Registered No 2821551

H J Enthoven Limited

Report and Financial Statements

31 December 2007

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COMPANIES HOUSE

Registered No 2821551

Directors
P M King (Chairman)
M C Boddy
T Boon
J D R Campbell
G I Cummins
M N Toyn
AR Hampson
DL Wheeler

Secretary
G I Cummins

Auditors
Ernst & Young LLP
No 1 Colmore Square
Birmingham
B4 6HQ

Registered Office
Darley Dale Smelter
South Darley
Matlock
Derbyshire
DE4 2LP

Directors' report

The directors present their report and financial statements for the year ended 31 December 2007

Results and dividends

The profit for the year after taxation amounted to £37,232,000 (2006 - £19,315,000) In respect of dividends on ordinary shares, the dividend of £16,000,000, declared in December 2006 was paid in 2007 There were no dividends declared and paid in the year (2006 - £8,046,000) A further dividend of £25,000,000 was declared in December 2007 and was paid in 2008

Principal activities

The company trades on a divisional basis under the names H J Enthoven & Sons and British Lead Mills, as smelters, refiners, manufacturers and marketers of lead and lead products It also acts as a holding company for G&P Batteries Limited a waste collection company, held indirectly via a subsidiary, Blotter Limited The activities of the company are not expected to change in the foreseeable future

Review of the business

The directors consider that the key performance indicators that enables an understanding of the company's business performance are the London Metal Exchange ("LME") price of lead, the margins achieved and its ability to control manufacturing costs

The company's turnover increased from £96 0 million in 2006 to £148 9 million in 2007 an increase of 55 1% Sales volumes fell, however this was more than offset by a significant increase in the average LME price of lead, which increased from £699 per tonne in 2006 to £1,284 per tonne in 2007 Gross profit margins improved from 35 6% of turnover to 37 5% of turnover, after a small increase in manufacturing costs per tonne due to higher maintenance, consumables and payroll costs The tax charge for the year increased due to higher profits in excess of the availability of group relief

Outlook
Lead prices rose rapidly, peaking in 2007, however, significant volatility and price falls have been experienced during the first half of 2008, and the outlook remains uncertain Worldwide lead production is expected to increase further as new mine capacity comes on stream, and this will enable primary smelters to increase output The supply demand balance, which has been in deficit for the last three years, is showing signs of easing in 2008 There appears to be continued modest growth in the replacement battery sector, but there are indications that there is a reduction in demand in the original equipment sector Lead consumption in the building industry is significantly down as a result of the reduction in building activity with, as yet, no sign of an improvement

Risks
The key business risks affecting the company are the competition for the acquisition of raw materials and sales of products in the markets in which it operates, and the influence of the LME price of lead

The company's activities are subject to strict health and safety and environmental regulations and its objective is to be compliant with all applicable regulations at all times There have been no material incidents during the year

Commodity price risk
The company is exposed to short term movements in the prices of the products it produces which are generally sold as commodities, the prices of which are exposed to world markets The company limits this exposure by systematically hedging a proportion of its purchases against the financial effect of future price changes where such hedging can be achieved at an acceptable cost The company from time to time also benefits from longer term strategic hedging of the raw materials costs undertaken by its parent company Eco-Bat Technologies Limited

Directors' report

Directors

The directors who served the company during the year were as follows

P M King (Chairman)
M C Boddy
T Boon
J D R Campbell
G I Cummins
M N Toyn
AR Hampson (appointed 4 June 2007)
DL Wheeler (appointed 4 June 2007)

There are no other directors' interests requiring disclosure under the Companies Act 1985

Directors' liabilities

The group has indemnified its directors, by way of directors and officers liability insurance, against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 Such qualifying third party indemnity provision is in force at the date of approving the directors' report

Employees

It is company policy to encourage, at each location, systems of communication and consultants between management and employees Company policy is one of equal opportunity in the selection, terms and conditions of employment, training and promotion for all employees (whether disabled or otherwise) at all job levels Personnel managers advise on the provision of any reasonable facility required by disabled employees Where company employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development promotion to disabled employees wherever possible

Creditor payment policy and practice

The company policy is to agree terms of supply with its suppliers at the start of the trading relationship and to pay suppliers in accordance with those agreed terms At 31 December 2007, the company had an average of 15 days purchases outstanding in trade creditors (2006 - 18 days)

Political and charitable donations

During the year, the company made charitable donations totalling £5,168 (2006 - £3,020) There were no political donations (2006 – nil)

Events after the balance sheet date

In March 2008 the premises of a subsidiary company G&P Batteries Limited were destroyed by fire The loss is adequately covered by insurance and there has been no material interruption to operations The directors believe that there will be no significant financial effect on the company from this incident

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

Directors' report

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1 Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- To the best of his knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- He has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

By order of the board

G I Cummins
Secretary

20 October 2008

Statement of directors' responsibilities in respect of 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 year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law) 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 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,
- 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 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

Independent auditors' report

to the members of H J Enthoven Limited

We have audited the company financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Shareholders' Funds, the Balance Sheet and the related notes 1 to 25 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 auditors' 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 United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in Statement of Directors' Responsibilities

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 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

Independent auditors' report

to the members of H J Enthoven Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 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

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham
20 October 2008

Profit and loss account

for the year ended 31 December 2007

	Notes	2007 £000	2006 £000
Turnover	2	148,898	96,022
Cost of sales		(93,115)	(61,800)
Gross profit		55,783	34,222
Distribution costs		(4,517)	(4,722)
Administrative expenses		(4,087)	(3,512)
Operating profit	3	47,179	25,988
Dividend from subsidiary		800	-
Interest receivable and similar income	6	786	913
Interest payable	7	(1,104)	(1,360)
		482	(447)
Profit on ordinary activities before taxation		47,661	25,541
Tax on profit on ordinary activities	8	(10,429)	(6,226)
Profit on ordinary activities after taxation	18	37,232	19,315

All profits and losses are from continuing operations

Statement of recognised gains and losses
for the year ended 31 December 2007

	2007 £000	2006 £000
Profit for the financial year	37,232	19,315
Net unrealised surplus/(deficit) on pension fund actuarial gains and (losses)	4,350	(3,643)
	41,582	15,672
Taxation on pension fund actuarial (gains)/losses	(1,260)	1,093
Total gains and losses recognised since the last annual report	40,322	16,765

Reconciliation of shareholders' funds
for the year ended 31 December 2007

	Notes	2007 £000	2006 £000
Total recognised gains and losses relating to the year		40,322	16,765
Dividends	9	(25,000)	(24,046)
Total movements during the year		15,322	(7,281)
Shareholders' funds at 1 January		11,644	18,925
Shareholders' funds at 31 December		26,966	11,644

Balance sheet
at 31 December 2007

	Notes	*2007* *£000*	*2006* *£000*
Fixed assets			
Intangible assets	10	844	979
Tangible assets	11	31,045	23,796
Investments	12	50	50
		31,939	24,825
Current assets			
Stocks	13	31,408	8,862
Debtors	14	20,613	14,208
Cash at bank		6,954	17,481
		58,975	40,551
Creditors: amounts falling due within one year	15	(41,935)	(29,060)
Net current assets		17,040	11,491
Total assets less current liabilities		48,979	36,316
Creditors amounts falling due after more than one year	16	(14,121)	(11,944)
Provisions for liabilities and charges			
Pension deficit	20	(7,724)	(11,909)
Deferred taxation	8	(168)	(819)
		26,966	11,644
Capital and reserves			
Called up share capital	17	7,019	7,019
Share premium account	18	3,860	3,860
Profit and loss account	18	16,087	765
Equity shareholders' funds	18	26,966	11,644

The financial statements on pages 8 to 28 were approved and authorised for issue by the Board of Directors on 20 October 2008 and were signed on its behalf by

M C Boddy
Director

20 October 2008

Notes to the financial statements

at 31 December 2007

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable UK accounting standards

Consolidated financial statements

The company is exempt, under s228 of the Companies Act 1989, from the obligation to prepare consolidated financial statements as the company is a wholly owned subsidiary undertaking of a parent company incorporated in the EU, which prepares consolidated financial statements As such, these financial statements present information about the company as an individual undertaking and not about its group

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Related parties transactions

The company is a wholly owned subsidiary of Eco-Bat Technologies Limited, the consolidated accounts of which are publicly available Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investors of the Eco-Bat Technologies Limited group

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of the entity's identifiable assets and liabilities

Positive goodwill is shown as an asset in the balance sheet and amortised through the profit and loss account evenly over its estimated useful life Goodwill arising on acquisitions is being amortised over a period of 20 years It was reviewed for impairment at the end of the first full financial year, and is reviewed in other periods if events or changes in circumstance indicate that the carrying value may not be recoverable

Tangible assets

All tangible fixed assets are initially recorded at cost

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Freehold property	-	2% of original cost per annum
Leasehold property	-	over the life of the lease
Plant and machinery	-	6 67% to 25% of original cost per annum

No depreciation is provided on assets during the course of construction

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Notes to the financial statements

at 31 December 2007

1. Accountıng polıcıes (contınued)

Investments ın subsidiaries

In the company's financıal statements, ınvestments ın subsıdıary undertakıngs are stated at cost, less provısıon for any dımınutıon ın value

Stocks

Stocks are stated at the lower of cost and net realısable value Cost of metal stocks comprıses the materıal value at the tıme of purchase Dırect processıng costs and approprıate overhead expenses are added to brıng the stocks to theır present locatıon and stage of productıon reached

Pensıon costs

The cost of provıdıng benefits under the defined benefit plan ıs determıned usıng the projected unıt credıt method, whıch attrıbutes entıtlement to benefits to the current perıod (to determıne current servıce cost) and to the current and prıor perıods (to determıne the present value of defined benefit oblıgatıon) and ıs based on actuarıal advıce

Past servıce costs are recognısed ın profit or loss on a straıght-lıne basıs over the vestıng perıod or ımmedıately ıf the benefits have vested When a settlement (elımınatıng all oblıgatıons for benefits already accrued) or a curtaılment (reducıng future oblıgatıons as a result of a materıal reductıon ın the scheme membershıp or a reductıon ın future entıtlement) occurs the oblıgatıon and related plan assets are re-measured usıng current actuarıal assumptıons and the resultant gaın or loss recognısed ın the profit and loss account durıng the perıod ın whıch the settlement or curtaılment occurs

The ınterest element of the defined benefit cost represents the change ın present value of scheme oblıgatıons resultıng from the passage of tıme, and ıs determıned by applyıng the dıscount rate to the openıng present value of the benefit oblıgatıon, takıng ınto account materıal changes ın the oblıgatıon durıng the year The expected return on plan assets ıs based on an assessment made at the begınnıng of the year of long-term market returns on scheme assets, adjusted for the effect on the faır value of plan assets of contrıbutıons receıved and benefits paıd durıng the year The dıfference between the expected return on plan assets and the ınterest cost ıs recognısed ın the profit and loss account as other finance ıncome or expense

Actuarıal gaıns and losses are recognısed ın full ın the statement of total recognısed gaıns and losses ın the perıod ın whıch they occur

The defined benefit pensıon asset or lıabılıty ın the balance sheet comprıses the total for each plan of the present value of the defined benefit oblıgatıon (usıng a dıscount rate based on hıgh qualıty corporate bonds), less any past servıce cost not yet recognısed and less the faır value of plan assets out of whıch the oblıgatıons are to be settled dırectly Faır value ıs based on market prıce ınformatıon and followıng the adoptıon of the FRS 17 amendment ın the case of quoted securıtıes thıs ıs the publıshed bıd prıce The value of a net pensıon benefit asset ıs restrıcted to the sum of any unrecognısed past servıce costs and the present value of any amount the company expects to recover by way of refunds from the plan or reductıons ın the future contrıbutıons

Contrıbutıons to defined contrıbutıon schemes are recognısed ın the profit and loss account ın the perıod ın whıch they become payable

Taxation

Corporatıon tax payable ıs provıded on taxable profits at the current rate The charge ıs reduced by the tax losses surrendered by the parent company that have not been paıd for

Notes to the financial statements

at 31 December 2007

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

- no deferred tax is recognised on the remaining industrial buildings allowances All allowances available after 31 December 2007 will be accounted for as a permanent difference in the UK corporation tax computation

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

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

Revenue recognition

Revenue is recognised in the profit and loss account on dispatch of goods, less allowance for rebates

Tolling

The company supplies metal to customers under tolling contracts, whereby the customer supplies scrap material and takes delivery of finished goods of an equivalent amount of the processed product The company bears the risks and rewards of the scrap material and the related extraction The company accounts for this on a "grossed-up" basis since in substance the material has been purchased from the customer and an agreed quantity of finished product, not necessarily from the same feedstock, is subsequently delivered back to the customer Tolling material held in stock is similarly "grossed-up" with an equivalent amount being recorded in creditors, representing the liability to return material to the customer The company believes that this accounting treatment properly represents the risks and rewards of these transactions

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Dividends

Dividends are charged to reserves or credited to the profit and loss account when the right to receive or make a payment is established in accordance with FRS21

Notes to the financial statements

at 31 December 2007

1. Accounting policies (continued)

Derivative instruments

The company uses forward currency contracts to reduce its exposure to movements in foreign currency fluctuations In addition it uses forward metal contracts to hedge its risk associated with movements in the price of the base metals that it deals in

Forward currency contracts

The accounting treatment for forward currency contracts depends on the type of transaction being hedged Where forward currency contracts are taken out to hedge currency assets or liabilities reflected in the balance sheet, gains and losses arising from revaluing forward contracts at the rate used in the balance sheet or mark-to-market valuations are taken to the profit and loss account

Where forward contracts are used to hedge against the financial effects of currency movements of a future transaction, unrealised gains or losses are not recognised in the profit and loss account or balance sheet Gains or losses on such forward contracts are deferred and ultimately recognised in the profit and loss account or balance sheet when the underlying hedge transaction occurs provided that certain hedge criteria are met

- the instrument must be related to a firm foreign currency commitment
- it must involve the same currency as the hedged item, and
- it must reduce the risk of foreign currency exchange movements on the company's operations

The rates under such contracts are used to record the hedged item As a result gains and losses are offset against the gains and losses on the related foreign assets and liabilities, or where the instrument is used to hedge a committed future transaction are not recognised until the transaction occurs

Commodity contracts

Forward commodity contracts are entered into in order to limit the company's exposure to the financial effect of movements in the price of the commodities in which it trades

Gains and losses on forward commodity contracts used to hedge future firm transactions are recorded using hedge accounting and are recognised only at the time that the transaction being hedged is itself recognised

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax

An analysis of turnover by geographical market is given below

	2007	*2006*
	£000	*£000*
United Kingdom	118,515	72,894
Rest of Europe	25,066	20,324
Rest of the World	5,317	2,804
	148,898	96,022

Notes to the financial statements

at 31 December 2007

3. Operating profit

This is stated after charging/(crediting)

	2007 £000	2006 £000
Auditors' remuneration – audit services	50	51
	50	51

	2007 £000	2006 £000
Depreciation of owned fixed assets	2,600	2,701
Amortisation of goodwill	135	135
Operating lease rentals - land and buildings	98	97
- plant and machinery	80	83
Hire of plant and equipment	61	34
(Profit)/loss on disposal of tangible fixed assets	(6)	12
Foreign exchange (gains)/losses	(8)	90

4. Staff costs

	2007 £000	2006 £000
Wages and salaries	8,567	7,869
Social security costs	687	635
Pension costs defined benefit scheme (note 20)	1,553	1,464
Pension costs defined contribution scheme (note 20)	84	75
	10,891	10,043

The monthly average number of employees during the year was as follows

	2007 No	2006 No
Production staff	249	240
Distribution staff	14	15
Administrative staff	25	24
	288	279

Notes to the financial statements

at 31 December 2007

5. Directors emoluments

	2007 £000	2006 £000
Emoluments	786	583

The amounts in respect of the highest paid director are as follows

	2007 £000	2006 £000
Emoluments	155	150
Accrued annual pension benefit of the highest paid director	23	25
Accrued lump sum	98	168

The directors all receive emoluments for their services to the company

The emoluments of three of the directors have been borne by other group companies The directors' services to the company only occupy a portion of their time, and the director's emoluments above reflect that part of their remuneration for their services to the company

All the directors were members of the defined benefit pension scheme, sponsored by the company (2006 all)

6. Interest receivable

	2007 £000	2006 £000
Bank interest receivable	786	913
	786	913

7. Interest payable

	2007 £000	2006 £000
Bank interest payable	38	118
Foreign exchange loss	7	-
Net interest on pension deficit	2	339
Interest on loans from group companies	1,057	903
	1,104	1,360

Notes to the financial statements

at 31 December 2007

8. Tax

a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2007 £000	2006 £000
Current tax		
UK corporation tax at 30% (2006 – 30%)	10,372	5,507
Tax under/(over) provided in previous years	(132)	627
Total current tax (note 8(b))	10,240	6,134
Deferred tax		
Timing differences on pensions deficit (note 8(d))	581	(190)
Changes in tax rates on pensions deficit (note 8 (d)	259	-
Origination and reversal of timing differences (note 8(c))	304	278
Timing differences in respect of prior periods (note 8(c))	146	4
Change in tax rates other timing differences (note 8(c))	(12)	-
Removal of industrial buildings allowances (note 8(c))	(1,089)	-
Tax on profit on ordinary activities	10,429	6,226

b) Factors affecting current tax charge

The differences are reconciled below

	2007 £000	2006 £000
Profit on ordinary activities before taxation	47,661	25,541
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 – 30%)	14,298	7,662
Disallowed expenses and non-taxable income	(194)	46
Capital allowances in excess of depreciation	(752)	(279)
Other timing differences	448	1
Pension deficit timing differences	(581)	190
Group relief not paid for	(2,847)	(2,113)
Adjustments in respect of previous periods	(132)	627
Total current tax (note 8(a))	10,240	6,134

Notes to the financial statements

at 31 December 2007

8. Tax (continued)

c) Deferred taxation liability/(asset)

	2007 *£000*	*2006* *£000*
Capital allowances in advance of depreciation	612	846
Other timing differences	(444)	(27)
Provision for deferred taxation	168	819

	£000
At 1 January 2007	819
Profit and loss account movement arising during the year (note 8(a))	(651)
At 31 December 2007	168

d) Deferred taxation asset on pension deficit

	2007 *£000*	*2006* *£000*
At 1 January	5,104	3,821
Deferred tax credited to profit and loss (note (a))	(581)	190
Deferred tax credited to statement of recognised gains and losses	(1,260)	1,093
Deferred tax change in tax rates credited to profit and loss	(259)	-
At 31 December	3,004	5,104

The deferred tax asset for the pension scheme deficit has been deducted in arriving at the net pension liability shown in note 20

e) Factors that may affect future tax charges

No provision has been made for deferred tax where potentially taxable gains have been rolled over into replacement assets Such gains would become taxable only if these assets were sold without it being possible to claim rollover relief The amount not provided is £118,000 (2006 - £118,000)

A contingent asset of £586,000 (2006 - £586,000) being surplus UK ACT recoverable, has not been recognised in these accounts

Notes to the financial statements
at 31 December 2007

8. Tax (continued)

On the 21 March 2007 the UK Chancellor of the Exchequer announced a number of corporate tax reforms effective from 1 April 2008 The following changes to corporation tax will affect the company,

- Corporation tax rate reduction from 30% to 28% The deferred tax balance at 31 December 2007 which is expected to reverse after 1 April 2008 has been adjusted to the new rate
- Tax amortisation on plant and machinery capital additions will be reduced from 25% to 20% per annum and the increase of the tax amortisation rate on long-life assets (those assets capable of being used for more than 25 years) from 6% to 10%
- Tax amortisation on industrial buildings to be gradually phased out over the next four years, with the final withdrawal by 2010-11 There are no deferred tax balances at 31 December 2007 in respect of industrial buildings, all remaining balances have been credited to profit and loss in 2007 All future industrial buildings allowances will be taken as permanent tax differences as they arise

9. Dividends

	2007	*2006*
	£000	*£000*
Equity dividends on US Dollar ordinary shares		
Ordinary dividend paid	-	8,046
Ordinary dividend declared	25,000	16,000
	25,000	24,046

	£	*£*
Equity dividends on US Dollar ordinary shares		
Ordinary dividend per share paid	-	0 74
Ordinary dividend per share declared	2 30	1 47

10. Intangible fixed assets

	Goodwill
	£000
Cost	
At 1 January 2007 and 31 December 2007	2,711
Amortisation	
At 1 January 2007	1,732
Provided during the year	135
At 31 December 2007	1,867
Net book value	
At 31 December 2007	844
At 31 December 2006	979

Notes to the financial statements

at 31 December 2007

11. Tangible fixed assets

	Land and buildings Freehold property £000	Leasehold property £000	*Plant and machinery* £000	*Assets in course of construction* £000	*Total* £000
Cost					
At 1 January 2007	16,119	66	28,084	2,767	47,036
Additions	145	-	1,044	8,666	9,855
Disposals	-	-	(523)	-	(523)
Reclassifications	-	-	12	(12)	-
At 31 December 2007	16,264	66	28,617	11,421	56,368
Depreciation					
At 1 January 2007	3,174	65	20,001	-	23,240
Provided during the year	400	-	2,200	-	2,600
Disposals	-	-	(517)	-	(517)
At 31 December 2007	3,574	65	21,684	-	25,323
Net book value					
At 31 December 2007	12,690	1	6,933	11,421	31,045
At 31 December 2006	12,945	1	8,083	2,767	23,796

Included in freehold property is land with a cost of £1,594,000 (2006 - £1,594,000) which is not depreciated

12. Investments

	Shares in group companies £000
Cost	
At 1 January 2007 and 31 December 2007	50

There have been no provisions made against the value of investments

Notes to the financial statements

at 31 December 2007

12. Investments (continued)

Principal group investments

The company has investments in the ordinary share capital of the following subsidiary undertakings

Name of company	*Proportion of voting rights and shares held*	*Country of incorporation*	*Nature of business*
Blotter Limited	100%	Great Britain	Holding company
G&P Batteries Limited*	100%	Great Britain	Battery collection

* Held indirectly

13. Stocks

	2007	*2006*
	£000	*£000*
Raw materials and consumables	4,762	1,376
Work in progress	14,568	1,952
Finished goods and goods for resale	10,286	4,131
Spares, tooling and consumable stores	1,792	1,403
	31,408	8,862

The differences between the above values of stock and their replacement cost is not material

14. Debtors

	2007	*2006*
	£000	*£000*
Trade debtors	16,987	12,228
Amounts owed by group undertakings	1,080	1,226
Other taxation recoverable	435	29
Other debtors	1,859	140
Prepayments and accrued income	252	585
	20,613	14,208

Notes to the financial statements

at 31 December 2007

15. Creditors: amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	6,034	3,735
Amounts owed to group undertakings	502	1,167
Amounts owed to group undertakings – cash pooling	1,393	314
UK corporation tax	5,643	4,931
Other taxation and social security	340	242
Accruals and deferred income	2,341	2,076
Dividend payable	25,000	16,000
Other creditors	682	595
	41,935	29,060

16. Creditors: amounts falling due after more than one year

	2007 £000	2006 £000
Amounts owed to group undertakings	14,121	11,944

17. Share capital

Authorised	2007 No	2007 £000	2006 No	2006 £000
Ordinary shares of £1 each	100	-	100	-
Ordinary shares of US $1 each	10,879,000	7,019	10,879,000	7,019
		7,019		7,019

Allotted, called up and fully paid	2007 No	2007 £000	2006 No	2006 £000
Ordinary shares of £1 each	1	-	1	-
Ordinary shares of US $1 each	10,879,000	7,019	10,879,000	7,019

Notes to the financial statements

at 31 December 2007

18. Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	*Share premium account £000*	*Profit and loss account £000*	*Total shareholders' funds £000*
At 1 January 2006	7,019	3,860	8,046	18,925
Profit for the year	-	-	19,315	19,315
Actuarial loss on pension deficit	-	-	(2,550)	(2,550)
Dividends	-	-	(24,046)	(24,046)
At 31 December 2006	7,019	3,860	765	11,644
Profit for the year	-	-	37,232	37,232
Actuarial gain on pension deficit	-	-	3,090	3,090
Dividends	-	-	(25,000)	(25,000)
At 31 December 2007	7,019	3,860	16,087	26,966

19. Commitments under operating leases

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007 Land and buildings £000	*Other £000*	*2006 Land and buildings £000*	*Other £000*
Operating leases which expire				
Within one year	17	22	-	3
In two to five years	77	21	98	69
	94	43	98	72

20. Pension benefits

The company operates a final salary defined benefit pension scheme, the H J Enthoven Limited Pension Scheme "the scheme", which covers the majority of the UK employees The scheme is funded by the payment of contributions to separately administered pooled funds The scheme is closed to new members but continues to operate for existing members as well as for deferred members and pensioners The company also operates a defined contribution scheme for new employees, the costs of which are charged to the profit and loss account as incurred

Notes to the financial statements

at 31 December 2007

20. Pension benefits (continued)

The assets and liabilities of the scheme as at 31 December are

	2007 £000	2006 £000
Scheme assets at fair value, invested in		
Equities	36,657	34,654
Bonds	8,152	7,051
Gilts	12,651	10,676
	57,460	52,381
Present value of scheme liabilities	(68,188)	(69,394)
Defined benefit pension deficit before deferred tax	(10,728)	(17,013)
Deferred tax asset (note 8(d))	3,004	5,104
Net pension liability	(7,724)	(11,909)

The pension scheme assets have not been invested in any of the Eco-Bat Technologies Limited group's own financial instruments nor in properties or other assets used by the Eco-Bat Technologies Limited group

The amounts recognised in the profit and loss account and the statement of total recognised gains and losses for the year are analysed as follows,

An analysis of the defined benefit cost for the years ended 31 December is as follows

	2007 £000	2006 £000
Recognised in the profit and loss account		
Current service cost	1,553	1,464
Recognised in arriving at operating profit	1,553	1,464
Expected return on pension scheme assets	(3,471)	(2,700)
Interest cost on pension scheme liabilities	3,473	3,039
Recognised in arriving at interest payable	2	339

Notes to the financial statements

at 31 December 2007

20. Pension benefits (continued)

	2007 £000	2006 £000
Recognised in the statement of recognised gains and losses		
Actual return on pension scheme assets	3,007	3,194
Less expected return on scheme assets	(3,471)	(2,700)
	(464)	494
Actuarial losses from changes in assumptions on scheme liabilities	4,814	(4,137)
Actuarial gains and losses recognised in the statement of recognised gains and losses	4,350	(3,643)

Pension assumptions

Pension contributions are determined with the advice of independent qualified actuaries Mercer Human Resource Consulting on the basis of annual valuations using the projected unit credit method Scheme assets are stated at market values at the respective balance sheet dates and overall expected rates of return are established by applying forecast returns on 15 year AA rated bonds and 20 year fixed interest gilts

	2007 %	2006 %
Main assumptions		
Rate of increase in salaries	4 9	4 6
Rate of increase in pensions in payment	3 4	3 1
Discount rate	5 6	5 0
Expected rates of return on scheme assets		
Equities	7 5	7 5
Bonds	5 8	5 1
Gilts	4 5	4 5
Inflation assumption	3 4	3 1
Post retirement mortality (Years)		
Current pensioners at 65 – male	19 5	19 3
Current pensioners at 65 – female	22 1	22 1
Future pensioners at 65 – male	21 1	21 1
Future pensioners at 65 – female	24 0	24 0

The post retirement mortality assumptions allow for expected increases in longevity The "current pensioners" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with" future pensioners" being that relating to an employee retiring in 2035

The total normal contributions to the defined benefit plan in 2008 are expected to be £1,353,000 In March 2008 the company made a further contribution of £2,200,000 (2007 - £2,200,000) to reduce the deficit

Notes to the financial statements

at 31 December 2007

20. Pension benefits (continued)

The company is now operating a defined contribution scheme for new employees, the costs of which are charged to profits as incurred The costs in the year were £84,000 (2006 - £75,000)

Changes in the present value of the defined benefit pension scheme obligations are analysed as follows

	2007	*2006*
	£000	*£000*
As at 1 January	69,394	62,122
Current service cost	1,553	1,464
Interest cost	3,473	3,039
Plan participants contributions	352	341
Benefits paid	(1,770)	(1,709)
Actuarial (gains)/losses	(4,814)	4,137
As at 31 December	68,188	69,394

The defined benefit obligation comprises £68,188,000 (2006 - £69,394,000) arising from either wholly or partly funded schemes There are no unfunded schemes

Changes in the fair value of defined benefit scheme assets are analysed as follows

	2007	*2006*
	£000	*£000*
As at 1 January	52,381	49,384
Expected return on plan assets	3,471	2,700
Employer contributions	3,490	1,171
Contributions by employees	352	341
Benefits paid	(1,770)	(1,709)
Actuarial (losses)/gains	(464)	494
As at 31 December	57,460	52,381

History of experience gains and losses

UK Pensions	*2007*	*2006*	*2005*	*2004*	*2003*
	£000	*£000*	*£000*	*£000*	*£000*
Fair value of scheme assets	57,460	52,381	49,384	40,915	36,869
Present value of defined benefit obligations	(68,188)	(69,394)	(62,122)	(52,570)	(48,612)
Deficit in the scheme	(10,728)	(17,013)	(12,738)	(11,655)	(11,743)
Experience adjustments arising on plan liabilities	4,814	(4,137)	(6,717)	(944)	3,133
Experience adjustments arising on plan assets	(464)	494	6,041	1,489	3,471

The cumulative amount of actuarial gains and losses recognised since 1 January 2003 in the group statement of recognised income and expense is a £7,180,000 gain (2006 - £2,830,000 gain)

Notes to the financial statements

at 31 December 2007

20. Pension benefits (continued)

The directors are unable to determine how much of the pension scheme deficit recognised on transition to FRS17 and taken directly to equity is attributable to actuarial gains and losses since inception of those pension schemes Consequently, the directors are unable to determine the amount of actuarial gains and losses that would have been recognised in the group statements of recognised income and expense before 1 January 2003

21. Derivatives

The company enters into forward foreign currency contracts and forward commodity contracts to hedge its exposures to existing transactions and firm future commitments The fair values of derivatives held at the balance sheet date, determined by reference to their market values, are as follows

	2007	*2006*
	£000	*£000*
Commodity contracts	6,478	(397)
Forward currency contracts	2	(135)

In addition the company has in place outstanding priced future commitments to buy and sell lead which are expected to be settled in the normal course of trade These are not considered to be derivative contracts

22. Contingent liability

At 31 December 2006 and 2007, the company, along with certain other group subsidiaries, has provided a guarantee relating to €235,000,000 of fixed interest bonds due 2013, issued by another group company, Eco-Bat Finance PLC The amount outstanding at 31 December 2007 was €235,000,000 (31 December 2006 - €235,000,000)

At 31 December 2007 the company had provided a guarantee to Lloyds TSB Bank PLC in respect of amounts due from time to time by the parent to Lloyds TSB Bank PLC There was no amount payable under the agreement as at 31 December 2007

23. Related party transactions

The company has taken advantage of the exemption given by FRS 8 paragraph 3 (c) not to disclose transactions with related parties that are part of a group

The company operates a monthly payroll on behalf of the HJ Enthoven Pension Scheme At 31 December 2007 £142,000 (2006 - £143,000) was owed to the company and included in prepayments and accrued income

Notes to the financial statements

at 31 December 2007

24. Ultimate parent company and controllıng party

The ımmedıate parent company ıs Eco-Bat Technologıes Lımıted, whıch ıs the smallest and largest group whıch prepares group fınancıal statements that are publıcly avaılable and ınclude the results of the company Eco-Bat Technologıes Lımıted, ıs regıstered ın England and Wales and copıes of theır fınancıal statements are avaılable from

The Company Secretary
Eco-Bat Technologıes Lımıted
Cowley Lodge
Warren Carr
Matlock
Derbyshıre
DE4 2LE

The ultımate parent undertakıng ıs QX Holdıngs LLC Quexco Incorporated, a subsıdıary of QX Holdıngs LLC, consolıdates the results of Eco-Bat Technologıes Lımıted ın ıts own accounts Quexco Incorporated and QX Holdıngs LLC are entıtıes ıncorporated or otherwıse organısed ın the State of Delaware, USA The controllıng party ıs the chaırman of Eco-Bat Technologıes Lımıted, H M Meyers

25. Events after the balance sheet date

In March 2008 the premıses of a subsıdıary company G&P Batterıes Lımıted were destroyed by fire The loss ıs adequately covered by ınsurance and there has been no materıal ınterruptıon to operatıons The dırectors belıeve that there wıll be no sıgnıficant fınancıal effect on the company from thıs ıncıdent