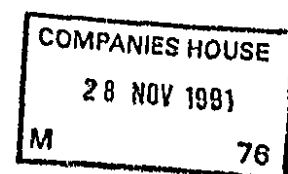


WILKINSON SWORD LIMITED

REPORT AND ACCOUNTS

31ST DECEMBER 1990

REGISTERED NUMBER: 29311



WILKINSON SWORD LIMITED  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 1990

DIRECTORS:

K. Gruber	Appointed 23.01.90
A. L. Vosper	(Resigned 05.01.90 (Re-Appointed 10.09.90)
G. Utikal	Appointed 29.10.90
J.G.S. Ross	(Appointed 04.01.90 (Resigned 31.08.91)
R. H. Armitage	(Appointed 04.01.90 (Resigned 29.10.90)
G. D. Jones	(Appointed 04.01.90 (Resigned 29.10.90)
D. S. Muir	(Appointed 12.04.90 (Resigned 17.08.90)
A. D. Batch	Resigned 15.01.90
A. V. Hancock	Resigned 05.01.90
P. J. Walker	Resigned 04.01.90

SECRETARY: S. M. Jackman (Mrs.)

REGISTERED NUMBER: 29311

REGISTERED OFFICE: Sword House  
Totteridge Road  
High Wycombe  
Buckinghamshire  
HP13 6EJ

This report accompanies the accounts of the Company for the year ended 31st December 1990.

Principal Activities and Business Review

During the year, the principal activities of the Company continued to be the manufacture and distribution of razors, razor blades and swords and the distribution of toiletries and manicure products. It is anticipated that these activities will continue during the current financial year.

On 21st August 1990, Wilkinson Sword Group Limited sold the entire issued share capital in the Company to Wilkinson Sword Group (Holdings) Limited, a direct subsidiary undertaking of Eemland Holdings NV (formerly Swedish Match NV).

WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

Results and Dividends

The profit for the year attributable to shareholders was £2,754,000 (1989: £31,103,000).

An interim dividend of £1,910,000 was paid during the year (1989: £Nil). The directors do not recommend the payment of a final dividend.

Directors' Interests

At the date of his appointment as a director of the Company, Mr. K. Gruber had a beneficial interest in 12,524 shares in Eemland Holdings NV and by the year end that interest had increased to 40,756 shares.

The remaining directors and their families had no beneficial interest in the shares of the Company or its parent undertaking or its fellow subsidiary undertakings either at the beginning or end of the financial year.

Employment of Disabled Persons and Employee Involvement

It is the policy of the Company to offer equal opportunity to disabled persons applying for vacancies and to provide continued employment for persons who become disabled whilst in its employ. In this respect, the Company provides special facilities and aids for disabled persons where required.

The Company recognises the benefits of keeping its employees informed of the progress of the business and information regarding financial and economic factors affecting the performance of the Company is provided.

Changes in Fixed Assets

The movements in fixed assets during the year are set out in Notes 10 and 11 to the accounts.

Directors' and Officers' Liability Insurance

The Company has maintained insurance to cover directors' and officers' liability as defined in s310(3)(a) of the Companies Act 1985.

WILKINSON SWORD LIMITED

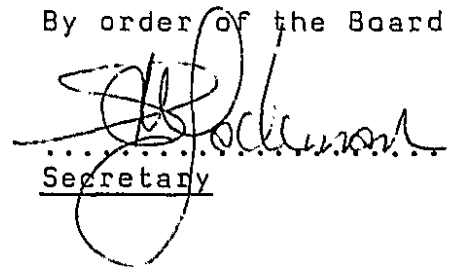
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

Annual General Meeting

In accordance with the provisions of s379A of the Companies Act 1985, the Company has elected to dispense with the laying of reports and accounts before the members in general meeting, the annual appointment of auditors and the holding of annual general meetings.

By order of the Board

  
.....  
Secretary

Date: 22nd November 1991

Sword House  
Totteridge Road  
High Wycombe  
Buckinghamshire

WILKINSON SWORD LIMITED

AUDITORS REPORT TO THE MEMBERS OF WILKINSON SWORD LIMITED

We have audited the accounts on pages 5 to 18 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 31st December 1990 and of the profit and source and application of funds of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*  
PRICE WATERHOUSE

Chartered Accountants and  
Registered Auditor  
Newcastle upon Tyne

22nd November 1991

WILKINSON SWORD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1990

	<u>Note</u>	<u>1990</u> <u>£'000</u>	<u>198</u> <u>£'000</u>
Turnover	2	23,307	25,638
Cost of Sales		(14,311)	(16,629)
Gross Profit		8,996	9,009
Distribution Costs		(4,968)	(5,191)
Administration Costs		(292)	(724)
Research and Development Costs		(230)	(469)
Operating Profit		3,506	2,625
Interest Income	6	3,389	236
Interest Expense	7	(2,638)	(5,020)
Profit/(Loss) On Ordinary Activities Before Taxation	2,3	4,257	(2,159)
Taxation (charge)/credit on Ordinary Activities	8	(1,503)	1,830
Profit/(Loss) On Ordinary Activities After Taxation		2,754	(329)
Extraordinary Items	9	-	31,432
Profit For The Financial Year		2,754	31,103
Dividends		(1,910)	-
Retained Profit For The Year	18	844 =====	31,103 =====

The accounting policies and notes on pages 8 to 18 form part of these accounts

BALANCE SHEETAT 31ST DECEMBER 1990

	<u>Note</u>	1990		1989	
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>FIXED ASSETS</b>					
Tangible Assets	10		2,654		2,838
Investments	11		11		11
			<u>2,665</u>		<u>2,849</u>
<b>CURRENT ASSETS</b>					
Stocks	12	2,069		2,088	
Debtors	13	9,182		38,737	
Cash at Bank and In Hand		495		-	
			<u>11,746</u>	<u>40,825</u>	
CREDITORS (amounts falling due within one year)	14	(6,032)		(37,681)	
<b>NET CURRENT ASSETS</b>			<u>5,714</u>		<u>3,144</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,379</u>		<u>5,993</u>
CREDITORS (amounts falling due after more than one year)	15		(670)		(6)
PROVISION FOR LIABILITIES AND CHARGES	16		(1,120)		(242)
			<u>6,589</u>		<u>5,745</u>
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		5,246		5,246
Share premium account	18		360		360
Profit and loss account	18		983		139
			<u>6,589</u>		<u>5,745</u>
			=====		=====

The accounting policies and notes on pages 8 to 18 form part of these accounts.

Approved by the Board of Directors on: 22nd November 1991

A. L. Vosper ..... *A. L. Vosper* .....  
Director

SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST DECEMBER 1990

SOURCES	1990		1989	
	£'000	£'000	£'000	£'000
Profit/(Loss) on Ordinary Activities Before Taxation		4,257		(2,159)
Extraordinary Items Before Taxation		-		33,987
Items not involving the Flow Of Funds:				
Depreciation		722		867
Profit on Sale of Fixed Assets		(10)		-
Profit on Liquidation of Subsidiary		-		(1,987)
		-----		-----
		4,969		30,708
Funds from other sources:				
Proceeds on disposal of Fixed Assets	10		111	
Distribution on Liquidation of Subsidiary	-		17,213	
Sale of Investments	-		754	
	-----		-----	
		10	18,078	
		-----		-----
		4,979		48,786
APPLICATIONS				
Tax Paid		(17)		-
Dividend Paid	(1,910)			-
Acquisition of Fixed Assets	(538)		(837)	
Investment in Subsidiary undertakings	-		(15,987)	
Increase/(decrease) in Creditors: amounts falling due after one year	670		(80)	
	-----		-----	
		(1,795)		(16,904)
		-----		-----
		3,184		31,882
Decrease in stocks	19		280	
(Increase)/decrease in debtors excluding amounts owed by other group undertakings	(812)		847	
Increase/(decrease) in creditors: amounts falling due within one year	(1,811)		957	
	-----		-----	
		(2,604)		2,084
		-----		-----
NET FLOW OF FUNDS		580		33,966
Increase/(decrease) in net indebtedness of affiliated undertakings		1,417		(36,719)
		-----		-----
Increase/(decrease) in cash balances		1,997		(2,753)
		=====		=====



WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention on a going concern basis modified to include the revaluation of certain assets and in accordance with applicable accounting standards.

Turnover

Turnover comprises amounts invoiced to customers and fellow subsidiary undertakings less returns excluding value added tax and trade discounts.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are converted into sterling at rates of exchange ruling at the balance sheet date. Exchange differences arising in the course of trading are converted at the rate of exchange ruling at that date and are included in the operating results.

Depreciation

Depreciation is provided on a straight line basis on all tangible assets except freehold land. The charge in the profit and loss account is calculated to write off the cost or valuation of tangible assets over the expected useful lives of the assets.

The lives assumed for the principal categories are:

Freehold buildings	20 - 50 years
Leasehold buildings	Life of Lease
Plant and Machinery	3 - 20 years
Motor Vehicles	3 - 5 years

Deferred Taxation

No provision is made for deferred taxation unless there is a reasonable probability that a liability will arise in the foreseeable future.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

1. ACCOUNTING POLICIES (Continued)

Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis and, in respect of work in progress and finished stocks, includes an appropriate proportion of overhead costs.

Research and Development

Research and development expenditure is written off in the year in which it is incurred.

Patents

Patent and trade mark expenditure is written off in the year in which it is incurred.

Leased Assets

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over the shorter of its estimated useful life and the lease term. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account as interest, and the capital element, which reduces the outstanding obligation for future instalments.

All other leases are operating leases and the rental charges are taken to the profit and loss account on a straight line basis over the life of the lease.

Pension Costs

The expected cost of pensions in respect of the Company's defined benefit pension scheme is charged to the profit and loss account so as to spread the cost of pensions over the average expected service lives of employees in the scheme. Variations from the regular cost are spread over the expected remaining service lives of current employees in the scheme. The pension cost is assessed in accordance with the advice of qualified actuaries.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

2. TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Class of Business	<u>Turnover</u>		<u>Profit/(Loss)</u> <u>Before Taxation</u>	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Shaving and personal products	22,635	24,970	4,280	(2,197)
Swords	672	668	(23)	32
	<u>23,307</u>	<u>25,638</u>	<u>4,257</u>	<u>(2,159)</u>
	=====	=====	=====	=====
 Geographical Markets				
United Kingdom	13,960	14,793		
Americas	1,999	3,861		
Europe	6,433	5,392		
Africa and Middle East	-	82		
Pacific	915	1,510		
	<u>23,307</u>	<u>25,638</u>		
	=====	=====		

3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	1990 £'000	1989 £'000
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation of owned tangible assets	551	588
Depreciation of assets acquired under finance leases	171	279
Auditors' remuneration	20	22
Hire of plant and machinery	22	25
Operating lease rentals	251	295
Redundancy costs	314	-
	===	===

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

4. DIRECTORS AND EMPLOYEES

The average number of employees during the year was:-

	<u>1990</u>	<u>1989</u>
Hourly Paid	228	259
Salaried	129	143
	-----	-----
	357	402
	===	===
Staff costs during the year were:	<u>£'000</u>	<u>£'000</u>
Wages and salaries	4,697	5,524
Social security costs	388	432
Other pension costs	325	419
	-----	-----
	5,410	6,375
	=====	=====

Together with other group undertakings the Company has been operating a single defined benefit Pension Scheme since 1.9.90. Prior to this date two defined benefit schemes were in operation. The current scheme is open to all of the Company's permanent employees and is financed through separate trustee administered funds.

The Pension cost relating to the scheme is assessed in accordance with the advice of an independent qualified actuary using the attained age method. The latest actuarial statement on the scheme was 1.9.90. The market value of the assets in the scheme at that date was approximately £58 million. Including allowance for 5% per annum pension increases, the funding level was approximately 101%. The opinion expressed in this statement is that the Pension Fund assets at 1.9.90. were sufficient to cover over 100% of the accrued liabilities. The principal assumptions made in the actuarial valuation are:-

- (i) Investment return - 9% per annum.
- (ii) Salary increases - 7% per annum.
- (iii) Increases to preserved pensions in deferment - 5% per annum.
- (iv) Increases to pensions in payment - 5% per annum.

The next full actuarial valuation is scheduled for April 1993.

The Company resumed payment of contributions to the Pension Scheme as from 1.1.91.

WILKINSON SWGRD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

5. DIRECTORS' EMOLUMENTS

	<u>£'000</u>	<u>£'000</u>
Salaries	110	112
Contributions to pension schemes	25	24
Compensation for loss of office	52	13
	<u>      </u>	<u>      </u>
	187	149
	===	===

The number of directors, other than the highest paid director, falling within each range of remuneration, excluding pension contributions, was as follows:-

	<u>1990</u>	<u>1989</u>
NIL - £5,000	7	-
£15,001 - £20,000	1	-
£30,001 - £35,000	1	-
£40,001 - £45,000	-	1
£55,001 - £60,000	-	-
£75,001 - £80,000	-	1

In 1990 the highest paid director received £57,494  
(1989: £79,791)

6. INTEREST RECEIVABLE

	<u>1990</u> <u>£'000</u>	<u>1989</u> <u>£'000</u>
Bank Interest	94	-
Interest receivable from group undertakings	3,295	236
	<u>      </u>	<u>      </u>
	3,389	236
	=====	===

7. INTEREST PAYABLE

	<u>1990</u> <u>£'000</u>	<u>1989</u> <u>£'000</u>
Interest payable to group undertakings	2,500	4,931
Finance lease charges	138	89
	<u>      </u>	<u>      </u>
	2,638	5,020
	=====	=====

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

8.	TAXATION (CHARGE)/CREDIT ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	1990 <u>£'000</u>	1989 <u>£'000</u>
	Corporation tax at 35%	(625)	2,072
	Deferred tax - current year	(878)	(90)
	- prior year	-	(152)
		(1,503)	1,830
		=====	=====
9.	EXTRAORDINARY ITEMS		
		<u>Note</u>	
		1990 <u>£'000</u>	1989 <u>£'000</u>
	Sale of trade marks	-	32,000
	Profit on liquidation of subsidiary undertakings	-	1,987
		-	33,987
	Extraordinary profit	-	(2,555)
	Less: tax on extraordinary profit	-	31,432
		-	31,432
		=====	=====

- (a) On 20th December 1989 the Company sold to The Gillette Company, for a consideration of £32 million, its intellectual property rights subsisting outside the European Community in an agreement dated 2nd January 1990. Subsequent to that sale Eemland Holdings NV (formerly Swedish Match NV) re-acquired from The Gillette Company the intellectual property rights in respect of the USA.
- (b) During 1989 the company purchased the whole of the issued share capital of Wilkinson Finance Limited and Codemate Limited for £1,407,599. These companies were subsequently put into members voluntary liquidation and a profit arose thereon of £1,987,000.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

10. TANGIBLE FIXED ASSETS

	<u>Payments on account and assets in the course of construction</u> £'000	<u>Land and buildings</u> £'000	<u>Plant and Machinery</u> £'000	<u>Total</u> £'000
(a) Cost or valuation				
At 1st January 1990	333	842	10,637	11,812
Additions	537	-	1	538
Disposals	-	-	(357)	(357)
Reclassification	(802)	-	802	-
	-----	-----	-----	-----
At 31st December 1990	68	842	11,083	11,993
	-----	-----	-----	-----
Depreciation				
At 1st January 1990	-	184	8,790	8,974
Charge for the year	-	13	709	722
Disposals	-	-	(357)	(357)
	-----	-----	-----	-----
At 31st December 1990	-	197	9,142	9,339
	-----	-----	-----	-----
Net book value at 31st December 1990	68 ===	645 ===	1,941 =====	2,654 =====
At 31st December 1989	333 ===	658 ===	1,847 =====	2,838 =====
(b) Analysis of cost or valuation at 31st December 1990				
Cost	68	44	11,083	11,195
Open market valuation in 1977	-	798	-	798
	-----	-----	-----	-----
	68	842	11,083	11,993
	-----	-----	-----	-----

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

10. TANGIBLE FIXED ASSETS (Continued)

	Payments on account and assets in the course of construction £'000	Land and buildings £'000	Plant and Machinery £'000	Total £'000
(c) If the assets had not been revalued the balances at 31st December 1990 would have been:				
Cost	68 ===	914 ===	11,083 =====	12,065 =====
Accumulated depreciation	- ===	352 ===	9,142 =====	9,494 =====

(d) Land and buildings at net book value, comprises:

	1990 £'000	1989 £'000
Freehold	635	647
Short leasehold	10	11
	645 ===	658 ===

(e) The net book value of plant and machinery includes items held under finance leases as follows:-

At 31st December 1990 - £NIL  
At 31st December 1989 - £187,000

(f) There were no capital commitments at 31st December 1990 or 1989.

(g) Obligations under operating leases committed to be paid during the following year, analysed between the years in which the leases expire are as follows:

	Plant and Machinery	
	1990 £'000	1989 £'000
Within one year	85	31
Two to five years	131	194
	216 ===	225 ===



WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

11. INVESTMENTS

	£'000
Cost at 1st January, 1990	11
Additions	-
Disposals	-
	<hr/>
Cost at 31st December, 1990	11
	<hr/>

The Company's investments represent a 1.03% shareholding in Wilkinson Sword SPA Italy. The principal activity of that company is the distribution and marketing of shaving products.

12. STOCKS

	<u>1990</u> £'000	<u>1989</u> £'000
Raw materials and consumables	443	386
Work in progress	436	787
Finished goods and goods for resale	1,190	915
	<hr/>	<hr/>
	2,069	2,088
	=====	=====

13. DEBTORS

	<u>1990</u> £'000	<u>1989</u> £'000
Trade debtors	2,432	1,940
Amounts owed by other group undertakings	6,170	36,537
Other debtors	-	56
Prepayments and accrued income	580	204
	<hr/>	<hr/>
	9,182	38,737
	=====	=====

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

14. CREDITORS (amounts falling due within one year)	<u>1990</u> £'000	<u>1989</u> £'000
Trade creditors	1,727	2,418
Bank overdraft	-	1,502
Amounts owed to group undertakings	2,513	31,457
Taxation - PAYE	49	69
- Corporation Tax	1,091	483
- Social Security	42	57
Other creditors	536	1,216
Provision for the excess of pension cost charged over amounts funded	74	419
Obligations under finance leases	-	60
	6,032	37,681
	=====	=====

15. CREDITORS (amounts falling due after more than one year)	<u>1990</u> £'000	<u>1989</u> £'000
Amounts due to group undertakings	-	6
Provision for the excess of pension cost charged over amounts funded	670	-
	670	6
	===	==

16. PROVISION FOR LIABILITIES AND CHARGES

The actual and full potential liability for deferred tax, which is calculated under the liability method, is as follows:

	<u>1990</u> £'000	<u>1989</u> £'000
Accelerated capital allowances	253	152
Short term timing differences	1,153	-
Other	(286)	90
	1,120	242
	=====	===

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1990 (Continued)

17. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted issued and fully paid</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
	£'000	£'000	£'000	£'000
6,350,000 Ordinary shares of 20p each	1,270	1,270	1,270	1,270
19,882,283 Non-voting "A" Ordinary shares of 20p each	3,976	3,976	3,976	3,976
3,767,717 Unclassified shares of 20p each	754	754	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	6,000	6,000	5,246	5,246
	=====	=====	=====	=====

18. RESERVES

	<u>Share premium Account</u>	<u>Profit and Loss Account</u>
	£'000	£'000
1st January 1990	360	139
Profit for the year	-	844
	<hr/>	<hr/>
31st December 1990	360	983
	===	===

19. CONTINGENT LIABILITIES

The company is jointly and severally liable if called upon under a guarantee in favour of the overdraft facilities of certain group undertakings. At 31st December 1990 the contingent liability in respect of this guarantee is £NIL (1989: £5,500,000).

The company has given counter indemnities to the National Westminster Bank plc in respect of advance payment guarantees and performance bonds for a total of £1,169,771 (1989: £184,619).

20. ULTIMATE PARENT COMPANY

The Company's ultimate parent company is Eemland Holdings NV (formerly Swedish Match NV), a company incorporated in the Netherlands.

The Company's UK parent undertaking is Wilkinson Sword Group (Holdings) Limited, a company registered in England and Wales.