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DUNLOP OVERSEAS LIMITED

31 December 1984

11-7522983

DUNLOP OVERSEAS LIMITED

DIRECTORS' REPORT

The directors submit their annual report and the audited accounts for the year ended 31 December 1984.

DIRECTORS

The directors at the date of this report are:-

B Rudd
PC Jones
JH Bell

None of the directors at the end of the year had an interest during the year in the shares or debentures of Dunlop Holdings plc or any of its subsidiaries.

Mr AT Harvey, Mr R Marsh and Mr B Rudd were appointed as directors on 1 February 1984. Mr WK Gardener, Alan Lord, CB, Mr AT Harvey and Mr R Marsh resigned on 8 November 1984. Mr PC Jones was appointed on 8 November 1984. Mr KJ Johnson OBE retired on 31 December 1984 and on the same day Mr JH Bell was appointed.

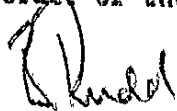
PRINCIPAL ACTIVITY

The company is a holding company with subsidiaries operating both within the United Kingdom and overseas as shown on page 8.

RESULTS

The result for the year was a loss after extraordinary items of £2,620,000 and this was met by a transfer from reserves. The directors do not recommend a dividend.

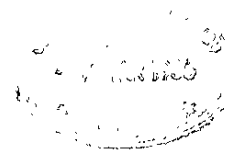
By Order of the Board



Brian Rudd
Secretary

30 April 1985

St James's House
23-24 King Street
London
SW1Y 6RA



AUDITORS' REPORT TO THE MEMBERS OF
DUNLOP OVERSEAS LIMITED

We have audited the accounts of Dunlop Overseas Limited set out on pages 3 to 9 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 loss and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

Price Waterhouse

Chartered Accountants
London

30 April 1985

DUNLOP OVERSEAS LIMITED

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

	<u>Notes</u>	<u>1984</u> <u>£000</u>	<u>1983</u> <u>£000</u>
Unlisted investment income		-	40
Operating expenses	2	<u>(12)</u>	<u>(263)</u>
OPERATING LOSS		(12)	(223)
Financing (charges)/income	3	<u>(1,795)</u>	<u>227</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,807)	4
Tax on (loss)/profit on ordinary activities	4	<u>1,131</u>	<u>120</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(676)	124
Extraordinary items	5	<u>(1,944)</u>	<u>(3,602)</u>
(LOSS) FOR THE FINANCIAL YEAR		<u>(2,620)</u>	<u>(3,478)</u>
(DEFICIT)/SURPLUS ON RESERVES AT BEGINNING OF YEAR		(3,068)	410
TRANSFER TO PROFIT AND LOSS ACCOUNT		<u>(2,620)</u>	<u>(3,478)</u>
(DEFICIT) ON RESERVES AT END OF YEAR		<u>(5,688)</u>	<u>(3,068)</u>

DUNLOP OVERSEAS LIMITED

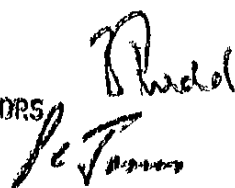
BALANCE SHEET - 31 DECEMBER 1984

	<u>Notes</u>	<u>1984</u> <u>£000</u>	<u>1983</u> <u>£000</u>
FIXED ASSETS			
Investments	6	<u>36,376</u>	<u>31,509</u>
CURRENT ASSETS			
Debtors	7	3,820	3,186
CREDITORS: amounts falling due within one year	8	<u>37,404</u>	<u>29,283</u>
NET CURRENT (LIABILITIES)		<u>(33,584)</u>	<u>(26,097)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,792</u>	<u>5,412</u>
CAPITAL AND RESERVES			
Called up share capital	9	8,480	8,480
Profit and loss account		<u>(5,688)</u>	<u>(3,068)</u>
		<u>2,792</u>	<u>5,412</u>

Approved by the Board on 30 April 1985

B Rudd
P C Jones } x

DIRECTORS



DUNLOP OVERSEAS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1984

	<u>1984</u> <u>£000</u>	<u>1983</u> <u>£000</u>
SOURCE OF FUNDS		
(Loss)/profit on ordinary activities before taxation	(1,807)	4
TOTAL FUNDS GENERATED	<u>(1,807)</u>	<u>4</u>
UTILISATION OF FUNDS		
Dividend payments	-	400
Increase in investments	6,811	2,903
Debtors (decrease)	(130)	(3,924)
Creditors (increase)/decrease	(8,121)	625
Group relief received	<u>(367)</u>	<u>-</u>
TOTAL FUNDS UTILISED	<u>(1,807)</u>	<u>4</u>

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Basis of accounts

The accounts have been prepared under the historical cost accounting convention.

Investments

Investments in subsidiaries are at cost to which is added subsequent scrip issues at nominal values, less amounts written off and provisions for diminution in value.

Exchange rates

At the year end assets and liabilities recorded in foreign currencies are expressed in sterling at the rates of exchange then ruling. Resultant exchange differences are taken to profit and loss account.

2 OPERATING EXPENSES

	<u>1984</u> £000	<u>1983</u> £000
Audit fees	12	13
Directors' remuneration	-	-
Other operating charges	-	250
	<u>12</u>	<u>263</u>

3 FINANCING CHARGES/(INCOME)

	<u>1984</u> £000	<u>1983</u> £000
Interest receivable from other Dunlop Group companies	(135)	(267)
Interest payable to other Dunlop Group companies	2,581	267
Exchange gains on foreign currency loans	<u>(651)</u>	<u>(227)</u>
	<u>1,795</u>	<u>(227)</u>

4 TAXATION

	<u>1984</u> £000	<u>1983</u> £000
Corporation tax credit at 46.25% on taxable losses for the year	<u>(1,131)</u>	<u>(120)</u>

DUNLOP OVERSEAS LIMITED

NOTES TO THE ACCOUNTS (Continued)

5 EXTRAORDINARY ITEMS

	<u>1984</u> <u>£000</u>	<u>1983</u> <u>£000</u>
Extraordinary charges are in respect of provisions against investments in and loans to subsidiaries	<u>1,944</u>	<u>3,602</u>

6 INVESTMENTS

	<u>Group companies</u>		<u>Other</u> <u>unlisted</u> <u>investments</u>	<u>Total</u>
	<u>Shares</u> <u>£000</u>	<u>Loans</u> <u>£000</u>	<u>£000</u>	<u>£000</u>
Cost:				
Balance at 1 January 1984	26,481	10,678	-	37,159
Investments and advances	-	<u>1,266</u>	<u>5,545</u>	<u>6,811</u>
Balance at 31 December 1984	<u>26,481</u>	<u>11,944</u>	<u>5,545</u>	<u>43,970</u>
Provisions:				
Balance at 1 January 1984	3,727	1,923	-	5,650
Charge to profit and loss	-	<u>1,944</u>	-	<u>1,944</u>
Balance at 31 December 1984	<u>3,727</u>	<u>3,867</u>	-	<u>7,594</u>
Net book amount:				
At 1 January 1984	<u>22,754</u>	<u>8,755</u>	<u>Nil</u>	<u>31,509</u>
At 31 December 1984	<u>22,754</u>	<u>8,077</u>	<u>5,545</u>	<u>36,376</u>

Other unlisted investments during the year comprise primarily the purchase from Dunlop Holdings plc of 4% Zimbabwe External Bonds 1995/2004.

7 DEBTORS

	<u>1984</u> <u>£000</u>	<u>1983</u> <u>£000</u>
Amounts falling due within one year:		
Amounts owed by fellow subsidiaries	2,372	2,502
Taxation	<u>1,448</u>	<u>684</u>
	<u>3,820</u>	<u>3,186</u>

DUNLOP OVERSEAS LIMITED

NOTES TO THE ACCOUNTS (Continued)

8 CREDITORS

Amounts falling due within one year:

	<u>1984</u> <u>£000</u>	<u>1983</u> <u>£000</u>
Amounts owed to holding company	9,099	2,995
Amounts owed to subsidiary companies	28,293	26,275
Accruals and deferred income	<u>12</u>	<u>13</u>
	<u>37,404</u>	<u>29,283</u>

9 CALLED UP SHARE CAPITAL

	<u>Authorised, allotted and fully paid</u>	
	<u>1984</u> <u>£000</u>	<u>1983</u> <u>£000</u>
10,000 ordinary shares of £1 each	10	10
8,470,000 deferred shares of £1 each	<u>8,470</u>	<u>8,470</u>
	<u>8,480</u>	<u>8,480</u>

10 SUBSIDIARIES

At 31 December 1984 the company held shares in the following subsidiaries:

	<u>Class of shares</u>	<u>Percentage of equity held</u>	<u>Country of incorporation</u>
Dunlop Investments Limited	Ordinary	100	England
Dunlop Bioprocesses Limited	Ordinary	100	England
Coventry Lake Corporation	Ordinary	100	USA
Tyre Equipment and Reconditioning Company Limited	Ordinary	100	England
Dunlop Argentina Limited	Ordinary	100	England
Dunlop Plantations Limited	Ordinary	100	England
	Preference	-	England

which holds 100% of the
ordinary shares of:
Moorgate Industrials Limited

England

Dunlop Argentina Limited principally manufactures spiral hose and markets other products in Argentina and Moorgate Industrials Limited is an investment company. Coventry Lake Corporation ceased operations in the year and the company's other subsidiaries did not trade.

DUNLOP OVERSEAS LIMITED

NOTES TO THE ACCOUNTS (Continued)

11 GROUP ACCOUNTS

Consolidated accounts have not been prepared as the company is a wholly owned subsidiary of a company incorporated in England.

In the opinion of the directors of the company, the aggregate value of the company's assets consisting of shares in, and amounts owing from, its subsidiaries is not less than the aggregate of the amounts at which those assets are stated.

12 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:

- 1) Loans and short term facilities to Dunlop Holdings plc and its UK subsidiaries of £288 million.
- 1i) The preferred shares of Dunlop Curacao NV as to capital, premium and dividend amounting to £13 million.

13 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, a company incorporated in England.