

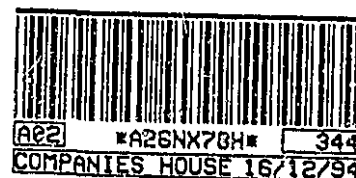
Company Registration No. 2840892

DSB SPECIAL BATTERIES LIMITED
(formerly Cursitor (One Hundred and Eleven) Limited)

Report and Abbreviated Financial Statements

Period 30 July 1993 to
30 September 1994

Touche Ross & Co.
63 High Street
Crawley
West Sussex
RH10 1BQ



REPORT AND ABBREVIATED FINANCIAL STATEMENTS 1994

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S Bowler
S Boyes
D J Jackson
W Li

SECRETARY

W Li

REGISTERED OFFICE

63 High Street
Crawley
West Sussex
RH10 1BQ

TRADING ADDRESS

Ruben House
Crompton Way
Crawley
West Sussex
RH10 2QR

BANKERS

Barclays Bank Plc
The Gatwick Group
90-92 High Street
Crawley
West Sussex
RH10 1BP

AUDITORS

Touche Ross & Co.
Chartered Accountants
63 High Street
Crawley
West Sussex
RH10 1BQ

DIRECTORS' REPORT

The directors present their first annual report and the audited abbreviated financial statements for the period from the date of incorporation to 30 September 1994.

DATE OF INCORPORATION AND CHANGE OF NAME

The company was incorporated on 30 July 1993 in the name of Cursitor (One Hundred and Eleven) Limited. On 24 September 1993 the company changed its name to DSB Special Batteries Limited.

ACTIVITIES

The principal activity of the company is the design, manufacture and marketing of a wide range of special battery packs and battery charging systems to meet the diverse requirements of industrial, military and consumer markets.

REVIEW OF DEVELOPMENTS

The company commenced trading on 1 October 1993 after acquiring the assets of a division of Duracell Batteries Limited by way of a Management Buy Out. At the same time it issued 50,000 £1 ordinary shares in order to set up the business and provide finance for the initial working capital.

The directors are satisfied with the trading results for the period. The Management Buy Out gave rise to an exceptional item. More details of the exceptional item are given in note 2 to these accounts.

DIVIDENDS AND TRANSFERS TO RESERVES

The profit after tax for the period amounted to £506,358.

The directors do not recommend payment of a dividend and the amount of £506,358 has therefore been transferred to reserves.

FUTURE PROSPECTS

The directors are optimistic about the medium and long term prospects of the company and intend to continue with the management philosophy and policies which have enabled the company to achieve the financial targets established for the initial period of operations. They also believe that the company is in a good position to take advantage of future opportunities as they arise.

FIXED ASSETS

Additions to tangible fixed assets amount to £66,796. During the period the directors reviewed all other assets acquired as part of the Management Buy Out. As a result of this review a fair value adjustment of £89,795 has been made, with the corresponding entry being taken to a capital reserve. Further details are given in note 7 to these accounts.

DIRECTORS AND THEIR INTERESTS

The directors' interests in the ordinary shares of the company at 30 July 1993 and 30 September 1994 were as follows:

	30 July 1993	30 September 1994
	No.	No.
S. Bowler	-	10,000
S. Boyes	-	15,000
D.J. Jackson	-	10,000
W Li	-	15,000

DIRECTORS' REPORT (continued)

DIRECTORS' AND THEIR INTERESTS (continued)

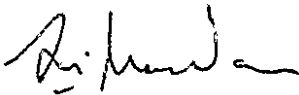
All directors served throughout the period.

AUDITORS

During the period Touche Ross & Co. were appointed by the directors as first auditors of the company.

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



W Li

Secretary

12 December 1994



DIRECTORS' STATEMENT OF RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.



Chartered Accountants

Touche Ross & Co
63 High Street
Chester
WA1 5LQ Tel: 01244 583493

Touche Ross & Co
63 High Street
Chester
WA1 5LQ Tel: 01244 583493

AUDITORS' REPORT TO THE DIRECTORS OF DSB SPECIAL BATTERIES LIMITED (formerly Cursor (One Hundred and Eleven) Limited) IN ACCORDANCE WITH PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985.

We have examined the abbreviated accounts on pages 7 to 19 together with the full financial statements of DSB Special Batteries Limited (formerly Cursor (One Hundred and Eleven) Limited) for the period from 30 July 1993 to 30 September 1994. The scope of our work for the purpose of this report was limited to confirming whether the company is entitled to the exemptions claimed in the directors' statement on page 9 and whether the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled to the exemptions claimed in the directors' statement on page 9 and the abbreviated accounts have been properly prepared in accordance with Schedule 8 to the Companies Act 1985.

On 12 December 1994 we reported, as auditors of DSB Special Batteries Limited (formerly Cursor (One Hundred and Eleven) Limited) to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the period from 30 July 1993 to 30 September 1994 and our audit report was as follows:

"We have audited the financial statements on pages 6 to 18 which have been prepared under the accounting policies set out on page 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements are free from material misstatement, 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 financial statements.

**Touche
Ross**



Chartered Accountants

Touche Ross & Co
63 High Street
Clawley
West Sussex RH10 1BQ

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**AUDITORS' REPORT TO THE DIRECTORS OF
DSB SPECIAL BATTERIES LIMITED
(formerly Cursitor (One Hundred and Eleven) Limited)
IN ACCORDANCE WITH PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985. (continued)**

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1994 and of its profit for the period from 30 July 1993 to 30 September 1994 and have been properly prepared in accordance with the Companies Act 1985."

Touche Ross & Co

Touche Ross & Co.
Chartered Accountants
and Registered Auditors

13 December 1994

**Deloitte Touche
Tohmatsu
International**

Abberdon, Bath, Belfast, Birmingham, Bournemouth, Bocknell, Bristol, Cambridge, Cardiff,
Coleraine, Crawley, Darford, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London,
Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham and Southampton

Principal place of business of which a list of partners' names is available
Peterborough Court, 133 Fleet Street, London EC4A 3TR

Authorised by the Institute of Chartered Accountants in England and Wales to carry on
investment business

PROFIT AND LOSS ACCOUNT
Period from 30 July 1993 to 30 September 1994

			Period from 30 July 1993 to 30 September 1994
		£	£
Gross profit			2,025,837
Distribution costs			304,976
Administrative expenses		839,387	
Exceptional item	2	88,765	
		<hr/>	928,152
Other operating income			(4,248)
			<hr/>
OPERATING PROFIT	4		796,957
Interest payable and similar charges	5		17,099
			<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			779,858
Tax on profit on ordinary activities	6	90,000	
Tax on exceptional item	2	183,500	
		<hr/>	273,500
			<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			506,358
			<hr/>
Retained profit for the period transferred to reserves			506,358
			<hr/>

All activities of the company are continuing.

There are no recognised gains and losses for the current financial period other than as stated in the profit and loss account.

DSB SPECIAL BATTERIES LIMITED
(formerly Cursitor (One Hundred and Eleven) Limited)

STATEMENT OF MOVEMENTS ON RESERVES
Period from 30 July 1993 to 30 September 1994

	Capital reserve £	Profit and loss account £	Total £
At beginning of period	-	-	-
Arising on purchase of certain assets	89,795	-	89,795
Retained profit for the period	-	506,358	506,358
Transfer of appreciation on revalued assets	(17,765)	17,765	-
	<hr/>	<hr/>	<hr/>
At end of period	72,030	524,123	596,153
	<hr/>	<hr/>	<hr/>

BALANCE SHEET
30 September 1994

	Note	1994 £
FIXED ASSETS		
Tangible assets	7	134,782
CURRENT ASSETS		
Stocks	8	424,149
Debtors	9	745,634
Cash at bank and in hand		370,760
		<u>1,540,543</u>
CREDITORS: amounts falling due within one year	10	905,839
NET CURRENT ASSETS		<u>634,704</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>769,486</u>
CREDITORS: amounts falling due after more than one year	11	123,333
		<u>646,153</u>
CAPITAL AND RESERVES		
Called up share capital	12	50,000
Capital reserve		72,030
Profit and loss account		524,123
		<u>646,153</u>

Advantage is taken of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 with respect to the delivery of individual accounts. In the opinion of the directors, the company is entitled to those exemptions on the grounds that it has met the qualifications for a medium sized company specified in Sections 246 and 247 of the Companies Act 1985.

The financial statements were approved by the Board of Directors on 12 December 1994.

Signed on behalf of the Board of Directors

S Boyes
Director



CASH FLOW STATEMENT
Period from 30 July 1993 to 30 September 1994

	Note	Period from 30 July 1993 to 30 September 1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	241,322
Returns on investments and servicing of finance		—
Interest paid		(17,099)
Net cash (outflow) from returns on investments and servicing of finance		(17,099)
INVESTING ACTIVITIES		
Purchase of tangible fixed assets		(66,796)
Net cash (outflow) from investing activities		(66,796)
Net cash inflow before financing		157,427
FINANCING		
Issue of shares		50,000
New medium term loans		163,333
Net cash inflow from financing	D	213,333
Increase in cash and cash equivalents	C	370,760



NOTES TO THE CASH FLOW STATEMENT
Period from 30 July 1993 to 30 September 1994

**A. RECONCILIATION OF OPERATING PROFIT TO NET
CASH INFLOW FROM OPERATING ACTIVITIES**

	Period from 30 July 1993 to 30 September 1994 £
Operating profit	796,957
Depreciation	21,809
(Increase) in stocks	(424,149)
(Increase) in debtors	(745,634)
Increase in creditors	592,339
Net cash inflow from operating activities	<u>241,322</u>

**B. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS
DURING THE PERIOD**

	£
Balance at 30 July 1993	-
Net cash inflow	<u>370,760</u>
Balance at 30 September 1994	<u>370,760</u>

**C. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS
AS SHOWN IN THE BALANCE SHEET**

	30 September 1994 £	30 July 1993 £	Change in period £
Cash at bank and in hand	<u>370,760</u>	<u>-</u>	<u>370,760</u>

NOTES TO THE CASH FLOW STATEMENT
Period from 30 July 1993 to 30 September 1994

D. ANALYSIS OF CHANGES IN FINANCING DURING THE PERIOD

	Share capital 1994 £	Loans 1994 £
Balance at 30 July 1993	-	-
Cash inflow from financing	-	200,000
Repayment of medium term loan	-	(36,667)
Issue of shares at par value	50,000	-
	<hr/>	<hr/>
Balance at 30 September 1994	50,000	163,333
	<hr/>	<hr/>

NOTES TO THE ABBREVIATED ACCOUNTS
Period from 30 July 1993 to 30 September 1994

1. ACCOUNTING POLICIES

The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the fair value of certain fixed assets.

Tangible fixed assets

Tangible fixed assets acquired as part of the Management Buy Out are stated at fair value to the company at the date of acquisition. The resulting uplift in value is taken to a non distributable capital reserve. All other additions in the period are stated at cost.

Depreciation is provided on the cost or fair value, where appropriate, over the estimated useful lives of the assets. The rates of depreciation are as follows:

Fixtures and fittings	20% per annum straight line
Plant and equipment	12½ % per annum straight line

Stocks

Stocks are stated at the lower of cost and net realisable value. In the case of finished goods stock, cost includes attributable production overheads.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Pension costs

Retirement benefits to employees and directors of the company are provided by defined contribution schemes. The assets of the scheme are held separately from those of the company, being invested with insurance companies. The pension cost charge of £64,938 for the period represents contributions payable by the company to the Schemes during the period.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Operating leases

Operating rentals are charged to profit and loss account in equal amounts over the lease term.

NOTES TO THE ABBREVIATED ACCOUNTS
Period from 30 July 1993 to 30 September 1994

2. EXCEPTIONAL ITEM

The exceptional item arose from the acquisition of certain assets and liabilities from a division of Duracell Batteries Limited on 1 October 1993.

The fair value of the current assets and liabilities totalled £827,000 with a consideration of £250,000 being paid on completion. The discount arising on the net current assets which have been realised during the period has been shown in the operating profit for the period after charging additional administration expenses relating to the transaction. The tax charge in respect of the exceptional item amounts to £183,500.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Period from
30 July 1993 to
30 September 1994
£

Directors' emoluments	
Salary and taxable benefits	180,379
Pension contributions	40,000
	<hr/>
	220,379
	<hr/>
Remuneration of the Chairman who was also the highest paid director	52,627
	<hr/>

NOTES TO THE ABBREVIATED ACCOUNTS
Period from 30 July 1993 to 30 September 1994

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	Period from 30 July 1993 to 30 September 1994
	No
Scale of other directors' remuneration	
£30,001 - £35,000	1
£45,001 - £50,000	2
	<hr/>
Average number of persons employed	
Production	44
Distribution	4
Administration	5
	<hr/>
	53
	<hr/>
	£
Staff costs during the period (including directors)	
Wages and salaries	774,602
Social security costs	74,379
Pension costs	64,938
	<hr/>
	913,919
	<hr/>

The pension cost charge for the period was £64,938. There are no material prepayments or accruals at the balance sheet date relating to pensions.

4. OPERATING PROFIT

	Period from 30 July 1993 to 30 September 1994 £
Operating profit is after charging:	
Depreciation	21,809
Rentals under operating leases	
Hire of plant and machinery	12,640
Other operating leases	45,924
	<hr/>
Auditors' remuneration	7,000
Research and development	53,739
	<hr/>

NOTES TO THE ABBREVIATED ACCOUNTS
Period from 30 July 1993 to 30 September 1994

5. INTEREST PAYABLE AND SIMILAR CHARGES

Period from
30 July 1993 to
30 September 1994
£

Bank loans, overdrafts and other loans repayable
within five years

17,099

6. TAX ON ORDINARY ACTIVITIES

£

United Kingdom corporation tax at 26.8% based on
the profit for the period

90,000

7. TANGIBLE FIXED ASSETS

Fixtures and fittings,
plant and equipment
£

Cost or valuation

At 30 July 1993

-

Fair value adjustment

89,795

Additions

66,796

At 30 September 1994

156,591

At Cost

66,796

At Valuation

89,795

156,591

Accumulated depreciation

At 30 July 1993

-

Charge for the period

21,809

At 30 September 1994

21,809

Net book value

At 30 September 1994

134,782

The fair value adjustment arising on fixed assets of £89,795 has been taken to a capital reserve. This adjustment has been calculated by the directors based on their opinion of the fair value of the related assets.

NOTES TO THE ABBREVIATED ACCOUNTS
Period from 30 July 1993 to 30 September 1994

8. STOCKS

30 September 1994
£

Raw materials and consumables	354,004
Work-in-progress	18,582
Finished goods and goods for resale	51,563
	<hr/>
	424,149
	<hr/>

9. DEBTORS

30 September 1994
£

Trade debtors	697,610
Prepayments and accrued income	48,024
	<hr/>
	745,634
	<hr/>

All amounts are due within one year.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

30 September 1994
£

Secured loans - current portion due	40,000
Trade creditors	242,697
Current corporation tax	273,500
Other taxes and social security	71,208
Accruals and deferred income	278,434
	<hr/>
	905,839
	<hr/>



NOTES TO THE ABBREVIATED ACCOUNTS
Period from 30 July 1993 to 30 September 1994

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE
THAN ONE YEAR**

30 September 1994
£

Loans wholly repayable within five years
Secured

123,333

This loan is secured by a fixed and floating charge over the assets of the company.

12. CALLED UP SHARE CAPITAL

30 September 1994
£

Authorised
55,000 ordinary shares of £1 each

55,000

Called up, allotted and fully paid
50,000 ordinary shares of £1 each

50,000

This share capital of 50,000 £1 ordinary shares was issued on 1 October 1993 in order to set up the company and establish finance for the initial working capital required.

Movement in Share Capital

At beginning of period
Capital subscribed

£
-

At end of period

50,000

13. FINANCIAL COMMITMENTS

30 September 1994
£

(a) Capital commitments

Contracted for but not provided

26,093

Authorised not yet contracted for

4,650

NOTES TO THE ABBREVIATED ACCOUNTS
 Period from 30 July 1993 to 30 September 1994

13. FINANCIAL COMMITMENTS (continued)

(b) Operating lease commitments

At 30 September 1994, the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £	Other £
Leases which expire:		
Within one year	-	2,566
Within 2 to 5 years	75,000	31,391
	<hr/>	<hr/>
	75,000	33,957
	<hr/>	<hr/>

14. CONTINGENT LIABILITIES

The company has entered into a guarantee in favour of H M Customs & Excise for an amount not exceeding £60,000.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Opening shareholders' funds	-
Capital subscribed (note 12)	50,000
Capital reserve	72,030
Profit and loss account	524,123
	<hr/>
Closing shareholders' funds	646,153
	<hr/>