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# OFFERTOWER PLC

## Report and Financial Statements

30 September 2011

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COMPANIES HOUSE

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## Offertower plc

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Registered No 02501932

### **DIRECTORS**

P J Dyson  
H W Lim

### **SECRETARY**

J M Dallman

### **AUDITOR**

BDO LLP  
1 Bridgewater Place  
Water Lane  
Leeds  
LS11 5RU

### **BANKERS**

HSBC Bank plc  
Unit 4 Europa Court  
Sheffield Business Park  
Sheffield  
S9 1XE

### **SOLICITORS**

hlw Keeble Hawson LLP  
Commercial House  
Commercial Street  
Sheffield  
S1 2AT

### **REGISTERED OFFICE**

Atlas Way  
Atlas North  
Sheffield  
S4 7QQ

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## Offertower plc

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### DIRECTORS' REPORT

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The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 30 September 2011

#### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity continues to be the making and holding of investments. No material changes are anticipated in the nature and scope of the company's principal activities in the forthcoming year.

#### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as inter-company debtors and intercompany creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

##### Interest rate risk

The company finances its operations through a mixture of retained profits, inter-company accounts and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities.

##### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily, this is achieved through utilisation of a pooled banking arrangement within the Spear & Jackson plc group companies, Bowers Group plc and its UK subsidiary undertakings, as well as the utilisation of short-term money market deposits. Short term flexibility is achieved by overdraft facilities.

##### Currency risk

The company is exposed to transaction and translation foreign exchange risk. Transaction exposures are hedged, when known.

#### RESULTS AND DIVIDEND

The loss for the year after interest and taxation was £10,000 (2010 – £13,000). The directors do not recommend the payment of a dividend (2010 - £nil).

#### ULTIMATE PARENT UNDERTAKING

Offertower plc is a wholly-owned subsidiary of Spear & Jackson plc.

The entire issued share capital of Spear & Jackson plc, is held by S and J Acquisitions Corp, a company incorporated in the United States of America, whose ultimate parent undertaking is Pantene Global Acquisition Corp ("PGAC"), (formerly Spear & Jackson, Inc), a company which is also registered in the United States of America. In addition to its shareholding in Spear & Jackson plc, S and J Acquisitions Corp also owns the entire issued share capital of Bowers Group plc, a fellow subsidiary undertaking of Offertower plc. 100% of the common stock of PGAC is owned by United Pacific Industries Limited ("UPI"), a company registered in Bermuda and quoted on the Hong Kong Stock Exchange.

#### DIRECTORS

The directors of the company who served during the year and up to the date of this report were

P J Dyson  
H W Lim

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Offertower plc

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DIRECTORS' REPORT

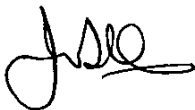
**DIRECTORS' STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO THE AUDITOR**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

**AUDITOR**

Grant Thornton UK LLP resigned as auditor during the year. On 13 April 2011 BDO LLP was appointed as auditor to fill the casual vacancy. BDO LLP has expressed its willingness to continue in office and a resolution will be proposed to re-appoint BDO LLP at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by



J M Dallman  
Secretary  
23 March 2012

## DIRECTORS' RESPONSIBILITIES STATEMENT

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OFFERTOWER PLC**

We have audited the financial statements of Offertower plc for the year ended 30 September 2011 which comprise the profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OFFERTOWER PLC  
(CONTINUED)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



*Ian Beaumont (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Leeds  
United Kingdom*

*23 March 2012*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

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Offertower plc

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**PROFIT AND LOSS ACCOUNT**  
for the year ended 30 September 2011

	<i>Notes</i>	<i>2011 £000</i>	<i>2010 £000</i>
<b>OPERATING PROFIT</b>	3	3	8
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		3	8
Interest receivable		21	13
Interest payable	5	(34)	(34)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(10)	(13)
Taxation on profit on ordinary activities	6	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	12	(10)	(13)

All the above results arose from continuing operations

There are no recognised gains or losses other than the loss for the financial year as set out above

The accompanying accounting policies and notes form an integral part of this profit and loss account



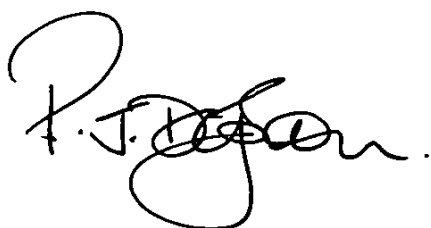
# Offertower plc

## BALANCE SHEET At 30 September 2011

	<i>Notes</i>	<i>2011 £000</i>	<i>2010 £000</i>
<b>FIXED ASSETS</b>			
Investments	7	995	995
<b>CURRENT ASSETS</b>			
Debtors	8	381	357
Cash at bank and in hand		1	1
		382	358
<b>CREDITORS: amounts falling due within one year</b>	9	2,406	2,372
<b>NET CURRENT LIABILITIES</b>		(2,024)	(2,014)
<b>NET LIABILITIES</b>		(1,029)	(1,019)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	13	13
Profit and loss account	11	(1,042)	(1,032)
<b>SHAREHOLDERS' DEFICIT</b>	12	(1,029)	(1,019)

The accompanying accounting policies and notes form an integral part of this balance sheet

The financial statements of Offertower plc, registered number 02501932, were approved by the board of directors and authorised for issue on 23 March 2012. They were signed on its behalf by.



P J Dyson

Director

# Offertower plc

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2011

### 1 FUNDAMENTAL ACCOUNTING CONCEPT

The accounts are prepared on the going concern basis as the company's immediate parent undertaking has agreed that it will continue to provide financial support to this company to enable it to meet its liabilities as they fall due

### 2 ACCOUNTING POLICIES

#### *Basis of preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards. The accounting policies of the company have remained unchanged from the prior year.

The company is a 100% subsidiary of United Pacific Industries Limited ("UPI"), a company incorporated in Bermuda and listed on the Hong Kong Stock Exchange. UPI prepares its financial statements in accordance with Hong Kong GAAP ("HK GAAP"). The requirements of HK GAAP are equivalent to those of International Financial Reporting Standards and, as such, the company is entitled to the exemption from the requirement to prepare consolidated financial statements provided under the Section 401 of the Companies Act 2006. These accounts therefore contain information about Offertower plc as an individual company, and not about its group.

#### *Investments*

Investments in subsidiary undertakings are stated at cost of acquisition less any amounts written off.

#### *Impairment*

Fixed assets are subject to review for impairment in accordance with Financial Reporting Standard ("FRS") 11 "Impairment of Fixed Assets and Goodwill". Any impairment is recognised in the profit and loss account in the year in which it occurs.

#### *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves.

#### *Financial instruments*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### *Cash flow statement*

The directors have taken advantage of the exemption in FRS 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement.

# Offertower plc

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2011

### 3 OPERATING PROFIT

The operating profit comprises

	2011 £000	2010 £000
Exchange gains	2	9
Fees payable to the company's auditor – audit services	1	-
Other operating charges	-	(1)
Operating profit	3	8

### 4 DIRECTORS' REMUNERATION

No director received any emoluments from the company in the year (2010 - £nil)

### 5 INTEREST PAYABLE

	2011 £000	2010 £000
Group interest payable	34	34

### 6 TAXATION

No taxation charge or credit arises in the year (2010 - £nil)

The loss for taxation purposes attributable to the results for the year amounted to £10,000 (2010 - £13,000) The current year losses have been surrendered via group relief to fellow subsidiary undertakings for which no payment will be received

### 7 INVESTMENTS

	Subsidiary Undertakings £000
<b>Cost</b>	
At 1 October 2010 and 30 September 2011	1,485
<b>Provisions</b>	
At 1 October 2010 and 30 September 2011	490
<b>Net book value</b>	
At 1 October 2010 and 30 September 2011	995

The above investment represents (a) A 100% holding in the ordinary share capital of Magnacut Limited, a company incorporated in England, which manufactures and retails permanent magnets and magnetic assemblies (b) On 26 September 2005, a new 100% subsidiary undertaking, Bowers Eclipse Equipment Shanghai Co Limited, was incorporated in Shanghai, China, which operates as a quality control and distribution centre within the Metrology Division of Bowers Group plc An initial investment of approximately £395,000 in the ordinary share capital of that company was made during 2006 During the year ended 30 September 2007, a further investment of approximately £400,000 was made

# Offertower plc

## NOTES TO THE FINANCIAL STATEMENTS at 30 September 2011

### 8 DEBTORS

	2011 £000	2010 £000
Amounts due from fellow subsidiary undertakings	139	139
Amounts due from subsidiary undertakings	242	218
	<u>381</u>	<u>357</u>

### 9 CREDITORS amounts falling due within one year

	2011 £000	2010 £000
Bank overdrafts	175	141
Amounts owed to parent undertaking	1,940	1,939
Amounts owed to fellow subsidiary undertakings	290	291
Accruals and deferred income	1	1
	<u>2,406</u>	<u>2,372</u>

Refer to note 14 for details of security relating to the company's bank overdrafts

### 10 SHARE CAPITAL

	2011 No	2010 No	2011 £000	Authorised 2010 £000
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100</u>	<u>100</u>
	2011 No	2010 No	2011 £000	Authorised, called up and fully paid 2010 £000
Ordinary shares of £1 each, 25p per share paid	<u>50,000</u>	<u>50,000</u>	<u>13</u>	<u>13</u>

### 11 RESERVES

	Profit and loss account £000
At 1 October 2010	(1,032)
Loss for the year	(10)
At 30 September 2011	<u>(1,042)</u>

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## Offertower plc

### NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2011

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#### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £000	2010 £000
Loss for the financial year	(10)	(13)
Shareholders' funds at 1 October 2010	(1,019)	(1,006)
Shareholders' funds at 30 September 2011	<u>(1,029)</u>	<u>(1,019)</u>

#### 13 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Spear & Jackson plc

The parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member is United Pacific Industries Limited ("UPI") a company registered in Bermuda and listed on the Hong Kong Stock Exchange

#### 14 CONTINGENT LIABILITIES

The bank overdrafts and bank borrowings of Offertower plc, together with those of Bowers Group plc, Spear & Jackson plc and their UK subsidiary undertakings ("the group") have been secured by a mortgage debenture with the HSBC Bank plc, incorporating a fixed first charge on certain of the group's freehold land and buildings, a charge on certain trade receivables of the UK trading subsidiaries and a fixed and floating charge over the group's remaining undertakings and assets

The group's UK bank borrowings with the HSBC Bank plc form a pooled fund. As part of this arrangement, the company has entered into a cross guarantee with the HSBC Bank plc to guarantee any bank overdrafts of other undertakings within the pooled fund. At 30 September 2011 the extent of this guarantee was £29,187,000 (2010 - £27,149,000). The net pooled bank borrowings position at 30 September 2011 was £759,000 (2010 - £2,741,000).

#### 15 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8, "Related Party Disclosures", not to disclose transactions with other wholly owned subsidiaries of the group headed by United Pacific Industries Limited