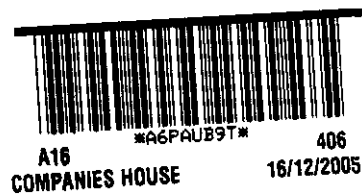


**Remington Consumer Products Limited**

**Directors' report and consolidated  
financial statements**

**Registered number 1396316**

**30 September 2004**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ending 30 September 2004.

## Principal Activities

The principal activity of the company was the manufacture and distribution of electrical personal care products until the trade was transferred to Rayovac Europe Limited.

## Business Review

The company transferred its trade and assets to Rayovac Europe Limited on 29th March 2004. Trading was encouraging over the six month period to the time of transfer. The company is now dormant.

## Proposed dividend

The directors do not recommend the payment of a dividend (9 month period ended 30 September 2003: £nil).

## Directors' interests

The directors who held office during the year were as follows:

PJ Brookhouse	(resigned 14 November 2003)
RL Rosner	(resigned 14 November 2003)
NP Defeo	(resigned 14 November 2003)
KJ Kelley	(resigned 14 November 2003)
AR Castaldi	(resigned 14 November 2003)
G Charles	(resigned 14 November 2003)
K Downs	(appointed 14 November 2003)
KJ Hussey	(appointed 14 November 2003)
JT Lucke	(appointed 14 November 2003)
R Burel	(appointed 14 November 2003)

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the group company.

According to the register of directors' interest, no rights to subscribe for shares or in debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

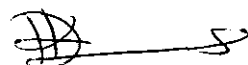
## Branches

The company is in the process of closing operating branches in France and Italy.

## Auditors

In accordance with section 384 of the Companies Act 1985 a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**K Downs**  
Director

Watermans House  
Watermans Court  
Kingsbury Crescent  
The Causeway  
Staines  
Middlesex  
TW18 3BA

9 December 2005

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and the apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed.
- consider whether it is appropriate to prepare the financial statements on a going concern basis.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG LLP**

Arlington Business Park  
Theale  
Reading  
RG7 4SD  
United Kingdom

**Report of the independent auditors to the members of Remington Consumer Products Limited**

We have audited the financial statements on pages 4 to 16 .

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

**Basis of audit 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.

**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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP  
Chartered Accountants  
Registered Auditor

*KPMG LLP*

*14<sup>th</sup> December 2005*

## Profit and loss account

For the year ended 30 September 2004

	Note	Discontinued activities 2004 £000	9 month period ended 30 September 2003 £000
<b>Turnover</b>	2	20,827	25,646
Cost of Sales		(11,161)	(15,038)
		<hr/>	<hr/>
<b>Gross Profit</b>		9,666	10,608
Administrative expenses		(7,317)	(6,736)
		<hr/>	<hr/>
<b>Operating profit</b>	2-5	2,349	3,872
Gain on disposal of discontinued activities	6	9,660	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before interest</b>		12,009	3,872
Interest payable and similar charges	7	(81)	(1,606)
Interest receivable and similar income		324	139
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		12,252	2,405
Tax on profit on ordinary activities	9	(730)	2,318
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>	15	11,522	4,723
		<hr/>	<hr/>

The results for the year arose wholly through discontinued operations.

A reconciliation of movements in shareholders' funds is shown in note 16.

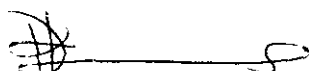
Movements in reserve are shown in note 15.

**Balance sheet**

as at 30 September 2004

	Note	£000	2004 £000	£000	2003 £000
<b>Fixed Assets</b>					
Investments		-		2	
Tangible assets	10	-		277	
					279
<b>Current assets</b>					
Stocks	11	-		7,052	
Debtors	12	19,600		12,732	
Cash at bank and in hand		-		1,393	
		19,600		21,177	
<b>Creditors: amounts falling due within one year</b>	13	-		(13,346)	
<b>Net Current assets</b>			19,600		7,831
<b>Total assets less current liabilities</b>			19,600		8,110
<b>Net assets</b>			19,600		8,110
<b>Capital and reserve</b>					
Called up equity share capital	14		13,847		13,847
Capital redemption reserve	15		199		199
Profit and loss account	15		5,554		(5,936)
<b>Shareholders' funds: equity</b>	16		19,600		8,110

These financial statements were approved by the board of directors on 9 December 2005 and were signed on its behalf by:



**K Downs**  
Director

# Statement of total recognised gains and losses

For the year ended 30 September 2004

	2004 £000	9 month period ended 30 September 2003 £000
<b>Retained profit for the financial year</b>	<b>11,522</b>	<b>4,723</b>
Currency translation differences on foreign currency net investments	(32)	95
	<hr/>	<hr/>
Total recognised gains and losses relating to the financial year	11,490	4,818
	<hr/>	<hr/>
Total gains and losses recognised since last annual report	11,490	4,818
	<hr/>	<hr/>



## Notes

*forming part of the financial statements*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. Except as noted below:

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Rayovac Corporation the company has taken advantage of the exemption contained within Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Rayovac Corporation within which this company is included, can be obtained from the address given in note 20.

#### ***Tangible fixed asset and depreciation***

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful lives as follows:

Short Leasehold improvements	- Depreciated over the remaining term of the lease
Plant and machinery	- 10% to 50%

#### ***Investments***

Investments held as fixed assets are stated at cost less provision for any impairment.

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

#### ***Foreign Currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rate. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

**Notes (continued)**

**1 Accounting policies (continued)**

**Taxation**

Deferred tax is recognised without discounting in respect of all timing differences between the treatment for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except where it is required by Financial Reporting Standard 19.

**Leases**

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are recognised as liabilities. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

**Advertising**

Revenue expenditure on advertising is written off in the year in which it is incurred except where an advertising campaign is expected to benefit more than one year, in which case the advertising cost is accrued in the current year against future advertising expenditure.

**Post-retirement benefits**

The group operated a defined contribution pension scheme. The assets of the scheme are held separately from the company in an independently administered fund. The amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

The company operated a funded defined benefit pension scheme. The funds are valued every three years by a qualified independent actuary, the rates of contribution payable being determined by the actuary. Pension costs are charged on the basis of charging the expected cost of providing pensions over the period during which the company expects to employ the employees' service. The effects of variation from regular cost are spread over the expected average remaining service period of the members of the scheme.

**2 Turnover**

Turnover which excludes Value Added Tax and trade discounts, represents the invoiced value of electrical goods sold. It is recognised when the customer accepts the goods.

**Analysis of Turnover - by geographical market**

In the directors' opinion all of the company's turnover is derived from the principal activity of the company.

	2004 £000
United Kingdom	19,819
Rest of Europe, South Africa and Middle East	1,008
	<hr/>
	20,827
	<hr/>

**Notes (continued)**

**3 Profit on ordinary activities before taxation**

	2004 £000	9 month period ended 30 September 2003 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	30	13
Amortisation of goodwill	-	274
Hire of plant and machinery - rental payable under operating lease	57	42
Hire of other assets - operating leases	310	595
Depreciation	58	155
Research & development expenditure	-	7
Foreign exchange loss	53	129
	<hr/>	<hr/>

**4 Remuneration of Directors**

	2004 £000	9 month period ended 30 September 2003 £000
Directors' emoluments	218	326
	<hr/>	<hr/>
	Number of Directors 2004	9 month period ended 30 September 2003
The number of directors who are members of the pension scheme	1	3
	<hr/>	<hr/>
	2004 £000	9 month period ended 30 September 2003 £000
Highest paid director		
Fees and other emoluments (excluding pension contributions)	207	326
	<hr/>	<hr/>

The pension accruing to the highest paid director as at 30 September 2004 was £10,320 (30 September 2003: £18,499)

**Notes (continued)**

**5 Staff numbers and costs**

The average number of persons employed by the company (including directors) during the period to 29 March 2004 when the trade was transferred, analysed by category, was as follows:

	Number of employees	9 month period ended 30 September 2003
	2004	
Selling	66	78
Administration/marketing	28	44
General & admin	6	6
	<hr/>	<hr/>
	100	128
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2004 £000	9 month period ended 30 September 2003 £000
Wages and salaries	2,217	3,806
Social security costs	269	417
Other pension costs	311	269
	<hr/>	<hr/>
	2,797	4,492
	<hr/>	<hr/>

**6 Exceptional item**

Profit on the sale of discontinued activities relates to the transfer of the business of the company within the group.

**7 Interest payable and similar charges**

	2004 £000	9 month period ended 30 September 2003 £000
On bank loans and overdrafts	28	1,588
Net exchange losses	53	-
On other loans	-	18
	<hr/>	<hr/>
	81	1,606
	<hr/>	<hr/>

**8 Interest receivable**

	2004 £000	9 month period ended 30 September 2003 £000
Interest receivable	62	6
Other	262	133
	<hr/>	<hr/>
	324	139
	<hr/>	<hr/>

**Notes (continued)**

**9 Taxation**

Analysis of charge in period

	Year ended 30 September 2004		9 month period ended 30 September 2003	
	£000	£000	£000	£000
UK Corporation tax		19		-
Foreign tax		32		17
Adjustments in respect of prior periods		-		165
		<hr/>		<hr/>
Total current tax		51		182
Deferred tax (see note 13)				
(Reversal)/origination of timing differences	772		766	
Adjustment in respect of prior years	(68)		(3,266)	
	<hr/>		<hr/>	
		704		(2,500)
		<hr/>		<hr/>
Tax on profit on ordinary activities		755		(2,318)
		<hr/>		<hr/>

*Factors affecting the tax charge for the current period*

The current tax charge for the year is higher (2003: lower) than the standard rate of corporation tax in the UK (30% 2003: 30%) The differences are explained below

	2004 £000	9 month period ended 30 September 2003 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	12,252	2,405
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	3,676	722
	<hr/>	<hr/>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	13	(30)
Capital allowances for period in excess of depreciation	11	9
Utilisation of tax losses	(813)	(775)
Depreciation on non qualifying assets	-	68
Lower tax rates on overseas earnings	32	-
Adjustment to tax charge in respect of previous years	-	165
Transfer between group undertakings on a no gain no loss basis	(2,898)	-
Other timing differences	30	23
	<hr/>	<hr/>
Total current tax charge (see above)	51	182
	<hr/>	<hr/>

Notes (continued)

10 Tangible fixed assets

	Short term leasehold improvements £000	Plant and machinery £000	Total £000
<b>Cost</b>			
At beginning of year	627	770	1,397
Additions	-	15	15
Disposals	(369)	(434)	(803)
Transfer to group undertaking	(258)	(351)	(609)
At end of year	-	-	-
<b>Depreciation</b>			
At beginning of year	526	594	1,120
Charge in year	18	40	58
Disposals	(373)	(404)	(777)
Transfer to group undertaking	(171)	(230)	(401)
At end of year	-	-	-
<b>Net book value</b>			
At 30 September 2004	-	-	-
At 30 September 2003	101	176	277

11 Stocks

	30 September 2004 £000	30 September 2003 £000
Finished goods and goods for resale	-	6,979
Spare parts	-	73
	-	7,052

**Notes (continued)**

**12 Debtors**

	30 September 2004 £000	30 September 2003 £000
Trade debtors	-	9,526
Amounts due from parent undertaking	19,600	-
Deferred tax asset	-	2,500
Prepayments and accrued income	-	706
	<hr/>	<hr/>
	19,600	12,732
	<hr/>	<hr/>

The deferred tax asset is as follows:

	30 September 2004 £000	30 September 2003 £000
Difference between accumulated depreciation and amortisation and capital allowances	-	66
Other timing differences	-	35
Tax losses	-	2,399
	<hr/>	<hr/>
Deferred tax asset	-	2,500
	<hr/>	<hr/>

The movements in the deferred tax asset are as follows:

	30 September 2004 £000	30 September 2003 £000
Opening balance	2,500	-
Amounts charged to the profit and loss account	(704)	2,500
Transferred to a group undertaking	(1,796)	-
	<hr/>	<hr/>
	-	2,500
	<hr/>	<hr/>

There were no unprovided amounts as at 30 September 2004 (2003: £nil)

**13 Creditors: amounts falling due within one year**

	30 September 2004 £000	30 September 2003 £000
Bank loans	-	-
Trade creditors	-	4,702
Amounts owed to group undertakings	-	5,157
Taxation and social security	-	684
Accruals and deferred income	-	2,803
	<hr/>	<hr/>
	-	13,346
	<hr/>	<hr/>

**Notes (continued)**

**14 Called up share capital**

	30 September 2004 £000	30 September 2003 £000
<b>Authorised</b>		
16,175,000 ordinary shares of £1 each	16,175	16,175
15,000 10% cumulative preference shares of £15 each	225	225
	<hr/>	<hr/>
	16,400	16,400
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
13,847,355 ordinary shares of £1 each	13,847	13,847
	<hr/>	<hr/>

**15 Movement in share capital and reserves**

	Share capital £000	Capital redemption reserve £000	Profit and loss account £000
At beginning of year	13,847	199	(5,936)
Retained profit for the year	-	-	11,522
Currency translation	-	-	(32)
	<hr/>	<hr/>	<hr/>
<b>At end of year</b>	<b>13,847</b>	<b>199</b>	<b>5,554</b>
	<hr/>	<hr/>	<hr/>

**16 Reconciliation of movements in shareholder's funds**

	30 September 2004 £000	30 September 2003 £000
Retained profit for the period	11,522	4,724
Currency translation	(32)	-
	<hr/>	<hr/>
	11,490	4,724
Opening shareholder's funds	8,110	3,386
	<hr/>	<hr/>
	19,600	8,110
	<hr/>	<hr/>



**Notes (continued)**

**17 Commitments**

Annual commitments under non-cancellable operating leases are as follows:

	30 September 2004		30 September 2003	
	Land and Building £000	Other £000	Land and Building £000	Other £000
Operating leases which expire:				
Within one year	-	-	31	42
In the second to fifth year inclusive	-	-	697	28
Over five years	-	-	429	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	1,157	70
	<hr/>	<hr/>	<hr/>	<hr/>

All commitments transferred with the transfer of the business to a group undertaking.

**18 Pension scheme**

The company operated a number of pension schemes including one providing benefits based on final pensionable pay. Contributions to the company's defined benefit pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. With effect from 29 March 2004 the employer changed from Remington Consumer Products Limited to Rayovac Europe Limited. The pension cost prior to the transfer was £311,339 (2003: £268,733). All disclosures and details of the defined benefit scheme can be found in the Rayovac Europe Limited accounts, copies of which can be obtained from Companies House.

**Notes (continued)**

**19 Related party disclosures**

The company is exempt under FRS 8 from disclosure of transactions with entities that are part of the group headed by Rayovac Corporation on the grounds that more than 90% of its voting rights are controlled within the group. There are no other material related party transactions to disclose.

**20 Ultimate parent company**

The company is a subsidiary undertaking of Rayovac Europe Limited, registered in the United Kingdom. The largest group in which the results of the company are consolidated is that headed by Rayovac Corporation Inc., incorporated in the United States of America. The smallest group in which they are consolidated is that headed by Rayovac (UK) Limited.

Copies of the Rayovac (UK) Limited group accounts can be obtained from Companies House.

Copies of the Rayovac Corporation group accounts can be obtained from:

Rayovac Corporation  
Suite 3300  
Six Concourse Parkway  
Atlanta GA 30328  
USA