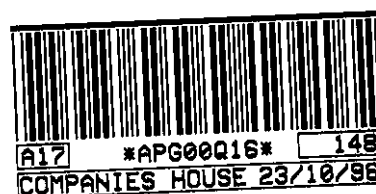


BTR INDUSTRIAL HOLDINGS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995
REGISTERED NO: 731261



BTR INDUSTRIAL HOLDINGS LIMITED
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BTR INDUSTRIAL HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1995.

RESULTS AND DIVIDENDS

The profit for the financial year amounted to £21,174,000 (1994 - £16,772,000). The directors recommend a dividend amounting to £21,000,000 (1994 - £32,000,000), which leaves a profit of £174,000 (1994 - loss £15,228,000) to be retained.

REVIEW OF THE BUSINESS

The Company's principal activities during the year continued to be the manufacture and sale of dust control equipment filters, pipeline expansion joints, air and liquid filters and batteries.

On 18 September 1995, the Company acquired Varta Industrial Batteries Limited from Varta Batteries AG.

On 31 December 1995, the Company acquired the business and net assets, details of which are contained in note 21 to the accounts, of Alupower Chloride Limited, a BTR group company. The activities carried out by Alupower Chloride Limited include the development and manufacture of aluminium air batteries.

Company development has been satisfactory and is expected to continue to be so.

MARKET VALUE OF LAND AND BUILDINGS

The market value of land and buildings is not materially different from their net book value.

FIXED ASSETS

Changes in the Company's fixed assets during the period are described in notes 10, 11 and 12 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

Mr R C Brown
Dr C R Burns
Miss K A O'Donovan
Mr W J Richardson
Mr S K Williams

Mr S K Williams resigned on 31 July 1996 and Mr J D Thom was appointed as director on 31 July 1996.

No director had any interest in the shares of the Company. Dr C R Burns and Miss K A O'Donovan are also directors of BTR plc, the ultimate parent undertaking and their interests in the shares of that company are disclosed in its accounts.

The interests of the other directors in the shares of BTR plc were:

	31 December 1995				1 January 1995			
	Listed	Warrants	Share Option Schemes		Listed	Warrants	Share Option Schemes	
			Senior Executive	SAYE			Senior Executive	SAYE
Mr R C Brown	1,000	-	104,998	6,946	1,000	-	84,998	5,609
Mr W J Richardson	-	-	75,000	8,780	-	-	45,000	8,780
Mr S K Williams	14,768	792	185,832	17,015	14,347	1,125	175,832	13,004

BTR INDUSTRIAL HOLDINGS LIMITED
DIRECTORS' REPORT (Continued)

DIRECTORS AND THEIR INTERESTS (Continued)

Share options related to the shares of BTR plc granted to, and exercised by, the other directors of BTR Industrial Holdings Limited during 1995, were as follows:

	Granted	Exercised
As part of the Senior Executive scheme:		
Mr R C Brown	30,000	10,000
Mr W J Richardson	30,000	-
Mr S K Williams	10,000	-
As part of the SAYE scheme:		
Mr R C Brown	1,337	-
Mr S K Williams	4,011	-

No director was interested during or at the end of the year in any contract which was significant in relation to the Company's business.

GENERAL INFORMATION

Information concerning employees and their remuneration is given in note 5. Consultative procedures enable management and other employees to discuss matters of mutual interest, including health and safety. Through these procedures, departmental channels and the BTR group magazine "Grapevine", employees are kept informed about Company and BTR group affairs.

It is the Company's policy to encourage the employment, training and career development of disabled persons. If employees become disabled every effort is made for them to continue in employment or receive appropriate training. In order to safeguard its employees, the Company pursues a policy designed to provide secure working environments and training standards at all operating locations.

BTR plc maintains a policy of liability insurance for the BTR group's officers.

AUDITORS

In accordance with s386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors annually was passed on 30 August 1991. Accordingly Ernst & Young shall be deemed to be re-appointed as auditors 28 days after the accounts are sent to the members.

By order of the Board.



Per pro BTR Secretaries Limited, Secretary

Silvertown House
Vincent Square
London
SW1P 2PL

15 October 1996

BTR INDUSTRIAL HOLDINGS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF BTR INDUSTRIAL HOLDINGS LIMITED**

We have audited the accounts on pages 6 to 18 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 4, the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor

London

15 October 1996

BTR INDUSTRIAL HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	Notes	<u>1995</u> £'000	<u>1994</u> £'000
TURNOVER			
Continuing operations	2	153,858	118,472
Operating costs less other operating income	3	(127,207)	(93,647)
		<hr/>	<hr/>
OPERATING PROFIT		26,651	24,825
Profit/(loss) on disposal of fixed assets		3	(10)
Interest receivable and similar income	6	2	11
Interest payable and similar charges	7	(85)	(80)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	26,571	24,746
Taxation	8	(5,397)	(7,974)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		21,174	16,772
Dividends	9	(21,000)	(32,000)
		<hr/>	<hr/>
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	20	174	(15,228)
		<hr/>	<hr/>

The notes on pages 9 to 18 form part of these accounts.

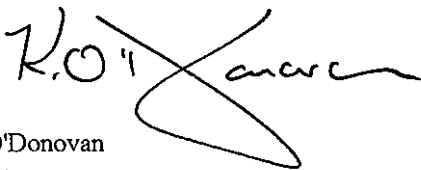
RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the financial year of £21,174,000 in the year ended 31 December 1995 and £16,772,000 in the year ended 31 December 1994.

BTR INDUSTRIAL HOLDINGS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1995

	Notes	<u>1995</u> £'000	<u>1994</u> £'000
FIXED ASSETS			
Tangible assets	10	59,301	52,899
Intangible assets	11	31,017	31,856
Investments	12	1,982	450
		<hr/>	<hr/>
		92,300	85,205
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks	13	17,855	15,874
Debtors - amounts falling due within one year	14	109,982	117,466
Debtors - amounts falling due after more than one year	14	59	65
Cash at bank and in hand		14,052	11,179
		<hr/>	<hr/>
		141,948	144,584
		<hr/>	<hr/>
CREDITORS: amounts falling due within one year	15	(133,464)	(151,620)
		<hr/>	<hr/>
NET CURRENT ASSETS/(LIABILITIES)		8,484	(7,036)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		100,784	78,169
		<hr/>	<hr/>
CREDITORS: amounts falling due after more than one year	16	(82,252)	(59,811)
		<hr/>	<hr/>
		18,532	18,358
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	19	18,308	18,308
Profit and loss account	20	224	50
		<hr/>	<hr/>
		18,532	18,358
		<hr/>	<hr/>

Approved by the Board on 15 OCTOBER 1996


K A O'Donovan
Director

The notes on pages 9 to 18 form part of these accounts.

BTR INDUSTRIAL HOLDINGS LIMITED
RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1995

	Notes	<u>1995</u> £'000	<u>1994</u> £'000
PROFIT FOR THE FINANCIAL YEAR		21,174	16,772
Dividends	9	(21,000)	(32,000)
		<hr/>	<hr/>
NET ADDITION TO/(REDUCTION FROM) SHAREHOLDERS' FUNDS		174	(15,228)
Opening shareholders' funds		18,358	33,586
		<hr/>	<hr/>
Closing shareholders' funds		18,532	18,358
		<hr/>	<hr/>

BTR INDUSTRIAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. Where changes in presentation have been made, comparatives have been adjusted accordingly.

Depreciation of tangible assets

Tangible assets, with the exception of freehold and long leasehold land, are depreciated over their estimated useful lives at the following rates applied to original cost or subsequent valuation:

Freehold and Long Leasehold Buildings	2% or remaining useful life if less than 50 years
Short Leasehold	remaining lease period
Plant and machinery	7.5% - 35%

Leased assets

Assets held under finance leases are capitalised and included in tangible assets at fair value. Each asset is depreciated over the shorter of the lease term or its useful life. The obligations related to finance leases, net of finance charges in respect of future periods, are included, as appropriate, under creditors due within, or creditors due after one year. The interest element of the rental obligation is allocated to accounting periods during the lease term to reflect a constant rate of interest on the remaining balance of the obligation for each accounting period. Rentals under operating leases are charged to profit and loss account on a straight line basis.

Investments

The investments in subsidiary undertakings are included at cost less amounts written off and provisions for permanent diminution in value.

Stocks

Stocks are valued at the lower of cost or net realisable value. Cost comprises the actual cost of raw materials and an appropriate proportion of labour and overheads in the case of work in progress and finished goods. Provision is made for obsolete and slow moving items.

Pension costs

The expected costs of pensions are charged to the profit and loss account so as to spread the costs over the service lives of the participating employees. The costs are assessed in accordance with the advice of actuaries.

Foreign currencies

Monetary assets and liabilities denominated in foreign currency are translated at the rates ruling at the year end. Exchange differences arising from the retranslation of foreign currency denominated assets and liabilities together with other exchange differences arising in the year are included in the profit and loss account.

Purchased Goodwill

Purchased goodwill arising on acquisitions is either taken to reserves on acquisition or amortised over its useful economic life.

BTR INDUSTRIAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)****1. ACCOUNTING POLICIES (Continued)****Taxation**

Provision for deferred taxation is made for liabilities which may arise in the foreseeable future.

Research and development

Research and development expenditure is generally expensed as incurred, except where a major project is undertaken and it is reasonably anticipated that certain expenditure will be recovered through future commercial development.

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and arises from goods produced in the United Kingdom.

An analysis of turnover by geographical market is as follows:

	Turnover	
	1995	1994
	£'000	£'000
United Kingdom	87,352	70,967
Europe	35,736	25,175
The Americas	8,969	8,751
Africa and Middle East	7,290	3,495
Australia and Asia	14,511	10,084
	<hr/>	<hr/>
	153,858	118,472
	<hr/>	<hr/>

An analysis of turnover and profit on ordinary activities before taxation by business segment is as follows:

	Turnover		Profit before tax	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Industrial	153,858	118,472	27,021	25,568
Other	-	-	(367)	(753)
Finance costs	-	-	(83)	(69)
	<hr/>	<hr/>	<hr/>	<hr/>
	153,858	118,472	26,571	24,746
	<hr/>	<hr/>	<hr/>	<hr/>

BTR INDUSTRIAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)****3. OPERATING COSTS LESS OTHER OPERATING INCOME**

	<u>1995</u> £'000	<u>1994</u> £'000
Change in stocks of finished goods and work in progress	(1,688)	(95)
Raw materials and consumables	56,796	36,726
Staff costs (Note 5)	38,926	29,721
Depreciation and amortisation	7,517	5,771
Other operating costs less other operating income	25,656	21,524
	<hr/>	<hr/>
	127,207	93,647
	<hr/>	<hr/>

Operating costs less other income are stated after charging:

	<u>1995</u> £'000	<u>1994</u> £'000
Auditors' remuneration - audit fees	111	94
Depreciation of owned fixed assets	6,640	4,827
Depreciation of assets held under finance leases	38	106
Hire of plant and machinery	114	52
Amortisation of purchased goodwill	839	838
Research and development expenditure written off	2,979	1,293
Operating lease rentals - plant and machinery	57	87
- land and buildings	2,430	1,673

Remuneration of the auditors for non-audit services supplied to the Company and its UK subsidiary undertakings amounted to £Nil (1994 - £4,000)

4. DIRECTORS' REMUNERATION

None of the directors received any emoluments from the Company during the year (1994 - Nil).

5. EMPLOYEES

	<u>1995</u> £'000	<u>1994</u> £'000
Wages and salaries	35,801	27,245
Social security costs	3,107	2,415
Other pension costs	18	61
	<hr/>	<hr/>
	38,926	29,721
	<hr/>	<hr/>

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

	<u>1995</u> No.	<u>1994</u> No.
Administration	209	196
Production	1,691	1,388
Marketing	310	184
	<hr/>	<hr/>
	2,210	1,768
	<hr/>	<hr/>

BTR INDUSTRIAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)****6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>1995</u> £'000	<u>1994</u> £'000
Interest receivable	2	11
	<hr/>	<hr/>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1995</u> £'000	<u>1994</u> £'000
Bank loans and overdrafts	7	6
Finance charges in respect of finance leases and hire purchase agreements	18	24
Foreign exchange loss	60	50
	<hr/>	<hr/>
	85	80
	<hr/>	<hr/>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u> £'000	<u>1994</u> £'000
Corporation tax at 33% (1994 - 33%)	8,015	7,952
Less double tax relief	(8)	(8)
	<hr/>	<hr/>
	8,007	7,944
Overseas tax	8	8
Deferred tax	-	-
	<hr/>	<hr/>
	8,015	7,952
Adjustments in respect of prior years	(2,618)	22
	<hr/>	<hr/>
	5,397	7,974
	<hr/>	<hr/>

If full provision had been made for deferred taxation for the year, the taxation charge would have been increased by £1,718,000 (1994: £705,000).

9. DIVIDENDS

	<u>1995</u> £'000	<u>1994</u> £'000
Final of £1.15 per share (1994 - £1.75)	21,000	32,000
	<hr/>	<hr/>

BTR INDUSTRIAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)****10. TANGIBLE ASSETS**

	<u>Land & Buildings</u> £'000	<u>Plant & Machinery</u> £'000	<u>Total</u> £'000
Cost			
At 1 January 1995	15,444	85,145	100,589
Additions	330	12,841	13,171
Acquisitions	-	83	83
Transfers	-	70	70
Disposals	-	(1,057)	(1,057)
	<hr/>	<hr/>	<hr/>
At 31 December 1995	15,774	97,082	112,856
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 1995	(1,666)	(46,024)	(47,690)
Charge for the year	(359)	(6,319)	(6,678)
Acquisitions	-	(50)	(50)
Transfers	-	(32)	(32)
Disposals	-	895	895
	<hr/>	<hr/>	<hr/>
At 31 December 1995	(2,025)	(51,530)	(53,555)
	<hr/>	<hr/>	<hr/>
Net book value			
At 1 January 1995	13,778	39,121	52,899
	<hr/>	<hr/>	<hr/>
At 31 December 1995	13,749	45,552	59,301
	<hr/>	<hr/>	<hr/>

The net book value of plant and machinery includes an amount of £98,000 (1994 - £136,000) in respect of assets held under capitalised finance leases.

The net book value of land and buildings is comprised of:

	<u>1995</u> £'000	<u>1994</u> £'000
Freehold and long leasehold	12,738	13,064
Short leasehold	1,011	714
	<hr/>	<hr/>
	13,749	13,778
	<hr/>	<hr/>

BTR INDUSTRIAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)****11. INTANGIBLE ASSETS**

	<u>Purchased</u> <u>Goodwill</u> £'000
Cost	
At 1 January 1995 and 31 December 1995	33,532
Amortisation	
At 1 January 1995	(1,676)
Charge for year	(839)
At 31 December 1995	(2,515)
Net book value	
At 1 January 1995	31,856
At 31 December 1995	31,017

Purchased goodwill, which arose on the acquisition of businesses and net assets in 1992, is being amortised over the directors' estimate of its useful economic life of 40 years.

12. INVESTMENTS

	<u>Shares in</u> <u>Subsidiary</u> <u>Undertakings</u> £'000
Cost and Net Book Value	
At 1 January 1995	450
Additions	1,532
At 31 December 1995	1,982

During the year, the Company acquired the entire share capital of Varta Industrial Batteries Limited from Varta Batteries AG.

Details of the Company's subsidiary undertakings are as follows:

Name of company	Country of registration, incorporation and operation	Holding	Proportion held	Nature of business
Aldington Laboratories Limited	England & Wales	Ordinary Shares	100%	Dormant
Timothy Hird & Sons Limited	England & Wales	Ordinary Shares	100%	Dormant
Varta Industrial Batteries Limited	England & Wales	Ordinary Shares	100%	Industrial Batteries

Group accounts have not been prepared because the Company is a wholly owned subsidiary undertaking of BTR plc, a company registered in England & Wales. As a result, the financial statements present information about the Company as an individual undertaking and not about its group. In the opinion of the directors the value of the Company's investments in its subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

BTR INDUSTRIAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)**

13. STOCKS	<u>1995</u>	<u>1994</u>
	£'000	£'000
Raw materials and consumables	5,413	5,120
Work in progress	6,419	5,336
Finished goods	6,023	5,418
	<hr/>	<hr/>
	17,855	15,874
	<hr/>	<hr/>
14. DEBTORS	<u>1995</u>	<u>1994</u>
	£'000	£'000
Amounts falling due within one year		
Trade debtors	28,505	24,339
Amounts due from parent and fellow subsidiary undertakings	78,871	90,422
Other debtors	1,251	964
Prepayments	1,355	1,741
	<hr/>	<hr/>
	109,982	117,466
	<hr/>	<hr/>
Amounts falling due after more than one year	<u>1995</u>	<u>1994</u>
	£'000	£'000
Trade debtors	2	-
Other debtors	57	65
	<hr/>	<hr/>
	59	65
	<hr/>	<hr/>
15. CREDITORS: amounts falling due within one year	<u>1995</u>	<u>1994</u>
	£'000	£'000
Bank loans and overdrafts	3,150	2,856
Obligations under finance leases (note 17)	27	72
Trade creditors	16,573	14,999
Amounts due to parent and fellow subsidiary undertakings	67,206	74,449
Amounts due to subsidiary undertakings	77	77
Current corporation tax	18,533	20,045
Other taxes and social security	1,283	2,055
Other creditors	3,280	3,081
Accruals and deferred income	2,335	1,986
Proposed dividend	21,000	32,000
	<hr/>	<hr/>
	133,464	151,620
	<hr/>	<hr/>

BTR INDUSTRIAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)****16. CREDITORS: amounts falling due after more than one year**

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Obligations under finance leases (note 17)	-	29
Amounts due to parent and fellow subsidiary undertakings	82,252	59,782
	<hr/>	<hr/>
	82,252	59,811
	<hr/>	<hr/>

17. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE AGREEMENTS

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Amounts payable:		
within one year	27	87
between two and five years	-	40
	<hr/>	<hr/>
	27	127
Less: Finance charges allocated to future periods	-	(26)
	<hr/>	<hr/>
	27	101
	<hr/>	<hr/>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations (note 15)	27	72
Non-current obligations (note 16)	-	29
	<hr/>	<hr/>
	27	101
	<hr/>	<hr/>

18. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation	<u>Provided</u>		<u>Not Provided</u>	
	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Capital allowances	-	-	8,645	6,975
Other differences	-	-	(30)	(78)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	8,615	6,897
	<hr/>	<hr/>	<hr/>	<hr/>

19. CALLED UP SHARE CAPITAL

	<u>Authorised, Allotted, Called-up and Fully Paid</u>	
	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
18,307,783 ordinary shares of £1 each	18,308	18,308
	<hr/>	<hr/>

BTR INDUSTRIAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)

20. RESERVES

	<u>Profit and Loss Account</u> £'000
At 1 January 1995	50
Retained profit for the financial year	174
	<hr/>
At 31 December 1995	224
	<hr/>

21. ACQUISITIONS

On 31 December 1995, the Company acquired the business and net assets of Alupower Chloride Limited, a BTR Group company, at their net book value. No goodwill arose as a result of the acquisition and no fair value adjustments were required.

An analysis of the net assets acquired is as follows:

	<u>Net Book Value of Assets Acquired</u> £'000
Fixed assets	33
Stock	22
Debtors	114
Cash	6
Creditors	(169)
	<hr/>
	6
	<hr/>

22. CAPITAL COMMITMENTS

	<u>1995</u> £'000	<u>1994</u> £'000
Contracted	3,282	2,051
Authorised but not yet contracted for	4,354	3,884
	<hr/>	<hr/>
	7,636	5,935
	<hr/>	<hr/>

BTR INDUSTRIAL HOLDINGS LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995 (Continued)

23. OPERATING LEASE COMMITMENTS

At 31 December 1995, the Company had commitments under operating leases to make payments in 1996 under agreements expiring as below:

	<u>1995</u>		<u>1994</u>	
	<u>Land and Buildings</u> £'000	<u>Other</u> £'000	<u>Land and Buildings</u> £'000	<u>Other</u> £'000
within one year	-	40	-	-
within two to five years	-	5	-	57
over five years	2,467	-	2,366	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,467	45	2,366	57
	<hr/>	<hr/>	<hr/>	<hr/>

24. CONTINGENT LIABILITIES

In accordance with provisions contained in the Value Added Tax Act 1983, the Company has entered into a joint and several guarantee for Group Registrations.

The Company has contingent liabilities arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

25. PENSIONS

The UK employees of BTR Industrial Holdings Limited are eligible for membership of the BTR plc Group Pension Scheme, a funded defined benefit scheme, and contributions are made in accordance with the recommendations of independent actuaries based on pension cost across the eligible group.

A valuation of the scheme was performed by the actuaries as at 6 April 1994. The actuarial surplus identified is being spread over the average remaining services lives of the current employees. Further details of the valuation are included in the accounts of BTR plc.

26. CASH FLOW STATEMENT

As the Company is a wholly owned subsidiary undertaking of BTR plc, a company registered in England and Wales, which prepares a consolidated cash flow statement, the Company has taken advantage of the exemption provided under paragraph 8 of FRS 1 not to prepare a cash flow statement.

27. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of BTR Industrial Holdings Limited is BTR plc, a company registered in England and Wales. Copies of the group accounts of BTR plc, the parent undertaking of the only group preparing group accounts which include BTR Industrial Holdings Limited, can be obtained from the Company Secretarial Department, BTR plc, Silvertown House, Vincent Square, London SW1P 2PL.