

**WILKINSON SWORD LIMITED**

**REPORT AND ACCOUNTS**

**31ST DECEMBER 1991**

**REGISTERED NUMBER: 29311**

29311

COMPANIES HOUSE  
28 JAN 1993  
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WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 1991

DIRECTORS:

D. A. Wooler	Appointed 08.04.92
A. L. Vosper	
W. J. Cosgrove	Appointed 19.10.92
J.G.S. Ross	Resigned 31.08.91
K. Gruber	Resigned 31.03.92
G. Utikal	Resigned 30.09.92
C. R. Milbourne	Appointed 18.12.91
	Resigned 20.11.92

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 1991.

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.

Subsequent Events

It was announced on 21 October 1992, that the Company's ultimate parent undertaking, Eemland Holdings NV, incorporated in the Netherlands, would be selling the Wilkinson Sword shaving business, including the Company. No agreement has yet been reached with a potential buyer.

Results and Dividends

The profit for the year attributable to shareholders was £3,237,000 (1990: £2,754,000).

Interim dividends totalling £3,080,765 were paid during the year (1990: £1,910,000). The directors do not recommend the payment of a final dividend.

Directors' Interests

At the beginning and end of the year, Mr. K. Gruber had a beneficial interest in 40,756 shares in Eemland Holdings NV.

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.

WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (Continued)

Equal Opportunities and Employee Involvement

It is the policy of the Company to offer equal opportunity to persons applying for vacancies, regardless of their sex, race, ethnic origin or disability 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 9 and 10 to the accounts.

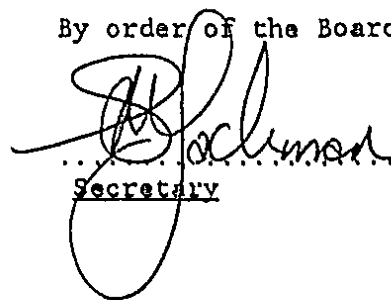
Directors' and Officers' Liability Insurance

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

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: 31st December 1992

Sword House  
Totteridge Road  
High Wycombe  
Buckinghamshire



**AUDITORS' REPORT TO THE MEMBERS OF  
WILKINSON SWORD LIMITED**

We have audited the accounts on pages 4 to 17 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 December 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above, we draw attention to note 19 which refers to a loan facility made available to the Company's UK parent undertaking as part of an overall loan agreement entered into by the ultimate parent undertaking. This facility has been renewed and extended for the period to 30 June 1993 pending the disposal of the worldwide Wilkinson Sword shaving business, including the Company. The future operations of the Company are dependent on the continued availability of this facility to the UK Wilkinson Sword Group.

*Price Waterhouse*

**PRICE WATERHOUSE**  
Chartered Accountants  
and Registered Auditor

31 December 1992

WILKINSON SWORD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1991

	<u>Note</u>	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Turnover	2	25 014	23,307
Cost of Sales		(15,475)	(14,311)
Gross Profit		9,539	8,996
Distribution Costs		(4,322)	(4,968)
Administration Costs		(398)	(292)
Research and Development Costs		(310)	(230)
Operating Profit		4,509	3,506
Interest Income	6	485	3,389
Interest Expense	7	(38)	(2,638)
Profit On Ordinary Activities Before Taxation	2,3	4,956	4,257
Taxation Charge on Ordinary Activities	8	(1,719)	(1,503)
Profit For The Financial Year		3,237	2,754
Dividends		(3,081)	(1,910)
Retained Profit For The Year	17	156	844

The accounting policies and notes on pages 7 to 17 form part of these accounts.

WILKINSON SWORD LIMITED

BALANCE SHEET

AT 31ST DECEMBER 1991

	<u>Note</u>	1991 <u>£'000</u>	<u>£'000</u>	1990 <u>£'000</u>	<u>£'000</u>
<b>FIXED ASSETS</b>					
Tangible Assets	9		2,274		2,654
Investments	10		7		11
			-----		-----
			2,281		2,665
<b>CURRENT ASSETS</b>					
Stocks	11	2,144		2,069	
Debtors	12	10,364		9,182	
Cash at Bank and In Hand		-		495	
			-----		-----
			12,508		11,746
CREDITORS (amounts falling due within one year)	13	(7,436)		(6,032)	
			-----		-----
<b>NET CURRENT ASSETS</b>			5,072		5,714
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,353		8,379
CREDITORS (amounts falling due after more than one year)	14		(608)		(670)
PROVISION FOR LIABILITIES AND CHARGES	15		-		(1,120)
			-----		-----
			6,745		6,589
			-----		-----
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		5,246		5,246
Share premium account	17		360		360
Profit and loss account	17		1,139		983
			-----		-----
			6,745		6,589
			-----		-----

The accounting policies and notes on pages 7 to 17 form part of these accounts.

Approved by the Board of Directors on 31st December 1992

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

WILKINSON SWORD LIMITED

SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31ST DECEMBER 1991

SOURCES	1991 £'000	1990 £'000
Profit on Ordinary Activities Before Taxation	4,956	4,257
Items not involving the Flow of Funds:		
Depreciation	678	722
Profit on Sale of Fixed Assets	-	(10)
Amounts written off investments	4	-
	5,638	4,969
Funds from other sources:		
Proceeds on disposal of Fixed Assets	-	10
	5,638	4,979
<b>APPLICATIONS</b>		
Tax Paid	(10)	(17)
Dividend Paid	(3,081)	(1,910)
Acquisition of Fixed Assets	(298)	(538)
(Decrease)/Increase in Creditors: amounts falling due after one year	(62)	670
	(3,451)	(1,795)
(Increase)/Decrease in stocks	(75)	19
(Increase) in debtors excluding amounts owed by other group undertakings	(1,151)	(812)
Increase/(decrease) in creditors: amounts falling due within one year	801	(1,811)
	(425)	(2,604)
<b>NET FLOW OF FUNDS</b>	1,762	580
(Decrease)/Increase in net indebtedness of affiliated undertakings	(2,296)	1,417
(Decrease)/Increase in Cash Balances	(534)	1,997

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1991

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 1991 (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 1991 (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>	
	<u>1991</u> £'000	<u>1990</u> £'000	<u>1991</u> £'000	<u>1990</u> £'000
Shaving and personal products	24,355	22,635	5,019	4,280
Swords	659	672	(63)	(23)
	<u>25,014</u>	<u>23,307</u>	<u>4,956</u>	<u>4,257</u>
Geographical Markets				
United Kingdom	15,032	13,960		
Americas	1,934	1,999		
Europe	5,951	6,433		
Africa and Middle East	30	-		
Pacific	2,067	915		
	<u>25,014</u>	<u>23,307</u>		

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

Profit/(loss) on ordinary activities before taxation is stated after charging:

	<u>1991</u> £'000	<u>1990</u> £'000
Depreciation of owned tangible assets	678	551
Depreciation of assets acquired under finance leases	-	171
Auditors' remuneration	20	20
Hire of plant and machinery	64	22
Operating lease rentals	353	251
Redundancy costs	28	314
	<u>1,453</u>	<u>1,531</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (Continued)

4. EMPLOYEES AND PENSION COSTS

Employees

The average number of employees during the year was:-

	<u>1991</u>	<u>1990</u>
Hourly Paid	238	228
Salaried	136	129
	—	—
	<u>374</u>	<u>357</u>
Employee costs during the year were:	<u>£'000</u>	<u>£'000</u>
Wages and salaries	5,459	4,697
Social security costs	414	388
Other pension costs	591	325
	—	—
	<u>6,464</u>	<u>5,410</u>

Pension Costs

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 the statement was that the Pension Fund assets at 1.9.90. were sufficient to cover over 100% of the accrued liabilities.

The next full actuarial valuation is scheduled for April 1993.

The Company resumed payment of contributions to the Pension Scheme as from 1st January 1991.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (Continued)

5. DIRECTORS' EMOLUMENTS

Employee costs (Note 4) include the following in respect of Directors of Wilkinson Sword Limited:-

	<u>1991</u> £'000	<u>1990</u> £'000
Salaries	110	110
Contributions to pension schemes	15	24
Compensation for loss of office	96	52
	—	—
	<u>221</u>	<u>186</u>

Emoluments of Directors (excluding Pension Contributions) were:-

	<u>1991</u>	<u>1990</u>
Highest paid Director	£58,943	£57,494
Other Directors:-		
NIL - £5,000	3	7
£15,001 - £20,000	-	1
£30,001 - £35,000	-	1
£50,001 - £55,000	1	-

6. INTEREST RECEIVABLE

	<u>1991</u> £'000	<u>1990</u> £'000
Bank Interest	6	94
Interest receivable from group undertakings	479	3,295
	—	—
	<u>485</u>	<u>3,389</u>

7. INTEREST PAYABLE

	<u>1991</u> £'000	<u>1990</u> £'000
Interest payable to group undertakings	-	2,500
Penalty Interest payable	38	-
Finance lease charges	-	138
	—	—
	<u>38</u>	<u>2,638</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (Continued)

8. TAXATION CHARGE ON PROFIT ON ORDINARY ACTIVITIES	<u>1991</u> £'000	<u>1990</u> £'000
Corporation tax at 33.25% (1990 - 35%)	(2,339)	(625)
Deferred tax - current year	1,120	(878)
	(1,719)	(1,503)

9. 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 1991	68	842	11,083	11,993
Additions	107	-	191	298
	175	842	11,274	12,291
At 31st December 1991	175	842	11,274	12,291
Depreciation				
At 1st January 1991	-	197	9,142	9,339
Charge for the year	-	12	666	678
	-	209	9,808	10,017
At 31st December 1991	-	209	9,808	10,017
Net book value at 31st December 1991	175	633	1,466	2,274
At 31st December 1990	68	545	1,941	2,654

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (Continued)

9. TANGIBLE FIXED ASSETS (Continued)

	<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
(b) Analysis of cost or valuation at 31st December 1991				
Cost	175	44	11,274	11,493
Open market valuation in 1977	-	798	-	798
	-----	-----	-----	-----
	175	842	11,274	12,291
	-----	-----	-----	-----
(c) If the assets had not been revalued the balances at 31st December 1991 would have been:				
Cost	175	914	11,274	12,363
	-----	-----	-----	-----
Accumulated depreciation	-	364	9,808	10,172
	-----	-----	-----	-----
(d) Land and buildings at net book value, comprises:		<u>1991</u>	<u>1990</u>	
		£'000	£'000	
Freehold		623	635	
Short leasehold		10	10	
		-----	-----	
		633	645	
		-----	-----	
(e) There were no capital commitments at 31st December 1991 or 1990.				
(f) Obligations under operating leases committed to be paid during the following year analysed between the years in which the leases expire are as follows:-		<u>Plant and Machinery</u>		
		<u>1991</u>	<u>1990</u>	
		£'000	£'000	
Within one year		79	85	
Two to five years		300	131	
		-----	-----	
		379	216	
		-----	-----	

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (Continued)

10. INVESTMENTS

£'000

Cost at 1st January, 1991	11
Additions	-
Disposals	-
Amounts written off	(4)
	—
Cost at 31st December, 1991	7
	—

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

11. STOCKS

<u>1991</u>	<u>1990</u>
£'000	£'000
Raw materials and consumables	443
Work in progress	436
Finished goods and goods for resale	1,190
—	—
2,144	2,069
-----	-----

12. DEBTORS

<u>1991</u>	<u>1990</u>
£'000	£'000
Trade debtors	2,432
Amounts owed by parent undertaking and fellow subsidiary undertakings	6,170
Prepayments and accrued income	580
—	—
10,364	9,182
-----	-----

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (Continued)

13. CREDITORS (amounts falling due within one year)

	<u>1991</u>	<u>1990</u>
	£'000	£'000
Trade creditors	2,266	1,727
Bank overdraft	39	-
Amounts owed to fellow subsidiary undertakings	141	2,513
Taxation - PAYE	64	49
- Corporation Tax	3,920	1,091
- Social Security	56	42
Other creditors	882	536
Provision for the excess of pension cost charged over amounts funded	68	74
	<hr/>	<hr/>
	7,436	6,032
	<hr/>	<hr/>

14. CREDITORS (amounts falling due after more than one year)

	<u>1991</u>	<u>1990</u>
	£'000	£'000
Provision for the excess of pension cost charged over amounts funded	608	670
	<hr/>	<hr/>
	608	670
	<hr/>	<hr/>

15. PROVISION FOR LIABILITIES AND CHARGES

Deferred tax is only provided to the extent that it is expected to reverse in the foreseeable future. The actual liability for deferred tax, which is calculated under the liability method, is as follows (1991 at 33%, 1990 at 35%).

	<u>1991</u>	<u>1990</u>
	£'000	£'000
Accelerated capital allowances	-	253
Short term timing differences	-	1,153
Other	-	(286)
	<hr/>	<hr/>
	-	1,120
	<hr/>	<hr/>

The full potential liability is as follows:-

Accelerated capital allowances	213	253
Short term timing differences	-	1,153
Other	(305)	(286)
	<hr/>	<hr/>
	(92)	1,120
	<hr/>	<hr/>



WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (Continued)

16. SHARE CAPITAL

	<u>Authorised</u>		<u>Allocated issued and fully paid</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
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	-	-
	<u>6,000</u>	<u>6,000</u>	<u>5,246</u>	<u>5,246</u>

17. RESERVES

	<u>Share premium Account</u>	<u>Profit and Loss Account</u>
	<u>£'000</u>	<u>£'000</u>
1st January 1991	360	983
Profit for the year	-	156
31st December 1991	<u>360</u>	<u>1,139</u>

18. CONTINGENT LIABILITIES

In December 1991 the Company entered into a cross guarantee with other subsidiary undertakings in relation to a global facility, made available to the ultimate parent company, Eemland Holdings NV, in December 1989, in order for it to purchase the shaving and lights businesses of Stora Kopparbergs Bergslags AB. At 31st December 1991 the contingent liability in respect of the global facility was £70.8 million (1990 - £139.1 million). As security for the liabilities under the guarantee, the Company entered into a debenture on 6th November 1992 in favour of Morgan Guarantee Trust Company of New York, as trustee for the lending institutions, under which certain of the Company's assets have become the subject of fixed and floating charges.

The company is jointly and severally liable if called upon under a guarantee in favour of the overdraft facilities of certain UK group undertakings. At 31st December 1991 the contingent liability in respect of this guarantee is £NIL (1990: £NIL).

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 £385,936 (1990: £1,169,771).

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1991 (Continued)

19. FUTURE FINANCING

The Company is financed by a facility made available to its UK parent undertaking as part of a loan agreement provided to Eemland Holdings NV (the Company's ultimate parent undertaking). As referred to in Note 18, the Company is a guarantor with other subsidiary undertakings in respect of the full amount of this loan and has granted a fixed and floating charge on its assets to secure this guarantee. At 31 December 1991 the ultimate parent undertaking had not fulfilled all of the covenants under this and other loan agreements and had not obtained waivers from the financiers for such violations.

It was announced on 21 October 1992 that the ultimate parent undertaking would seek purchasers for the worldwide Wilkinson Sword shaving business, including the Company. Pending completion of a disposal, the ultimate parent undertaking and its subsidiaries, including the Company's UK parent undertaking, have renewed and extended the loan facility for the period to 30 June 1993 and the directors expect that this will be sufficient for the UK Wilkinson Sword group, including the Company to continue operations without a significant curtailment of their activities.

20. ULTIMATE PARENT COMPANY

For the year ended 31st December 1991, Eemland Holdings NV, incorporated in the Netherlands, was the parent undertaking of the largest group of which the Company was a member which prepared Group accounts and Wilkinson Sword Group (Holdings) Limited, registered in England and Wales, was the parent undertaking of the smallest such group.

Eemland Holdings NV is the Company's ultimate parent company.