

29311 / 1284



WILKINSON SWORD LIMITED

REPORT AND ACCOUNTS

FOR

THE YEAR ENDED

31st MARCH 1978

WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS

The directors present herewith their report and the audited accounts of the company for the year ended 31st March 1978.

Principal Activities

2. The principal activities of the company are the manufacture of razors, razor blades, garden tools and swords.

Results

3. The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend for the year.

Turnover

4. Turnover in respect of the different classes of business for the year ended 31st March 1978 was as follows:

	<u>31st March 1978</u>	<u>31st March 1977</u>
	£'000	£'000
Shaving & Personal Products	23981	18966
Garden Tools and Scissors	5260	3372
Swords	541	375
	<u>£29782</u>	<u>£22713</u>
	<u><u>£29782</u></u>	<u><u>£22713</u></u>

Exports

5. The value of goods exported from the United Kingdom during the year amounted to £13,033,309. (1977 - £9,058,446.).

Political and Charitable Contributions

6. Charitable contributions made by the Company during the year amounted to £1,151. No contributions were made to political organisations.

Revaluation of Freehold Property

7. The Company's freehold properties were revalued at 1st February, 1977. The effect of this revaluation has been incorporated in these accounts. Details of the revaluation are set out in note 7 to the accounts.

Investments in Subsidiary Companies

8. In November 1977 the Company acquired 15 shares of Lit. 10000 each in Wilkinson Sword S.p.A. at a cost of £94.34.

Directors

9. The directors of the Company at 31st March, 1978, all of whom served throughout the year, were as follows:

D. Randolph - Chairman
H.B. Randolph
R. Griffiths
C. Lewinton
D.R. Gatley
R.H. Bartlett
A.D. Shanagher
C.W.K. Saunders
H. Osberghaus

Mr. J.W. Latham resigned on 24th November, 1977 and Dr. J. Spreadborough resigned on 31st March, 1978.

In accordance with the Articles of Association Mr. H.B. Randolph and Mr. H. Osberghaus retire by rotation and, being eligible, offer themselves for re-election.

Directors' Interests

10. None of the directors has any interest in the shares of this Company. Mr. D. Randolph, Mr. C. Lewinton, Mr C.W.K. Saunders and Mr. A.D. Shanagher are directors of the holding company, Wilkinson Match Limited, and their shareholdings in that company are disclosed in the Group Accounts.

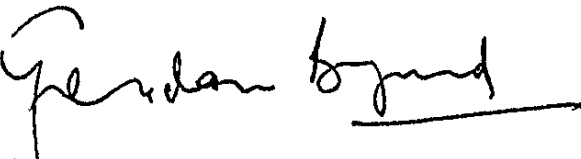
The interests of the other directors in the shares of Wilkinson Match Limited were as follows:

	<u>At 31st March 1978</u>		<u>At 31st March 1977</u>	
	<u>Ordinary Shares of £1 each</u>	<u>10% Convertible Loan Stock 1983/98</u>	<u>Ordinary Shares of £1 each</u>	<u>10% Convertible Loan Stock 1983/98</u>
		£		£
Beneficial Interests				
H.B. Randolph	75,138	135,000	75,138	252,209
R. Griffiths	1,000	-	1,000	-
D.R. Gatley	4,127	9,646	9,127	14,646
R.H. Bartlett	1,314	10,000	1,314	21,189
H. Osberghaus	479	1,396	479	1,396
Other Interests				
H.B. Randolph	120,300	-	121,000	-

Auditors

11. A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting, in accordance with Section 14 (1) of the Companies Act, 1976.

BY ORDER OF THE BOARD


Secretary

Sword House
Totteridge Road
High Wycombe
Buckinghamshire

JULY 1978

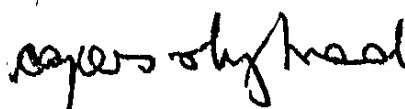
WILKINSON SWORD LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We report on the accounts set out on pages 5 to 15. These have been prepared under the historical cost convention, which permits the inclusion of certain assets at a revaluation.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st March 1978 and of the results and source and application of funds for the year ended on that date, according to the historical cost convention, and comply with the Companies Acts 1948 and 1967.

London, 31st July 1978


Chartered Accountants

WILKINSON SWORD LIMITED

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 1978

	<u>1978</u>	<u>1977</u>
	£	£
TURNOVER	<u>£29,781,595</u>	<u>£22,713,464</u>
(LOSS)/PROFIT BEFORE TAXATION (note 2a)	(882,530)	452,646
TAXATION CREDIT/(CHARGE) (note 5)	<u>517,992</u>	<u>(223,873)</u>
(LOSS)/PROFIT AFTER TAXATION AND BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS	(364,538)	228,773
EXCEPTIONAL ITEM (note 2b)	286,000	-
<u>Less: DIVIDENDS RECEIVED FROM SUBSIDIARIES</u>	320,663	-
EXTRAORDINARY ITEMS (note 6)	<u>(1,710,079)</u>	<u>(419,654)</u>
(LOSS)/PROFIT AFTER TAXATION AND EXTRAORDINARY ITEMS	<u>£(1,467,954)</u>	<u>£(190,881)</u>

STATEMENT OF RETAINED PROFIT

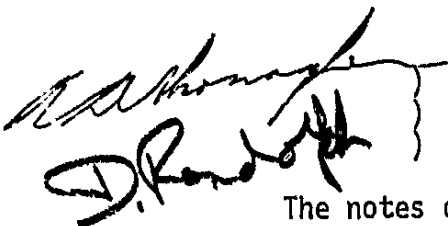
(LOSS)/PROFIT FOR YEAR	(1,467,954)	(190,881)
RETAINED PROFIT AT 1st APRIL 1977	<u>3,016,164</u>	<u>3,207,045</u>
RETAINED PROFIT AT 31st MARCH 1978	<u>£1,548,210</u>	<u>£3,016,164</u>

The notes on pages 7 to 14 form part of these accounts.

Auditors' report - page 4.

BALANCE SHEET - 31st MARCH 1978

	1978		1977	
	£	£	£	£
FIXED ASSETS (note 7)		6,285,325		5,934,194
INTEREST IN SUBSIDIARIES (note 8)		4,951,554		6,687,643
CURRENT ASSETS				
Stock and work in progress(note 14)	6,504,003		4,190,318	
Amounts due by group companies	1,489,860		875,513	
Debtors and prepayments	8,101,629		4,904,301	
Taxation recoverable	32,200		-	
Cash and bank balances	364,386		251,838	
	16,492,078		10,221,970	
<u>Less:</u>				
CURRENT LIABILITIES				
Creditors and accrued liabilities	6,606,606		5,034,785	
Amounts due to group companies	8,867,997		6,341,940	
Current taxation	-		15,718	
Bank loans and overdrafts	874,327		227,506	
	16,348,930		11,619,949	
NET CURRENT ASSETS/(LIABILITIES)		143,148		(1,397,979)
		£11,380,027		£11,223,858
<u>Financed by:</u>				
SHARE CAPITAL (note 9)		5,246,457		5,246,457
SHARE PREMIUM		359,728		359,728
NON-DISTRIBUTABLE RESERVES(note 10)		617,542		487,387
RETAINED PROFIT		1,546,210		3,016,164
		7,771,937		9,109,736
DEFERRED TAXATION		3,238,472		1,829,050
REGIONAL DEVELOPMENT GRANTS		369,618		285,072
		£11,380,027		£11,223,858



Directors

The notes on pages 7 to 14 form part of these accounts.

Auditors' report - page 4

NOTES ON THE ACCOUNTS - 31st MARCH 1978

1. Accounting Policies

(a) Turnover

Turnover represents the invoiced value of goods, excluding V.A.T., delivered during the period, less returns, and includes sales to subsidiary companies.

(b) Depreciation

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

The principal rates are:

Freehold Buildings	2% p.a.
Leasehold Improvements	2% p.a.
Plant and Machinery	15% p.a.
Motor Vehicles	25% p.a.

Provision is not made for the possible increased replacement cost of fixed assets.

(c) Deferred Taxation

Taxation deferred as a result of material timing differences is provided or released at the rate of taxation applicable in the period in which the timing differences occur (the deferral method). Such timing differences arise mainly from:

- (i) the difference between depreciation allowed for tax purposes and the depreciation which is provided in the accounts, and
- (ii) provisions not allowed for tax purposes until later years.

On a revaluation of fixed assets, provision is made for the tax liability which may arise if the assets are sold at the values stated in the balance sheet.

(d) Stock and Work in Progress

Stock and work in progress has been valued at the lower of cost and net realisable value. The cost of work in progress and finished goods includes an appropriate proportion of overhead costs.

Work in progress on long term contracts is valued at cost, comprising direct expenditure and the relevant production overheads, together with a proportion of the estimated total profit attributable to the work completed to date. Provision is made for all losses expected to arise on completion of the contracts entered into at the balance sheet date, whether or not work on these has commenced.

WILKINSON SWORD LIMITED

NOTES ON THE ACCOUNTS .. 31st MARCH 1978 - Continued

(d) continued

Cash received and receivable at the accounting date as progress payments on account of contracts in progress has been deducted.

(e) Research and Development Expenditure

Revenue expenditure on research and development is written off against profits as incurred.

(f) Foreign Currencies

Assets and liabilities in foreign currencies are converted into sterling at rates of exchange approximating to those ruling at each balance sheet date.

(g) Regional Development Grants

Regional Development Grants on plant and machinery are carried forward as deferred credits and are credited to the profit and loss account over the expected useful lives of the assets to which they relate.

WILKINSON SWORD LIMITED

NOTES ON THE ACCOUNTS - 31st MARCH 1978 - Continued

2(a) Profit before Taxation

The profit before taxation is stated after charging:

	<u>1978</u>	<u>1977</u>
	£	£
Directors' emoluments		
As directors	-	-
For management	118,956	86,161
	<u>£118,956</u>	<u>£ 86,161</u>
Pensions and consultancy fees paid to former directors	£ 11,005	£ 28,288
	<u>£642,091</u>	<u>£446,817</u>
Depreciation		
	£ 26,091	£ 22,307
Auditors' remuneration		
	£787,697	£794,320
Interest paid on short term loans		
	£153,355	£134,821
Hire of plant and machinery		
	£ 7,604	£ 11,360
and after crediting:		
Interest received (gross)		
	<u>£286,000</u>	<u>Nil</u>

2(b) Exceptional Item

Provisions no longer required

£286,000

Nil

WILKINSON SWORD LIMITED

NOTES ON THE ACCOUNTS - 31st MARCH 1978 - Continued

3. Directors' Emoluments

Four of the directors are employed as directors of Wilkinson Match Limited and are remunerated by that company in respect of their services to the group as a whole. Their emoluments are dealt with in the accounts of Wilkinson Match Limited and no emoluments are received from this company.

Particulars of emoluments of the directors of the company disclosed in accordance with the requirements of sections 6 and 7 of the Companies Act 1967 as follows:

	<u>1978</u>	<u>1977</u>
Emoluments (excluding pension contributions in respect of duties wholly or mainly discharged in the United Kingdom)		

Emoluments of the chairman	<u>Nil</u>	<u>Nil</u>
Emoluments of the highest paid director	<u>£24,078</u>	<u>£19,924</u>

The other directors whose emoluments fell within the following ranges were:

	<u>Number</u>	<u>Number</u>
Nil to £ 2,500	2	1
£ 2,501 to £ 5,000	-	1
£ 5,001 to £ 7,500	-	-
£10,001 to £12,500	1	1
£12,501 to £15,000	1	1
£15,001 to £17,500	-	2
£17,501 to £20,000	2	-

4. Emoluments of Senior Employees

	<u>Number</u>	<u>Number</u>
£10,001 to £12,500	8	5
£12,501 to £15,000	4	2
£15,001 to £17,500	6	2

5. Taxation

	<u>1978</u>	<u>1977</u>
	£	£
Deferred taxation	1,351,438	811,198
Amount received from group companies in respect of group relief	(1,336,838)	(608,136)
	<u>(485,400)</u>	<u>203,062</u>
Overseas taxation	5,291	20,445
	<u>(480,109)</u>	<u>223,507</u>
Adjustment for previous years	(37,883)	366
(Credit)/Charge to Profit and Loss Account	<u>£(517,992)</u>	<u>£223,873</u>

NOTES ON THE ACCOUNTS - 31st MARCH 1978 - Continued

6. <u>Extraordinary Items, Net after Tax</u>	<u>1978</u>	<u>1977</u>
	£	£
Provisions for losses in investments in subsidiaries	-	419,654
Provisions against amounts due from subsidiaries	1,710,079	-
	<u>£1,710,079</u>	<u>£419,654</u>

7. Fixed Assets

	<u>Freehold properties</u>	<u>Leasehold land and buildings</u>		<u>Plant and equipment</u>	<u>Total</u>
		<u>Short Lease</u>	<u>Long Lease</u>		
	£	£	£	£	£
<u>Cost or Valuation</u>					
At 1st April 1977	1,965,565	75,136	139,109	6,942,849	9,122,659
Revaluation	99,435	-	-	-	99,435
	<u>2,065,000</u>	<u>75,136</u>	<u>139,109</u>	<u>6,942,849</u>	<u>9,222,094</u>
Additions	1,239	5,840	159,141	778,125	944,345
Group Transfers	-	3,376	-	(8,188)	(4,812)
Disposals	-	-	-	(354,202)	(354,202)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st March 1978	<u>2,066,239</u>	<u>84,352</u>	<u>298,250</u>	<u>7,358,584</u>	<u>9,807,425</u>
<u>Depreciation</u>					
At 1st April 1977	86,720	18,060	26,059	3,057,626	3,188,465
Revaluation	(86,720)	-	-	-	(86,720)
	<u>-</u>	<u>18,060</u>	<u>26,059</u>	<u>3,057,626</u>	<u>3,101,745</u>
Charge for year	20,083	4,321	3,961	613,726	642,091
Group Transfers	-	-	-	(1,943)	(1,943)
Disposals	-	-	-	(219,793)	(219,793)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st March 1978	<u>20,083</u>	<u>22,381</u>	<u>30,020</u>	<u>3,449,616</u>	<u>3,522,100</u>
<u>Net Book Value at 31st March 1978</u>	<u>£2,046,156</u>	<u>£61,971</u>	<u>£268,230</u>	<u>£3,908,968</u>	<u>£6,285,325</u>

Cost or valuation includes freehold properties of £2,065,000 valued on 1st February 1977 by Matthews & Goodman, Chartered Surveyors, on an open market basis assuming vacant possession.

8. Interest in Subsidiaries

	<u>1978</u>	<u>1977</u>
	£	£
Shares at cost less amounts written off	882,825	882,184
Amounts owing by subsidiaries	4,104,419	6,162,200
	<u>4,987,244</u>	<u>7,044,384</u>
Amounts owing to subsidiaries	(35,690)	(70,741)
	<u>4,951,554</u>	<u>6,973,643</u>
Unrealised profits in subsidiaries' stocks	-	(286,000)
	<u>£4,951,554</u>	<u>£6,687,643</u>

WILKINSON SWORD LIMITED

NOTES ON THE ACCOUNTS - 31st MARCH 1978 - Continued

In the opinion of the directors, the aggregate value of the company's investment in its subsidiaries and the aggregate value of the company's indebtedness by its subsidiaries are not less than the aggregate amounts at which these items are included in the company's balance sheet.

Group accounts are not submitted as the company is a wholly owned subsidiary of another body corporate incorporated in Great Britain.

9. Share Capital

	<u>Authorised</u>	<u>Issued and fully paid</u>
	£	£
At 31st March 1978 and 31st March 1977		
Ordinary shares of 20p each	1,270,000	1,270,000
Non-voting 'A' ordinary shares of 20p each	3,976,457	3,976,457
Unclassified shares of 20p each	753,543	-
	£6,000,000	£5,246,457

10. Non Distributable Reserves

	<u>1978</u>	<u>1977</u>
	£	£
As at 31st March 1977	487,387	487,387
Revaluation of Freehold Property	186,155	-
	673,542	487,387
Less Deferred Tax on Revaluation	56,000	-
As at 31st March 1978	£617,542	£487,387

11. Capital Expenditure

	<u>1978</u>	<u>1977</u>
	£	£
Commitments in respect of contracts	£503,181	£643,060
Approved by the directors but not committed	£34,583	£261,470

12. Contingent Liabilities

The company has jointly and severally with other group companies given guarantees in respect of bank loans to the ultimate holding company for £8,000,000. (1977 £5,000,000).

WILKINSON SWORD LIMITED

NOTES ON THE ACCOUNTS - 31st MARCH 1978 - Continued

13. Principal Subsidiary Companies

<u>Name of Company</u>	<u>Country of incorporation</u>	<u>Class of shares held</u>	<u>Proportion of nominal value of issued shares held by:</u>	
			<u>Wilkinson Sword Limited</u>	<u>Wilkinson Sword Limited through subsidiaries</u>
			%	%
Wilkinson Sword (International) Limited	Great Britain	Ordinary	100	-
Wilkinson Sword (New Zealand) Limited	New Zealand	Ordinary	100	-
Wilkinson Sword A.B.	Sweden	Ordinary	100	-
Wilkinson Sword (Kenya) Limited	Kenya	Ordinary	100	-
Wilkinson Sword S.A.E.	Spain	Ordinary	-	85
Wilkinson Sword (Overseas) Limited	Great Britain	Ordinary	100	-
Wilkinson Sword (Canada) Limited	Canada	Common	-	100
Wilkinson Sword S.p.A.	Italy	Ordinary	-	100
Wilkinson Sword G.m.b.H.	Germany	Ordinary	-	66.6
Wilkinson Sword Incorporated	U.S.A.	Common	-	100
Scripto Incorporated	U.S.A.	Common	-	56
Scripto Pens Limited	Great Britain	Ordinary	55	25
Scripto Industries (Shannon) Limited	Eire	Ordinary	55	25
Scripto Industries (Ireland) Limited	Eire	Ordinary	-	80
Plasmic Limited	Great Britain	Ordinary	-	80
Graviner Limited	Great Britain	Ordinary	100	-
Graviner (New Zealand) Limited	New Zealand	Ordinary	-	100
Graviner S.A.	France	Ordinary	-	100
Graviner (South Africa)(Pty) Limited	South Africa	Ordinary	-	100
Graviner (Overseas) Limited	Great Britain	Ordinary	-	100
Graviner Incorporated	U.S.A.	Common	-	100
Deugra G.m.b.H.	Germany	Ordinary	-	100
E.J. Cooke Limited	Great Britain	Ordinary	100	-
Texo Hammers and Mallets Limited	Great Britain	Ordinary	100	-

WILKINSON SWORD LIMITED

NOTES ON THE ACCOUNTS - 31st MARCH 1978 - Continued

14. Stock and Work in Progress

The amount shown in the Balance Sheet for Stock and Work in Progress is made up as follows:

	<u>1978</u>	<u>1977</u>
	£	£
Raw Materials	2,221,062	1,098,710
Work in Progress	1,140,920	919,133
Finished Goods	2,909,850	1,969,585
Other Stocks	232,171	202,890
	<u>£6,504,003</u>	<u>£4,190,318</u>

15. Ultimate Holding Company

The company's ultimate holding company is Wilkinson Match Limited, a company incorporated in Great Britain.

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS

THE YEAR ENDED 31st MARCH 1978

SOURCE OF FUNDS	£	1978		1977	
		£	£	£	£
Profit/(Loss) before tax					
Extraordinary items		(882530)		452646	
Exceptional Item		(1710079)		(419654)	
		286000		-	
Adjustment for items not involving movement of funds		(2306609)		32992	
Depreciation	642091		446817		
Loss on disposal of fixed assets	7018		40157		
TOTAL GENERATED FROM OPERATIONS		649109		486974	
FUNDS FROM OTHER SOURCES		(1657500)		519966	
Decrease in interest in subsidiaries	1736089		1680830		
Disposal of fixed assets	127391		54516		
Increase in development grants	84546		7280		
Dividends from subsidiaries	320663		-		
Receipts in respect of Group Relief	1806215		-		
Release of Tax Provision	54772		-		
Tax refund	-		-		
		4129676	150000	1892626	
		2472176		2412592	
APPLICATION OF FUNDS					
Purchase of fixed assets	944345		1662671		
Transfer of fixed assets (to)/from group companies	(2869)		79535		
Payment of Overseas Tax	5291		20445		
Payment of UK Corporation Tax	32200		-		
		978967		1762651	
		£1493209		£649941	
INCREASE/(DECREASE) IN WORKING CAPITAL					
Stock and work in progress		2313685		1359654	
Debtors and prepayments		3197328		501434	
Creditors and accrued liabilities		(1571821)		(783279)	
Amounts due by group companies		614347		1091836	
Amounts due to group companies		(2526057)		(1418681)	
Movement in net liquid funds					
Increase/(decrease) in cash and bank balances	112548		(23611)		
Increase in bank loans and overdrafts	(646821)		(77412)		
		(534273)		(101023)	
		£1493209		£649941	

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