Rayovac Europe Limited

Directors' report and Financial Statements

Registered number 2394603

Year ended 30 September 2007

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2007.

Principal activities

Rayovac Europe Ltd is a wholly owned subsidiary of Rayovac (UK) Ltd, a company incorporated in the UK, which is in turn a wholly owned subsidiary of Spectrum Brands Inc with its headquarters in Atlanta, Georgia, USA.

The principal activity of the company is the manufacture and distribution of batteries and related products plus the marketing and distribution of consumer products. These activities are undertaken in the UK and Europe.

Business review

The results for the year are shown on page 4.

The company had profits before tax increasing to £7.8m (2006:£5.8m) on the back of increased gross sales and growth is expected to continue. Sales for 2007 were £3.3m higher than 2006 due to sucessful Christmas promotions. Distribution costs for 2007 were higher than 2006 due to the increased sales, however operating costs were only £0.2m higher. The Electrical beauty market fell 4% compared to the previous year with the styler market being worst hit as in 2006 with a 5% decline. The outlook for 2008 is very positive with the launch of 2 major new haircare products for the Christmas peak season and also a new shaving range.
The company makes a significant percentage of sales around the Christmas period and as such is dependent upon consumer confidence at this time of year.
The company buys products in dollars from the Far East and is therefore exposed to exchange rate fluctuations. To minimise this risk foreign currency hedges have been placed for the next year at US level by the ultimate holding company. This policy will continue to be applied where appropriate.

Proposed dividend

The directors do not recommend the payment of a dividend (2006:Nil).

Directors and Directors' interests

The directors who held office during the year, and subsequent to the year end, were as follows:

M Schiller	resigned 21/1/08
A Krueger	
A Rouve	
D Mullane	appointed 03/09/07, resigned 10/10/08
W Bos	appointed 03/09/07, resigned 10/10/08
S Sidani	appointed 10/10/08

Branches

The company has a branch in Spain, through which sales to that region are executed.

Political and charitable contributions

The company made no political or charitable donations during the year.

Disclosure of information to auditors

The directors who held office at the date of approval of this report of the board confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

SallySid-

Director

26-Nov-08

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

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

Balance sheet

as at 30 September 2007

	Note	2007	2007	2006	2006
		£000	£000	£000	£000
Fixed assets					
Intangible assets	9		11,866		12,608
Tangible assets	10		2,830		2,854
Investments	11		36,751		36,751
			51,447		52,213
Current assets					
Stocks	12	6,227		7,765	
Debtors	13	58,197		47,430	
Cash at bank and in hand		1,255		2,465	
		65,679		57,660	
Creditors: amounts falling due within one year	14	(20,274)		(19,735)	
Net current assets			45,405		37,925
Total assets less current liabilities			96,852		90,138
Creditors: amounts falling due after more than one year	15		(28,357)		(28,357)
Provisions for liabilities and charges	16		(3,775)		(2,386)
Provision for pension scheme liability	21		(1,258)		(2,015)
			63,462		57,380
Capital and reserve					
Called up equity share capital	17		9,872		9,872
Profit and loss account	18		25,769		19,687
Capital contributions	18		27,821		27,821
Shareholders' funds: equity	19		63,462		57,380

These financial statements were approved by the board of directors on 26.11.08 and were signed on its behalf by:

Sally Bird

Director

Profit and loss account

For the year ended 30 September 2007

	Note	2007 £000	2006 £000
Turnover	*1-2*	**62,745**	59,363
Cost of sales		**(42,051)**	(39,739)
Gross profit		**20,694**	19,624
Distribution costs		**(10,324)**	(8,594)
Administrative expenses		**(5,493)**	(5,267)
Operating profit		**4,877**	5,763
Other interest receivable and similar income	*6*	**3,188**	1,001
Interest payable and similar charges	*7*	**(246)**	(928)
Profit on ordinary activities before taxation	*3-7*	**7,819**	5,836
Tax on profit on ordinary activities	*8*	**(2,605)**	(1,952)
Profit for the financial year	*18*	**5,214**	3,884

All of the company's activities are continuing.
There is no difference between the company's results as presented above and as presented on an historical cost basis. Accordingly no statement of historical cost profits and losses is presented.

KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Independent auditors' report to the members of Rayovac Europe Limited

We have audited the financial statements of Rayovac Europe Limited for the year ended 30 September 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

28 November 2008

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.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. The financial statements present information about the company as an individual undertaking and not about its group.

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 Spectrum Brands Inc. 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 Spectrum Brands Inc. within which this company is included, can be obtained from the address given in note 22.

Investments

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

Goodwill and negative goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the consideration over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis, which is 20 years. Provision is made for any impairment.

Fixed assets 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	- 10-20% per annum
Fixtures, fittings, tools and equipment	- 20% per annum
Leased assets	- Life of lease
Plant and machinery	- 10-20% per annum
Computers	- 10-50% per annum

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using 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.

Statement of total recognised gains and losses

For the year ended 30 September 2007

	Note	**2007** **£000**	2006 £000
Profit for the financial year	*19*	**5,214**	3,884
Actuarial gain/(loss) on pension scheme	*21*	**1,240**	(67)
UK deferred tax attributable to actuarial (gain)/loss		**(372)**	20
Total recognised gains and losses relating to the financial year		**6,082**	3,837
Total gains and losses recognised since last annual report		**6,082**	3,837

Notes *(continued)*

3 Profit on ordinary activities before taxation

	2007 £000	2006 £000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit of these financial statements	86	56
Taxation	-	-
Amortisation of goodwill	742	742
Depreciation and other amounts written off tangible fixed assets:		
Owned	681	579
Hire of plant and machinery - rental payable under operating lease	74	99
Hire of other assets - operating leases	691	548

4 Remuneration of directors

	2007 £000	2006 £000
Directors' emoluments	10	-
Company contributions to defined benefit pension schemes	2	-
	12	-

	Number of Directors 2007	2006
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	1	-

The remaining directors remuneration of Rayovac Europe Ltd is paid out of Spectrum Brands GmbH or Spectrum Brands Inc. for both the current and prior financial years.

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

The company also operates a funded defined benefit pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between the operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Research & development expenditure

Expenditure on research and development is written off against profits in the period in which it is incurred.

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.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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

Turnover

Turnover which excludes Value Added Tax and trade discounts, represents the invoiced value of electrical personal care items, batteries and related products. It is recognised when the customer accepts the goods.

2 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.

	2007	2006
	£000	£000
European Community	**57,877**	54,285
Non-European Community	**4,868**	5,078
	62,745	59,363

Notes *(continued)*

8 Taxation

Analysis of charge in period

	2007 £000	2007 £000	2006 £000	2006 £000
UK Corporation tax				
Current tax on income for the year	2,288		2,175	
Total current tax		2,288		2,175
Deferred tax (see note 13)				
(Reversal)/origination of timing differences	317		(188)	
Adjustment in respect of prior years	-		(35)	
		317		(223)
Tax on profit on ordinary activities		2,605		1,952

The current tax charge for the year is lower (2006: higher) than the standard rate of corporation tax in the UK 30% (2006: 30%) The differences are explained below:

	2007 £000	2006 £000
Current tax reconciliation		
Profit on ordinary activities before tax	7,819	5,836
Current tax at 30% (2006: 30%)	2,346	1,751
Effects of:		
Expenses not deductible for tax purposes	36	30
Depreciation for period in excess of capital allowance	(18)	(57)
Amortisation and impairment of goodwill	223	223
Other timing differences	(299)	228
Total current tax charge (see above)	2,288	2,175

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees 2007	2006
Production	115	127
Administration and marketing	35	52
Selling and distribution	32	27
	182	206

The aggregate payroll costs of these persons were as follows

	2007 £000	2006 £000
Wages and salaries	6,483	6,018
Social security costs	717	559
Other pension costs	294	233
	7,494	6,810

6 Other interest receivable and similar income

	2007 £000	2006 £000
Bank interest	12	6
Other loan interest from group undertakings	2,133	995
Exchange gain	1,043	-
	3,188	1,001

7 Interest payable and similar charges

	2007 £000	2006 £000
Bank loans and overdrafts	145	68
Other financial costs on pension scheme	101	81
Exchange loss	-	779
	246	928

Notes *(continued)*

9 Intangible fixed assets

	Goodwill £000
Cost	
At 1 October 2006	18,237
At 30 September 2007	18,237
Amortisation	
At beginning of year	5,629
Charge for year	742
At end of year	6,371
Net book value	
At 30 September 2007	**11,866**
At 30 September 2006	**12,608**

Notes *(continued)*

10 Tangible fixed assets

	Short leasehold improvements £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Assets in course of construction £000	Total £000
Cost					
At beginning of year	431	8,496	1,068	20	10,015
Additions	-	314	351	-	665
Disposals	-	(501)	-	(8)	(509)
At end of year	**431**	**8,309**	**1,419**	**12**	**10,171**
Depreciation					
At beginning of year	289	6,119	753	-	7,161
Charge for year	25	422	234	-	681
Disposals	-	(501)	-	-	(501)
At end of year	**314**	**6,040**	**987**	**-**	**7,341**
Net book value					
At 30 September 2007	**117**	**2,269**	**432**	**12**	**2,830**
At 30 September 2006	142	2,377	315	20	2,854

Included in the total net book value of plant and machinery is £25,000 relating to non-depreciable items (2006:£25,000).

11 Fixed asset investment

	£000
Cost at beginning and end of year	**36,751**

The undertakings in which the company's interest at the year end is more than 20% are as follows:

	Principal activity	Class of percentage of shares held
Subsidiary undertakings		
Varta Limited	Dormant	100% ordinary shares
Remington Consumer Products	Non Trading	100% ordinary shares
Remington Consumer Products (Ireland) Limited	Marketing and distribution of consumer products.	100% ordinary shares
Tetra (UK) Limited	Promotion and sale of food for ornamental aquarium and pond fish, fishkeeping equipment and accessories.	100% ordinary shares

Notes *(continued)*

14 Creditors: amounts falling due within one year

	2007	2006
	£000	£000
Trade creditors	**7,864**	9,037
Amounts owed to group undertakings	**6,903**	6,452
Taxation and social security	**1,338**	542
Corporation tax payable	**1,517**	249
Accruals and deferred income	**2,652**	3,455
	20,274	19,735

15 Creditors: amounts falling due after more than one year

	2007	2006
	£000	£000
Amounts owed to group undertakings	**28,357**	28,357

The amounts owed to group companies falling due after more than one year will be settled in more than one year. No interest accrues on these balances.

16 Provision for liabilities and charges

	Reorganisation	**Other reserve**	**Total**
	£000	**£000**	**£000**
At beginning of year	134	2,252	2,386
Provision movement in the year	1,139	250	1,389
At end of year	**1,273**	**2,502**	**3,775**

The other reserve is the provision for settlement of the Varta Ltd Pension and Life Assurance Scheme, negotiation of a settlement is ongoing.

17 Called up share capital

	2007	2006
	£000	£000
Authorised		
Equity: Ordinary shares of £1 each	**10,000**	10,000
Allotted, called up and fully paid		
Equity: Ordinary shares of £1 each	**9,872**	9,872

Notes *(continued)*

12 Stocks

	2007 £000	2006 £000
Raw material and consumables	**588**	836
Work in progress	**375**	556
Finished goods and goods for resale	**5,264**	6,373
	6,227	7,765

13 Debtors

	2007 £000	2006 £000
Trade debtors	**10,990**	8,969
Amounts owed by group undertakings	**45,319**	35,855
Other debtors	**348**	679
Prepayments	**1,194**	1,264
Deferred tax asset	**346**	663
	58,197	47,430

Amouts owed by group undertakings include a loan of £38,392,200 (Euro 55,000,000) due from Spectrum Brands Europe GmbH and repayable on 28 November 2010 with an interest rate of Euribor 3 months plus 2%.

The remaining amounts owed by group undertakings relate to trading balances payable on normal credit terms of 30 days end of month.

Deferred tax asset

	£000
At beginning of year	663
Debit to the profit and loss for the year	(317)
At end of year	**346**

The elements of deferred taxation are as follows:

	2007 £000	2006 £000
Difference between accumulated depreciation and capital allowances	**(165)**	(147)
Other timing differences	**511**	810
	346	663

Notes *(continued)*

18 Reserves

	Capital contributions £000	Profit & loss account £000
At beginning of year	27,821	19,687
Profit for the year	-	5,214
Actuarial gain recognised in the pension scheme	-	1,240
Deferred tax arising on gains in the pension scheme		(372)
At end of year	27,821	25,769

19 Reconciliation of movement in equity shareholders' funds

	2007 £000	2006 £000
Opening equity shareholders funds	57,380	53,543
Profit for the financial year	5,214	3,884
Other recognised gains and losses relating to the year	868	(47)
Closing equity shareholders' funds	63,462	57,380

20 Commitments

(a) Capital commitments at the end of the financial period for which no provision has been made, are as follows:

	2007 £000	2006 £000
Contracted	-	-

(b) Annual commitments under non-cancellable operating leases are as follows

	2007 Land and buildings £000	Other £000	2006 Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	137	28	-	23
In the second to fifth years inclusive	224	22	97	6
Over five years	243	-	507	-
	604	50	604	29

Notes *(continued)*

21 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £98,000 (2006 :£99,000). There are no outstanding or prepaid contributions at either the beginning or end of the financial year.

A pension scheme providing benefits based on final pensionable pay was transferred into the company following the acquisition of Remington Consumer Products Limited on 29 March 2004. The latest full actuarial valuation was carried out at 6 April 2007 and was updated for FRS 17 purposes to 30 September 2007 by a qualified independent actuary. No accounting entries have been made in the company's accounts relating to this scheme prior to the acquisition of Remington Consumer Products Limited.

The major assumptions used by the actuary in the 30 September 2007 valuation were:

	2007	2006	2005
Rate of increase in salaries	**4.4%**	4.1%	3.9%
Rate of increase in pensions in payment and deferred pensions	**3.0%**	3.0%	2.9%
Discount rate applied to scheme liabilities	**6.0%**	5.3%	5.1%
Inflation assumption	**3.4%**	3.1%	2.9%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Notes *(continued)*

21 Pension scheme *(Continued)*

Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain were:

	Long term rate of return	**Value at 30 September 2007 £000**	Long term rate of return	Value at 30 September 2006 £000	Long term rate of return	Value at 30 September 2005 £000
Equities	**0.0%**	**-**	0.0%	-	0.0%	-
Bonds	**0.0%**	**-**	0.0%	-	0.0%	-
Other	**6.3%**	**5,902**	6.3%	5,262	6.3%	5,123
Cash	**0.0%**	**-**	0.0%	-	0.0%	-
Total market value of assets		**5,902**		5,262		5,123
Present market value of scheme liabilities		**(7,699)**		(8,139)		(7,878)
Deficit in the scheme		**(1,797)**		(2,877)		(2,755)
Related deferred tax asset		**539**		862		827
Net pension liability		**(1,258)**		(2,015)		(1,928)

Movement in deficit during the period	**year to 30 September 2007**	year to 30 September 2006	year to 30 September 2005 £000
Deficit in scheme at beginning of period	**(2,877)**	(2,755)	(2,942)
Current service cost	**(196)**	(134)	(169)
Gains on settlement and curtailment	**-**	-	56
Contributions paid	**137**	160	310
Past service costs	**-**	-	-
Net finance cost	**(101)**	(81)	(125)
Actuarial gain/(loss)	**1,240**	(67)	115
Deficit in the scheme at end of period	**(1,797)**	(2,877)	(2,755)

Notes *(continued)*

21 Pension scheme *(Continued)*

Analysis of other pension costs charged in arriving at operating profit

	Year ended 30 September 2007 £000	Year ended 30 September 2006 £000	Year ended 30 September 2005 £000
Gains on settlement and curtailment	-	-	(56)
Past service cost	-	-	-
Current service cost	196	134	169

Analysis of amounts included in other finance income/costs

	Year ended 30 September 2007 £000	Year ended 30 September 2006 £000	Year ended 30 September 2005 £000
Expected return on pension scheme assets	332	309	261
Interest on pension scheme liabilities	(433)	(390)	(386)
	(101)	(81)	(125)

Analysis of amounts recognised in statement of total recognised gains and losses

	year to 30 September 2007		year to 30 September 2006		year to 30 September 2005	
	%	**£000**	%	£000	%	£000
Annual return less expected return on scheme assets		286		260		597
Percentage of year end scheme assets	5		5		12	
Experience gains and losses arising on scheme liabilities		357		71		76
Percentage of present value of year end scheme liabilities	5		1		1	
Changes in assumptions underlying the present value of scheme liabilities		597		(398)		(558)
Percentage of present value of year end scheme liabilities	8		(5)		(7)	
Actuarial gain/loss recognised in statement of total recognised gains and losses		1,240		(67)		115
Percentage of present value of year end scheme liabilities	16		(1)		1	