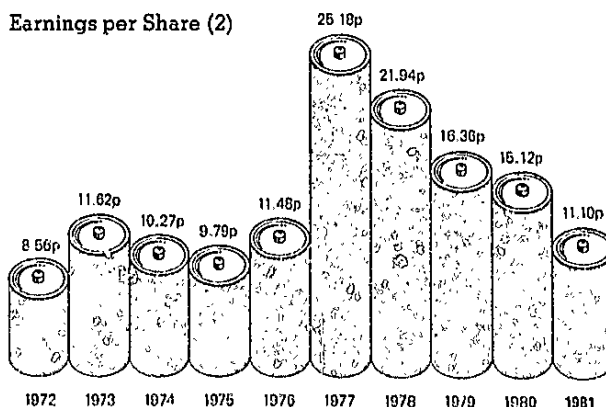
Profit before loan capital interest and tax as a percentage of capital employed.



Dividend per Share (gross/including tax credit) (2)



Earnings per Share (2)





Directors' Report

Directors

The Directors during the period were :

C. G. Stapleton

C. J. Weeks

C. A. D. Black

G. P. Knight

B. C. Ralph

R. R. Rowles

G. S. G. Brown

Mr. C. J. Weeks resigned from the Board on 1st May 1981.

Mr. G. P. Knight is the Director retiring by rotation in accordance with Article 99 of the Company's Articles of Association and he will be proposed for re-election at the Annual General Meeting. Mr. Knight has a contract of service which expires on 13th May 1986.

No Director had any interest either during or at the end of the 52 weeks ended 28th February 1981 in any contract which was significant in relation to the Group's business. A statement of Directors' interests in shares, debentures and loan stock is shown on page 20.

Profits

The consolidated net profit attributable to the Company for the 52 weeks ended 28th February 1981 as shown on page 22 was

1981	1980
£000	£000

5,890	10,172
-------	--------

Dividends

Interim dividends :

Preference 3.5p per share(1980—3.5p)
paid 5th December 1980

7	7
---	---

Ordinary 1.3p per share(1980—1.3p)
paid 7th January 1981

859	857
-----	-----

Deferred final dividend :

Ordinary nil(1980—0.1604p in respect of 1979)

—	106
---	-----

The Directors propose
the following final dividends :

Preference 3.5p per share(1980—3.5p)

7	7
---	---

Ordinary 2.1p per share(1980—4.195p)
to be paid on 9th July 1981 making
3.4p per share for the period
(1980—5.495p)

1,386	2,765
-------	-------

2,259	3,742
-------	-------

3,631	6,430
-------	-------

Leaving to be added to reserves



Principal Activities

The principal activities of the Group and their proportion of turnover and contribution to profit on trading are :

	Turnover (Net) %	Profits £000
Battery and allied activities	83	7,122
Other activities	17	3,142
Associated companies	—	273
	<u>100</u>	<u>10,537</u>

Geographical Analysis

The following statement shows the territorial distribution of turnover and contribution to profit on trading :

	Turnover (Net) %	Profits £000
U.K.	40	11,024
Rest of Europe	25	(1,462)
Africa	28	9,147
Rest of World	7	(1,916)
Associated companies	—	273
	<u>100</u>	<u>17,066</u>
Net Interest Payable	—	6,529
	<u>100</u>	<u>10,537</u>

The total net assets of the Group are held by :

U.K. Companies	£000
Overseas Companies	83,846
	<u>83,376</u>
	<u>167,222</u>

Employees

The weekly average number of people employed by the Group in the United Kingdom was 9,592 and their aggregate annual remuneration was £47,244,000. In addition National Insurance contributions totalled £6,241,000 and £3,287,000 was contributed to the Group's Pension Funds.

The weekly average number of people employed by the Group both in the United Kingdom and Overseas was 15,499.

Donations

Donations made during the year by United Kingdom Companies for Charitable purposes amounted to £12,666. The following further donations were made in the United Kingdom :

Conservative Board of Finance £2,500, Centre for Policy Studies £500, The National Association for Freedom £500, AIMS £500.

Exports

Exports by the Group from the United Kingdom amounted to £62,349,000.

Shareholders

So far as the Directors are aware, no person, apart from the following, holds or is interested in more than 5% of the issued share capital of the Company :

Kuwait Investment Office	6.08 %
Prudential Corporation Group	5.40 %

The Company is not a close company as defined in the Income and Corporation Taxes Act 1970 (as amended).



Directors' Report

continued

Increase in Issued Share Capital

During the period 21,074 Ordinary Shares were issued to the holders of £37,879 Convertible Unsecured Loan Stock 1992/97 who elected to convert and 51,500 Ordinary Shares were issued following the exercise of Options granted under the Company's Share Option Scheme.

Auditors

Josolyne Layton-Bennett & Co., having merged their practice with that of Arthur Young McClelland Moores & Co., now practise in that name. They have therefore signed their report in their new name.

A resolution proposing the re-appointment of Arthur Young McClelland Moores & Co., as Auditors of the Company will be put to the Annual General Meeting.

Warrants

It is proposed to post warrants for the final dividend on both classes of shares on 9th July 1981.

By order of the Board,
P. F. LINES,
Secretary.
4th June 1981.



Directors' Interests

The beneficial interests of the Directors as at 28th February 1981 are shown below.

Their holdings on 1st March 1980 are shown in blue. There are no non-beneficial interests.

	Ordinary Shares	Share Options	Preference Shares
C. G. Stapleton	286 266	45,000 40,000	250 250
C. J. Weeks	668 668	45,000 40,000	250 250
C. A. D. Black	— —	55,000 50,000	280 280
G. P. Knight	1,000 1,000	43,000 38,000	— —
B. C. Ralph	— —	50,000 45,000	250 250
R. R. Rowles	3,203 1,303	45,000 40,000	250 250
G. S. G. Brown	1,034 1,034	28,000 23,000	257 257

No Director has any interest in Debenture Stock or Unsecured Loan Stock of the Company.

On 2nd March 1981 Mr. C. J. Weeks and Mr. B. C. Ralph exercised options and sold shares in respect of 10,000 and 9,000 ordinary shares respectively. Otherwise there have been no changes in the above interests in the period 1st March to 15th May 1981.



Notice of Meeting

Notice is hereby given that the Annual General Meeting of Berec Group Limited will be held at the Registered Office of the Company at Berec House, 1255 High Road, Whetstone, London N20 0EJ on Wednesday, 8th July 1981 at 12 noon for the following business:

Resolutions

1. To consider and adopt the Report of the Directors and the Accounts for the 52 weeks ended 28th February 1981.
2. To declare Dividends.
3. To re-elect Mr. G. P. Knight a Director.
4. To re-appoint Messrs. Arthur Young McClelland Moores & Co., as the Auditors of the Company.
5. To authorise the Directors to fix the remuneration of the Auditors.

By order of the Board, Berec House
P. F. LINES, 1255 High Road
Secretary. Whetstone
 London N20 0EJ

11th June 1981

A Member holding fully paid Ordinary Shares 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. A proxy form is available at page 39.

The contracts of service of the Directors with the Company or any subsidiary will be available for inspection at the Company's Registered Office during usual business hours until the conclusion of the Annual General Meeting.



Group Profit and Loss Account

52 weeks ended 28th February 1981

	Notes	1981		1980	
		£000	£000	£000	£000
Turnover					
United Kingdom Companies			129,893		118,961
Overseas Companies			111,396		110,751
			241,289		229,712
Trading Profit	2		17,066		19,475
Net Interest Payable	3		6,529		2,290
			10,537		17,185
Profit before Taxation					
Taxation	4		2,993		6,176
			7,544		11,009
Profit after Taxation					
Minority Interests			199		1,023
			7,345		9,986
Profit before Extraordinary Items					
Extraordinary Items (net)	5		(1,455)		186
			5,890		10,172
Profit attributable to shareholders					
Dividends	6				
Preference Shares		14		14	
Ordinary Shares:					
Interim 1.3p per share (1980—1.3p)		859		857	
Final 2.1p per share (1980—4.195p)		1,386		2,765	
Deferred Final nil (1980—0.1604p in respect of 1979)		—		106	
			2,259		3,742
Profit Retained	7		3,631		6,430
Earnings per Share	8		11.10p		15.12p



Balance Sheets

At 28th February 1981

	Notes	Group		Company	
		1981 £000	1980 £000	1981 £000	1980 £000
Source of Capital					
Share Capital	10	16,715	16,694	16,715	16,694
Reserves	11	111,473	111,035	64,070	54,117
		128,188	127,729	80,785	70,811
Minority Interests in Subsidiaries		4,465	5,677	—	—
Loan Capital	12	20,714	8,660	17,745	8,288
Deferred Liabilities and Credits	13	13,855	17,272	5,650	7,507
		167,222	159,338	104,180	86,606
Employment of Capital					
Fixed Assets	14	93,820	89,096	1,680	1,101
Subsidiary Companies	15	—	—	118,443	101,954
Investments	16	1,344	717	250	561
Current Assets:					
Stock	17	87,048	81,531	—	—
Debtors		48,176	46,351	729	762
Cash and Deposits		12,054	10,336	306	2
		147,278	138,218	1,035	764
Current Liabilities:					
Creditors		37,912	39,029	2,304	1,581
Taxation		4,211	3,377	2,398	1,837
Bank Loans and Advances	18	31,704	23,515	11,133	11,584
Dividends		1,393	2,772	1,393	2,772
		75,220	68,693	17,228	17,774
Net Current Assets		72,058	69,525	(16,193)	(17,010)
		167,222	159,338	104,180	86,606

C. G. Stapleton

G. S. G. Brown

Directors

C. G. Stapleton
G. S. G. Brown

4th June 1981



Source and Application of Funds Statement

52 weeks ended 28th February 1981

	1981 £000	1980 £000
Source of Funds		
Profit before taxation	10,537	17,185
Extraordinary items	(1,455)	186
	9,082	17,371
Adjustments for items not involving the movement of funds :		
Depreciation less investment grant credit	7,470	6,362
Profits retained in Associated Companies	(257)	(44)
Exchange movements	242	(1,870)
	16,537	21,819
Total generated from operations	16,537	21,819
Funds from other sources		
Increase in long term loans	12,054	(2,518)
Proceeds of shares issued	69	38
Disposals and eliminations of fixed assets at book value	2,444	883
	14,567	(1,597)
	31,104	20,222
Application of Funds		
Dividends paid	4,105	3,827
Purchase of fixed assets	18,762	18,500
Investment grants received	(345)	(455)
Taxation paid	5,535	6,201
Purchase of minority interests and investments	600	7,669
Other movements	459	(63)
	29,116	35,679
Increase in working capital		
Increase in stock	5,517	7,005
Increase in debtors	1,825	10,597
Decrease in creditors	1,117	(11,233)
	8,459	6,369
Decrease in net liquid funds	(6,471)	(21,826)
	31,104	20,222

The effect of the disposal of a subsidiary has not been shown separately as the amounts involved are not material.



Notes forming part of the Accounts

1. Accounting Policies

The following notes describe some of the main accounting policies of the Group. Some Subsidiary Companies do not comply with these policies and therefore, where appropriate, adjustments are made on consolidation in order that the Group Accounts are presented on a consistent basis.

(i) Basis of Accounting

The Accounts are prepared under the historical cost convention including the revaluation of certain assets.

(ii) Depreciation

Depreciation is calculated to write off the cost or valuation of the assets evenly over their estimated useful lives at the following rates:

Freehold Land	- Nil
Freehold Buildings	- Over the expected useful life of the building with a maximum of 50 years.
Leasehold Properties	- over the unexpired life of the lease with a maximum of 50 years.
Motor Vehicles	- Predominantly 25% p.a.
Plant & Machinery	- Between 7½% and 20% p.a.

(iii) Investment Grants

Grants are credited to the Profit and Loss Account over the estimated lives of the relevant assets. The Investment Grants Account represents the total grants receivable to date less transfers to Profit and Loss Account and Reserves.

(iv) Research and Development

Research and Development expenditure is written off when incurred.

(v) Stock and Work in Progress

Finished goods and work in progress are valued at the lower of cost, including a proportion of works overheads where appropriate, and estimated net realisable value. Raw materials are valued at the lower of cost or net realisable value.

(vi) Deferred Taxation

Provision is made under the liability method for taxation which may become payable within 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 of the year.

(vii) Goodwill

Goodwill, representing the excess of the cost of shares in Subsidiary Companies over the value of net assets attributable to such shares at the date of acquisition, is written off.

(viii) Basis of Consolidation

Subsidiary Companies—All Subsidiary Companies are consolidated for the period of ownership. Associated Companies—The Group's share of profits less losses is consolidated for the period of ownership where the Group interest in a company is between 20% and 50% and the Group exercises significant influence on policy decisions.

Foreign Subsidiaries' assets, liabilities and results of the year are translated into sterling at the rates ruling at the Balance Sheet date. Exchange differences arising on the translation of the net equity interest of overseas companies at the commencement of the year are dealt with through reserves.

(ix) Foreign Currencies

Other foreign currency balances are translated at the rates ruling at the booking date. Subsequent unrealised losses arising on retranslation of such balances to the year-end rate are provided, but unrealised profits are not recognised.

2. Trading Profit

	1981 £000	1980 £000
Includes income from:		
Associated Companies	273	65
Investment grants	335	357
and is shown after charging:		
Depreciation (see note 1(ii))	7,805	6,719
Auditors' Remuneration (Company £10,000 1980—£8,500)	227	183
Hire of computer equipment and other plant	994	917



Notes forming part of the Accounts

continued

	1981 £000	1980 £000
3. Interest		
Receivable	(472)	(600)
Payable	17	17
Debenture Stock	164	167
Loan Stock	6,765	2,676
Bank Loans and amounts repayable within five years	55	30
Other Loans		
	<u>6,529</u>	<u>2,290</u>

	1981 £000	1980 £000
4. Taxation		
Computed on the profits of the period:		
United Kingdom Tax	1,784	1,073
Advance Corporation Tax written off	1,264	(145)
Corporation Tax at 52%(1980—52%)	(1,130)	(793)
Less: Double Taxation Relief	(3,247)	1,185
Deferred Tax		
	<u>(1,329)</u>	<u>1,320</u>
Foreign Tax (including Deferred Tax (£129,000)1980—£26,000)	4,306	4,835
Associated Companies (including Foreign Tax £16,000 1980—£5,000)	16	21
	<u>2,993</u>	<u>6,176</u>

The taxation charge for the period has been reduced by the release of provisions no longer required for past stock appreciation relief and future taxation—£3.2m(1980—charge increased by £0.5m).

Had full provision for deferred taxation been made for the year there would have been an additional credit of £2.4m(1980—an additional charge of £3.7m).

	1981 £000	1980 £000
Extraordinary Items (net of taxation and minority interests)		
Net surplus on disposal of subsidiary companies' trades and shares	39	(118)
Surplus on disposal of property	158	304
Factory closures and restructuring costs	(1,652)	—
	<u>(1,455)</u>	<u>186</u>

6. Dividends

167,949(1980—182,499) Ordinary Shares, of which 55,983(1980—60,833) are fully paid and 111,966 (1980—121,666) partly paid, allotted in connection with the Company's Share Incentive Scheme, rank for 3.5% of any dividends. These shares are subject to certain restrictions.

1980
£000

(600)

17
167
2,676
30

2,290

1980
£000

1,073
(145)
(793)
1,185

1,32
4,835
21

6,176

r past

edit

1980
£000

(118)
304

186

r

	1981 £000	1980 £000
7. Profit Retained has been dealt with as follows:		
In Company	10,171	15,563
In Subsidiary Companies	(6,797)	(3,177)
In Associated Companies	257	44
	<u>3,631</u>	<u>6,430</u>
8. Earnings per Share		
Profit attributable to Berec Group Limited after taxation	7,345	9,986
and before extraordinary items	14	14
Less: Preference Dividend	<u>7,331</u>	<u>9,972</u>
Average Ordinary Shares in issue during the period	66,026,571	65,947,729
Earnings per Ordinary Share	11.10p	15.12p
Earnings per Ordinary Share (nil distribution basis)	13.81p	16.75p
9. Remuneration		
The emoluments of the Directors of the Company were:		
Directors' Fees	15,000	15,750
Other Emoluments	272,387	223,961
Pension Fund contributions	92,186	73,403
	<u>379,573</u>	<u>313,114</u>
Payments to former Directors and dependants of former Directors	19,350	28,037
In 1980 seven Directors waived remuneration totalling £46,455.		
The remuneration of the Chairman who was the highest paid Director was £52,876 (1980 Chairmen £43,436, highest paid Director £44,350).		
The tables which follow show the numbers of Directors and U.K. employees whose remuneration during the period fall within the bands stated.		
Directors:	1981	1980
£		
10,001 — 15,000	—	1
25,001 — 30,000	—	2
30,001 — 35,000	1	3
35,001 — 40,000	1	1
40,001 — 45,000	4	1
50,001 — 55,000	1	—
Employees:	2	—
20,001 — 25,000	1	—
25,001 — 30,000		



Notes forming part of the Accounts

continued

	1981 £000	1980 £000
10. Share Capital		
AUTHORISED		
75,200,000 Ordinary Shares of 25p each	18,800	18,800
200,000 10% (now 7% plus tax credit)	200	200
Cumulative Preference Shares of £1 each	19,000	19,000
ISSUED		
66,000,323 (1980—65,913,199) Ordinary Shares of 25p each fully paid	16,500	16,478
55,983 (1980—60,833) Ordinary Shares of 25p each fully paid (Note 6)	14	15
111,966 (1980—121,666) Ordinary Shares of 25p each partly paid (Note 6)	1	1
200,000 10% (now 7% plus tax credit) Cumulative Preference Shares of £1 each fully paid	200	200
Per Balance Sheets	16,715	16,694

During the period 21,074 Ordinary Shares were issued to the holders of £37,879 6% Convertible Unsecured Loan Stock 1992/97 who elected to convert and 51,500 Ordinary Shares were issued following the exercise of Options granted under the Company's Share Option Scheme.

In accordance with the terms of the Share Option Scheme approved by shareholders on 11th July 1973 certain executives have options to subscribe for Ordinary Shares of 25p each as follows:

Date of Expiry of Options	Option Price	Shares Under Option at 28.2.81
21.11.1981	35.9p	180,400
24. 7.1982	78.0p	208,000
1. 8.1983	111.0p	208,000
1. 8.1984	157.0p	230,500
19. 7.1985	154.0p	89,500
21.11.1986	76.0p	84,300
14. 7.1987	90.0p	267,000
19.11.1987	74.0p	7,900

	Group £000	Company £000
11. Reserves		
Retained profit and reserves brought forward	111,035	54,117
Share premiums	48	48
Exchange adjustments	(2,934)	(266)
Deficit on revaluation of properties:		
Deficit on cost and previous valuation	(470)	
Depreciation released	101	
	(369)	—
Surplus of net assets over cost of shares in subsidiaries purchased in the period	62	—
Retained profit for the period	3,631	10,171
Per Balance Sheets	111,473	64,070

Reserves at the end of the period include share premiums amounting to £7,393,000 (1980—£7,345,000) and attributable retained profits and reserves of Associated Companies since acquisition amounting to £837,000 (1980—£230,000)

	Group	Company		
	£000	£000		
12. Loan Capital				
5½% Debenture Stock 1976/81	303	303		
Repayable by September 1981				
6% Convertible Unsecured Loan Stock 1992/97	2,745	2,745		
Stock may be converted in July 1981 into Ordinary Shares at the rate of 25p nominal of Ordinary Share capital for every 179.74p of Loan Stock				
Secured Loans	2,930	—		
Repayable between 1986 and 2073. Interest is predominantly at margins over base or Inter Bank rates.				
Unsecured Bank Loans	15,045	15,000		
Repayable by March 1988. Interest is at margins over Inter Bank rate.	21,023	18,048		
Less: Repayable within one year transferred to current liabilities	(309)	(303)		
Per Balance Sheets	20,714	17,745		
Of the above, loans repayable wholly or partly after five years amount to	20,714	17,745		
Other than loan repayments due within one year which have been transferred to current liabilities, loan repayments are due:				
Between one and two years	6	—		
Between two and five years	7,520	7,500		
After five years	13,188	10,245		
	20,714	17,745		
13. Deferred Liabilities and Credits	Group	Company		
	1981	1980	1981	1980
	£000	£000	£000	£000
Deferred Taxation				
Excess of book values of fixed assets over tax values	1,852	2,035	250	250
Stock appreciation relief	288	1,772	—	—
Other timing differences	(124)	128	(31)	146
Advance corporation tax	(615)	(1,567)	(615)	(1,567)
	1,401	2,368	(396)	(1,171)
Future Taxation and Interest				
In respect of tax assessments which are in dispute and which are unlikely to result in tax being paid within two years	6,046	8,941	6,046	8,678
Long Term Liabilities				
In respect of retirement and leaving benefits	4,553	4,118	—	—
Investment Grants	1,855	1,845	—	—
Per Balance Sheets	13,855	17,272	5,650	7,507
The full provision for deferred taxation calculated on the liability method is set out below:				
Excess of book values of fixed assets over tax values	17,422	22,113	258	340
Stock appreciation relief	13,039	12,607	—	—
Other timing differences	1,672	166	3,342	128
Advance corporation tax	(3,471)	(2,640)	(3,471)	(2,640)
	28,662	32,246	129	(2,172)



Notes forming part of the Accounts

continued

14. Fixed Assets

	Group		Company	
	Land and Buildings £000	Plant and Equipment £000	Land and Buildings £000	Plant and Equipment £000
Cost and Valuation				
Balance brought forward	63,909	62,712	498	1,077
Exchange Rate adjustment	(2,897)	(1,702)	—	—
Balance at new Exchange Rate	61,012	61,010	498	1,077
Additions	4,280	14,482	77	959
Disposals and eliminations	(4,651)	(2,807)	(161)	(80)
Revaluation deficit	(468)	—	—	—
Balance carried forward	60,173	72,685	414	1,956
Accumulated Depreciation				
Balance brought forward	4,322	33,003	2	472
Exchange Rate adjustment	(55)	(1,120)	—	—
Balance at new Exchange Rate	4,467	31,883	2	472
Charge for the period	1,507	6,298	12	246
Disposals and eliminations	(3,370)	(1,644)	(2)	(40)
Released on revaluation	(103)	—	—	—
Balance carried forward	2,501	36,537	12	678
As valued by:				
Henry Butcher & Co., U.K. (28.2.1981)	1,465			
Dr. F. Tanini, Italy (31.12.1980) less depreciation	6,622			
At 1980 valuation less depreciation	42,899			
At cost less depreciation	6,686	36,148	402	1,278
	93,820		1,680	
Per Balance Sheets				
Valuations were on the basis of existing use, or where appropriate, open market valuation.				
Land and Buildings comprised:				
Freehold	43,088		166	
Long Leasehold	10,899		—	
Short Leasehold	3,685		236	
			Company	
			1981	1980
			£000	£000
15. Subsidiary Companies				
Share Capital at Cost or Directors' Valuation			37,936	59,260
Amounts owed by Subsidiaries			82,745	45,862
			120,681	105,122
			2,238	3,168
Amounts owed to Subsidiaries				
			118,443	101,954
Per Balance Sheets				

	Group		Company	
	1981 £000	1980 £000	1981 £000	1980 £000
16. Investments				
Associated Companies				
Listed at cost	10	—	10	—
Share of movement in reserves since acquisition	280	—	—	—
	290	—	10	—
Unlisted at Directors' valuation at 26.2.77 or at subsequent cost	557	557	236	557
Share of movement in reserves since acquisition or valuation	335	7	—	—
Directors' valuation £1,182,000 (1980—£564,000)	1,182	564	246	557
Other Investments				
Unlisted	20	19	4	4
Directors' valuation Group £344,000 (1980—£282,000) Company £4,000 (1980—£4,000)				
Listed	142	134	—	—
Market value £146,000 (1980—£138,000)				
Per Balance Sheets	1,344	717	250	561
Income from other Investments				
Unlisted	55	52	—	—
Listed	5	1	—	—
	60	53	—	—
	Group		Company	
	1981 £000	1980 £000	1981 £000	1980 £000
17. Stock				
Raw Materials	32,248	32,055	—	—
Work in Progress	13,440	13,439	—	—
Finished Goods	37,497	32,854	—	—
Consumable Stores	3,863	3,183	—	—
Per Balance Sheets	87,048	81,531	—	—



Notes forming part of the Accounts

continued

	Group		Company	
	1981	1980	1981	1980
	£000	£000	£000	£000
18. Bank Loans and Advances				
Secured	9,896	4,170	303	—
Unsecured	21,808	19,345	10,830	11,584
Per Balance Sheets	31,704	23,515	11,133	11,584
Bank loans and advances are repayable as follows :				
Within one year	22,424	23,124	9,130	11,421
Between one and two years	—	164	—	163
Between two and five years	8,493	61	2,003	—
After five years	787	166	—	—
	31,704	23,515	11,133	11,584

	Group		Company	
	1981	1980	1981	1980
	£000	£000	£000	£000
19. Capital Commitments				
Future Capital Expenditure :				
Contracts placed	12,363	10,673	16	35
Authorised by the Directors, but contracts not yet placed	9,686	11,525	72	137
	22,049	22,198	88	172

	Group		Company	
	1981	1980	1981	1980
	£000	£000	£000	£000
20. Contingent Liabilities				
Bills Discounted	32	39	606	—
Guarantees in respect of liabilities of Group companies	—	—	4,197	2,523
Guarantees and other claims arising in the normal course of the business	1,395	2,119	687	964
	1,427	2,158	5,490	3,487

21. Other Statutory Information

Debtors include loans totalling £45,636 to officers of the Company. Interest free housing assistance loans of £21,000 to R. R. Rowles and £15,000 to G. S. G. Brown (which in both cases were the maximum amounts outstanding during the period) were made prior to their joining the Board. A housing assistance loan of £9,636 to an officer bearing interest at 5% per annum was outstanding at the end of the period. As part of their service contracts C. G. Stapleton, C. A. D. Black and B. C. Ralph occupy property jointly owned by the Company subject to the payment of a market rent. C. G. Stapleton, C. A. D. Black and B. C. Ralph were granted options to acquire the Company's interest in the properties they occupy at original cost to the Company. The option prices are £90,000 for C. G. Stapleton, £26,000 for C. A. D. Black and £50,000 for B. C. Ralph. The option periods expire on 26th February 1990, 3rd May 1989 and 29th April 1990 respectively.



Principal Subsidiary Companies

	Country of Incorporation and Operation	Percentage of nominal value of issued shares held	
		by the Company	by Subsidiaries
Berec Belux NV	Belgium		100
*Berec (Ceylon) Ltd.	Sri Lanka	51	
Berec Components Ltd. ¹	England	100	
Berec Danmark A/S	Denmark		100
Berec Europe Ltd.	England	100	
*Berec-Eveready South Africa (Proprietary) Ltd. ²	South Africa		100
Berec (Ever Ready) Ltd. ³	England	100	
*Berec (Ever Ready Ireland) Ltd. ⁴	Eire		Ord. 100 Pref. 77
			100
*Berec Hellas S.A.	Greece		
Berec Holdings BV	Holland	100	
Berec Inc.	U.S.A.		100
Berec International Ltd.	England	100	
Berec Leasing Ltd.	England	100	
Berec (Micro-Batteries) Ltd.	England	100	
Berec Nederland BV	Holland		100
Berec Nigeria Ltd.	Nigeria	60	
*Berec Norge A/S	Norway		100
Berec Overseas Investments Ltd.	England	100	
*Berec Portuguesa Ltda.	Portugal	50	50
Berec (Special Batteries) Ltd.	England	100	
*Berec Svenska A/B	Sweden		100
Berec (Varley Batteries) Ltd.	England	100	
*Crabtree Electrical Industries Ltd.	England	100	
*J. A. Crabtree (Proprietary) Ltd.	South Africa		100
*Crabtree Electrical Industries (M) Sdn. Bhd.	Malaysia		87
Cramic Engineering Company Ltd.	England	100	
*Daimon G.m.b.H.	West Germany		99
Electro Formers Ltd.	England	100	
*Hing Wah Battery Factory (Hong Kong) Ltd.	Hong Kong		99
Mandaw Products (Europe) Ltd.	England	100	
Mandaw Products (International) Ltd.	England	100	
Marbourn Ltd.	England	100	
*A/S Skaland Grafritverk	Norway		84
*S.p.A. Superpila	Italy		98
Toolrite Ltd.	England	100	
*Companies not audited by Messrs. Arthur Young McClelland Moores & Co. or their Associates.			
Associated Companies	Issued Share Capital		
Berec Caribbean Ltd.	J\$ 500,000	Jamaica	40
Berec International Sales Nigeria Ltd.	Naira 754,000	Nigeria	40
Burndept Electronics Ltd.	£1,000,000 Ord.	England	Ord. 49
	£1,000,000 Pref.		Pref. 100

Notes:

1. Formerly Chemical and Carbon Products Ltd.
2. Formerly Eveready South Africa (Proprietary) Ltd.
3. Formerly The Ever Ready Company (Great Britain) Ltd.
4. Formerly Ever Ready (Ireland) Ltd.



Group Current Cost Profit Statement

52 weeks ended 28th February 1981

	Notes	1981		1980	
		£m	£m	£m	£m
Turnover			241.3		229.7
Historical cost profit before interest and taxation			17.1		19.5
Less: Current cost operating adjustments					
Depreciation	(3)	5.3		6.8	
Cost of sales	(4)	6.7		9.2	
Monetary working capital	(5)	0.2		1.5	
			12.2		17.5
Current Cost Operating Profit			4.9		2.0
Gearing adjustment	(6)	(2.6)		(3.1)	
Net interest		6.5		2.3	
			3.9		(0.8)
Current cost profit before taxation and extraordinary items			1.0		2.8
Taxation			3.0		6.2
			(2.0)		(3.4)
Minority interests			0.1		0.3
			(2.1)		(3.7)
Extraordinary items			(1.7)		(0.1)
Current cost (loss) attributable to shareholders			(3.8)		(3.8)
Dividends			2.3		3.7
Transfer from Reserves			(6.1)		(7.5)
Current cost (loss) per share			(3.2)p		(5.6)p



Group Current Cost Balance Sheet

At 28th February 1981

	Notes	1981 £m	1980 £m
Source of Capital			
Capital and Reserves:		16.7	16.7
Issued Share Capital	(7)	57.6	38.1
Current Cost Reserve	(8)	80.2	89.5
General Reserve		154.5	144.3
Minority Interests		5.1	6.3
Loan Capital		20.7	8.7
Deferred Liabilities and Credits		15.6	19.7
		195.9	179.0
Employment of Capital			
Fixed Assets	(2) & (9)	120.8	105.5
Investments		1.7	0.7
Net Current Assets			
Stock	(4)	88.4	84.8
Debtors less Creditors		10.3	7.3
Other (including taxation)		(25.3)	(19.3)
		73.4	72.8
		195.9	179.0



Notes forming part of Current Cost Accounts

(1) Accounting Policies

The Current Cost Accounts (CCA) on pages 34 and 35 have been prepared in accordance with SSAP 16. The accounting policies set out on page 25 have been adopted except as indicated below.

(2) Fixed Assets

Land and Buildings have been included at their value to the business, determined by the application of appropriate indices to recent professional valuations for all major properties.

Plant and Equipment has been included at the value to the business, being estimated replacement cost calculated by applying indices appropriate to the type and location of the assets concerned.

(3) Depreciation

Depreciation is based on the life of assets as determined for the Historical Cost (HC) accounts.

For assets fully depreciated in the HC accounts estimates are made of the further useful life at the balance sheet date and additional CCA depreciation is calculated accordingly. The CCA depreciation charge in respect of fully depreciated assets in the HC accounts amounted in 1981 to £2.3m (1980—£2.0m).

Investment grants have been revalued on the same basis as the assets to which they relate.

The depreciation adjustment comprises the adjustments relating to depreciation, investment grants and disposals.

(4) Stock revaluation and Cost of Sales Adjustment

Stock has been included at the value to the business being estimated replacement cost calculated by the use of existing costing information, in-house indices, general or specific indices where appropriate.

Cost of Sales Adjustment has been similarly calculated.

(5) Monetary Working Capital Adjustment

This adjustment has been calculated by applying general or specific indices to trade debtors less creditors.

(6) Gearing Adjustment

The calculation has been made on a Group basis on the average balance sheet method.

	1981 £m	1980 £m
(7) Current Cost Reserve		
Balance brought forward	38.1	35.1
Fixed Assets Revaluation for year	10.7	8.0
Land and Buildings Valuation surplus transferred to Historical Cost Accounts	—	(24.1)
Stock Revaluation for year	(1.9)	2.1
Investment Grants Revaluation for year	0.7	(0.3)
Current Cost Charges for year	9.6	14.0
Minority Interest Adjustment	0.1	3.3
Associates Adjustment	0.3	—
	<u>57.6</u>	<u>38.1</u>
Per Balance Sheet		
	31.3	21.6
Of which: realised	26.3	16.5
unrealised	<u>57.6</u>	<u>33.1</u>

	£m	£m
(8) General Reserve		
Balance brought forward	89.5	78.2
Retained Current Cost Loss	(6.1)	(7.5)
Movement in other Historical Cost Account Reserves	(3.2)	0.1
Land and Buildings Revaluation included in Historical Cost Accounts	—	24.1
Less: Minority Interest in revaluation	—	(2.3)
Amount applicable to newly acquired shares in subsidiaries	—	(3.1)
	<u>80.2</u>	<u>89.5</u>
Per Balance Sheet		

(9) Fixed Assets	Gross £m	Depreciation £m	Net £m	Net £m
Land and Buildings	66.1	2.6	63.5	59.9
Plant and Equipment	147.7	90.4	57.3	45.6
	<u>213.8</u>	<u>93.0</u>	<u>120.8</u>	<u>105.5</u>



Auditors' Report

To the Members of Berec Group Limited

We have audited the financial statements on pages 22 to 33 in accordance with approved auditing standards.

In our opinion the financial statements, which have been prepared under the historical cost convention as modified by the inclusion of the revaluation of certain assets give a true and fair view of the state of affairs of the Company and the Group at 28th February 1981 and of the profit and source and application of funds of the Group for the period then ended and comply with the Companies Acts of 1948 to 1980.

We have also examined the supplementary current cost statements on pages 34 to 37. In our opinion these statements have been properly prepared, in accordance with the policies and methods described in the notes, to give the information required by Statement of Standard Accounting Practice No. 16.

Arthur Young McClelland Moores & Co.,
Chartered Accountants

London.
4th June 1981.

Arthur Young McClelland Moores & Co.



Berec Group Limited

Registered Office:
Berec House, 1255, High Road, Whetstone, London N20 0EJ

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FORM OF PROXY

For use at the Annual General Meeting
on 8th July 1981

I/We
(Block Letters)

of
being (a) member(s) of the Company, hereby appoint Mr. C. G. Stapleton (Chairman & Managing
Director of the Company) whom failing Mr. C. A. D. Black (Director) whom failing
of to act for me/us and to vote
on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday,
8th July 1981 and at any adjournment thereof.

Resolutions	For	Against
1. To adopt the Report of the Directors and the Accounts		
2. To declare Dividends		
3. To re-elect a Director, Mr. G. P. Knight		
4. To re-appoint the Auditors, Messrs. Arthur Young McClelland Moores & Co.		
5. To authorise the Directors to fix the remuneration of the Auditors		

Signature..... dated this..... day of..... 1981

Please indicate by inserting a cross in the appropriate space the manner in which the proxy is
to vote. Unless otherwise indicated the proxy will exercise discretion as how to vote or whether
to abstain from voting.

Notes:

- (1) To be valid the form must be completed and deposited at the Company's Registered Office not less than 48 hours before the time fixed for holding the Meeting or adjourned Meeting.
- (2) If the appointer is a corporation this form of proxy must be executed under its common seal and if none then under the hand of an officer duly authorised.
- (3) In the case of joint holders the signature of any one holder will be sufficient but the names of all joint holders should be stated.
- (4) A member may appoint his or her own proxy in the space provided and such proxy need not be a member of the Company.

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