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WILKINSON SWORD LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1987

WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1987

DIRECTORS

Mr AT Fletcher	
Mr CR Milbourne	
Mr PJ Walker	
Mr D Lee	Appointed 2 November 1987
Mr AV Hancock	Appointed 25 January 1988
Mr AL Vosper	Appointed 1 March 1988
Mr AD Batch	Appointed 1 March 1988
Mr AD Shanagher	Resigned 19 May 1987
Mr RCI Bate	Resigned 2 November 1987
Mr NF Nicholson	Resigned 11 March 1988
Mr IP Jackman	Resigned 1 March 1988
Mr CAB Aberg	Appointed 26 February 1988
	Resigned 31 December 1988

SECRETARY

Mrs SM Jackman

REGISTERED OFFICE

Sword House  
Totteridge Road  
High Wycombe  
Buckinghamshire  
HP13 6EJ

This report accompanies the accounts of the Company for the year ended 31 December 1987.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company continues to be the manufacture and distribution of razors, razor blades, and swords. The garden tools and houseware products activities were disposed of in March 1988 to Fiskars AB.

During the year the Company's immediate holding company Wilkinson Sword Group (UK) Ltd, sold the whole of its investment in the Company to another Group company, Wilkinson Sword Group Limited.

SUBSEQUENT EVENT

It was announced on 9 March 1988 that Stora Kopparbergs Bergslags AB ("Stora"), a company incorporated in Sweden, had made an offer to acquire the shares in Swedish Match AB. In June 1988, it was further announced that Stora had received sufficient acceptances from shareholders for them to proceed with the acquisition which would result in them holding, for the time being, 82.5% of the total shares and 97.6% of the total voting capital.

WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

RESULTS AND DIVIDENDS

The loss for the year attributable to shareholders was £4,082,000 (1986 £5,338,000 loss). The directors do not recommend the payment of a dividend for the year (1986: £Nil).

DIRECTORS' SHAREHOLDINGS

Mr IP Jackman was the registered holder of one Ordinary Share of 20p in the Company as at 1 June 1987 and at the end of the financial year, in the capacity as nominee. None of the other directors or their families had any interest in the shares of the Company or in the share capital or loan stocks of its parent company or fellow subsidiaries either at the beginning or end of the year.

None of the directors had a material interest at any time during the year in any contract of significance to the Company's business.

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.

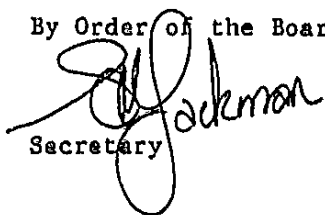
CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in Note 9 to the accounts.

AUDITORS

It will be proposed at the Annual General Meeting that pursuant to Section 384 of the Companies Act 1985, Price Waterhouse, Chartered Accountants, be re-appointed as the auditors of the Company.

By Order of the Board

  
Secretary

4 January 1989

# Price Waterhouse



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

We have audited the financial statements on pages 4 to 18 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state the Company's affairs at 31 December 1987, and of its loss and source and application of funds for the year then ended and comply with the Companies Act 1985.

*Price Waterhouse*

Chartered Accountants

4 January 1989



WILKINSON SWORD LIMITED

PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 1987

	<u>Note</u>	<u>Year ended</u> <u>31 December 1987</u> £'000	<u>Year ended</u> <u>28 December 1986</u> £'000
Turnover	2	32,191	38,227
Cost of sales		(20,486)	(26,100)
Gross profit		11,705	12,127
Distribution costs		(7,051)	(9,259)
Administrative expenses		(2,815)	(2,861)
Research and development costs		(1,221)	(2,048)
Operating profit/(loss)		618	(2,041)
Amount written off investment	10	(790)	-
Interest payable	6	(3,845)	(3,635)
Loss on ordinary activities before taxation	2,3	(4,017)	(5,676)
Taxation charged on loss on ordinary activities	7	(65)	(139)
Loss on ordinary activities after taxation		(4,082)	(5,815)
Extraordinary item	8	-	477
Loss for the financial year	18	(4,082)	(5,338)
		-----	-----

WILKINSON SWORD LIMITED

BALANCE SHEET - 31 DECEMBER 1987

	Notes	<u>31 December 1987</u> £'000	<u>28 December 1986</u> £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	4,107	5,071
Investments	10	<u>412</u>	<u>4</u>
		4,519	5,075
<b>CURRENT ASSETS</b>			
Stocks	11	5,548	6,305
Debtors	12	7,341	9,294
Cash at bank and in hand		<u>1,551</u>	<u>1,445</u>
		14,440	17,044
CREDITORS (amounts falling due within one year)	13	<u>(42,212)</u>	<u>(40,922)</u>
Net current liabilities		<u>(27,772)</u>	<u>(23,878)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(23,253)</u>	<u>(18,803)</u>
CREDITORS (amounts falling due after more than one year)	14	(374)	(747)
DEFERRED INCOME	15	(51)	(111)
PROVISION FOR LIABILITIES AND CHARGES	16	<u>(194)</u>	<u>(129)</u>
		<u>(23,872)</u>	<u>(19,790)</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	<u>(29,478)</u>	<u>(25,396)</u>
		<u>(23,872)</u>	<u>(19,790)</u>
		*****	*****

The financial statements on pages 4 to 18 were approved by the directors on 4 January 1989 and are signed on their behalf by:

PJ Walker ) DIRECTORS  
CR Milbourne )

+ *[Signature]* X P J W  
*[Signature]* X C R M

WILKINSON SWORD LIMITED

SOURCE AND APPLICATION OF FUNDS  
YEAR ENDED 31 DECEMBER 1987

	Year ended 31 December 1987 £'000	Year ended 28 December 1986 £'000
<b>Sources</b>		
Loss on ordinary activities before taxation	(4,017)	(5,676)
Extraordinary items before taxation	-	477
Items not involving the movement of funds:		
Depreciation	1,462	2,048
Amount written off investment	<u>790</u>	<u>-</u>
Funds absorbed by operations	(1,765)	(3,151)
Funds from other sources:		
Disposal of fixed assets	180	737
Distribution on liquidation of subsidiary	<u>315</u>	<u>-</u>
	<u>495</u>	<u>737</u>
	(1,270)	(2,414)
<b>Applications</b>		
Acquisition of fixed assets	(678)	(1,258)
Reorganisation provision applied or released	-	(1,971)
Investment in subsidiaries	(1,513)	-
Decrease in creditors: amounts due after more than one year	<u>(433)</u>	<u>(484)</u>
	(2,624)	(3,713)
	(3,894)	(6,127)
Decrease in stocks	757	1,054
Decrease in debtors	1,823	92
Decrease in creditors: amounts due in one year	<u>(748)</u>	<u>(3,930)</u>
	<u>1,832</u>	<u>(2,784)</u>
Net flow of funds	(2,062)	(8,911)
Increase in net indebtedness of affiliated companies	<u>2,168</u>	<u>10,102</u>
Increase in cash balances	106	1,191
	*****	*****

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987

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. The Company does not prepare consolidated accounts as it is the wholly owned subsidiary of Wilkinson Sword Group Limited, a company incorporated in Great Britain.

Turnover

Turnover comprises amounts invoiced to customers and fellow subsidiaries 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 loss.

Depreciation

Depreciation is provided on a straight line basis 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 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

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

Deferred taxation

Provision is made for deferred taxation using the liability method except where there is a reasonable probability that a liability will not arise in the foreseeable future. Debit balances arising on deferred taxation are only recognised to the extent that provision is made for liabilities against which they may be offset.

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.



WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (continued)

1 ACCOUNTING POLICIES (continued)

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.

Regional development grants

Regional development grants are credited to the profit and loss account over the expected useful lives of the assets to which they relate. The amounts not so credited are carried forward in the balance sheet in deferred income.

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.

2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Class of Business	Turnover		Loss before taxation	
	Year ended 31 December 1987 £'000	Year ended 28 December 1986 £'000	Year ended 31 December 1987 £'000	Year ended 28 December 1986 £'000
Shaving and personal products	17,978	24,679	(2,806)	(2,616)
Garden tools and scissors	7,804	10,174	(572)	(2,689)
Housewares	5,841	2,806	(639)	80
Swords	568	568	-	(451)
	<u>32,191</u>	<u>38,227</u>	<u>(4,017)</u>	<u>(5,676)</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (continued)

2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

Geographical Market	Turnover	
	31 December 1987	28 December 1986
	£'000	£'000
United Kingdom	23,430	21,600
Americas	2,032	3,553
Europe	4,815	6,703
Africa and Middle East	323	4,515
Pacific	1,591	1,856
	<u>32,191</u>	<u>38,227</u>
	*****	*****

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:	Year ended	
	31 December 1987	28 December 1986
	£'000	£'000
Depreciation of owned fixed assets	744	1,347
Depreciation of assets acquired under finance leases	718	701
Auditors' remuneration	48	45
Hire of plant and machinery	14	37
Operating lease rentals	170	156
Redundancy costs	418	-
	*****	*****

4 DIRECTORS AND EMPLOYEES

The average number of employees during the year was:

	Year ended	
	31 December 1987	28 December 1986
Hourly paid	424	426
Salaried	<u>253</u>	<u>326</u>
	677	752
	***	***

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (continued)

4 DIRECTORS AND EMPLOYEES (continued)

Staff costs during the year were:

	Year ended	
	<u>31 December 1987</u>	<u>28 December 1986</u>
	£'000	£'000
Wages and salaries	7,832	9,952
Social Security costs	726	707
Other Pension costs	<u>248</u>	<u>161</u>
	8,806	10,820
	-----	-----

An actuarial valuation of the contributory pension fund was made on 6 April 1986 which revealed a substantial surplus. On 1st December 1984, in anticipation of this valuation and in accordance with the Trust Deed, the Board of Directors suspended the Company's contributions and reduced members' contributions from 6.5% to 6% of pensionable earnings. This has resulted in a decrease in Company losses before taxation of £426,000 for the year (1986: £488,000).

The number of UK employees of the Company who received emoluments (excluding pension contributions) in the following ranges were:

	Year ended	
	<u>31 December 1987</u>	<u>28 December 1986</u>
£30,001 - £35,000	3	3
£35,001 - £40,000	-	2
£40,001 - £45,000	-	1
£45,001 - £50,000	1	-
£50,001 - £55,000	-	1
£55,001 - £60,000	-	1
£60,001 - £65,000	-	3

5 DIRECTORS' EMOLUMENTS

	Year ended	
	<u>31 December 1987</u>	<u>28 December 1986</u>
	£'000	£'000
Salaries	109	2
Contributions to Pension schemes	40	1
Compensation for loss of office	<u>25</u>	-
	174	3
	-----	-----

Of the directors, only NF Nicholson, RCI Bate and D Lee were employed solely as directors of Wilkinson Sword Limited. The remainder, including the Chairman and the highest paid director, are employed by Wilkinson Sword Group Limited and are remunerated by that Company in respect of their services to the Group as a whole.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (continued)

5 DIRECTORS' EMOLUMENTS (continued)

The number of those directors paid by the Company, falling within each range of remuneration, excluding pension contributions was as follows:

	Year ended	
	<u>31 December 1987</u>	<u>28 December 1986</u>
£0 - £5,000	-	2
£5,001 - £10,000	1	-
£50,001 - £55,000	1	-
£75,001 - £80,000	1	-

6 INTEREST PAYABLE

	Year ended	
	<u>31 December 1987</u>	<u>28 December 1986</u>
	£'000	£'000
Interest payable to fellow subsidiaries	3,704	3,415
Finance lease charges	141	185
Other interest payable	-	45
Less: interest receivable	-	(10)
	3,845	3,635
	=====	=====

7 TAXATION

	Year ended	
	<u>31 December 1987</u>	<u>28 December 1986</u>
	£'000	£'000
Current year - overseas	-	10
- deferred tax	194	129
- corporation tax	-	-
Prior year - deferred tax	(129)	-
	65	139
	=====	=====

Tax relief has been reduced by the following items:

	Year ended	
	<u>31 December 1987</u>	<u>28 December 1986</u>
	£'000	£'000
Free provision of group relief at 35% (1986 36.25%)	(1,248)	(2,346)
Recognition of tax losses	-	(108)
Accelerated capital allowances	(141)	(177)
Other timing differences	18	726
	(1,371)	(1,905)
	=====	=====

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (continued)

8 EXTRAORDINARY ITEM

	Year ended	
	31 December 1987	28 December 1986
	£'000	£'000
Provision for the restructuring of the company's activities (no longer required)	-	(477)
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9 TANGIBLE FIXED ASSETS

	Payments on account and assets in the course of construction	Land and buildings	Plant and machinery	Total
	£'000	£'000	£'000	£'000
a) Cost or valuation				
At 28 December 1986	659	987	11,708	13,354
Additions - 3rd party	39	14	612	665
- Group companies	-	-	31	31
Disposals - 3rd party	-	-	(513)	(513)
- Group companies	-	-	(194)	(194)
Reclassification	(228)	-	252	24
At 31 December 1987	470	1,001	11,896	13,367
Depreciation				
At 28 December 1986	-	225	8,058	8,283
Additions - Group companies	-	-	18	18
Charge for the year	-	27	1,435	1,462
Disposals - 3rd party	-	-	(416)	(416)
- Group companies	-	-	(108)	(108)
Reclassification	-	-	21	21
At 31 December 1987	-	252	9,008	9,260
Net book value				
At 31 December 1987	470	749	2,888	4,107
	---	---	-----	-----
At 28 December 1986	659	762	3,650	5,071
	---	---	-----	-----
b) Analysis of cost or valuation at 31 December 1987				
Cost	470	203	11,896	12,569
Open Market valuation in 1977	-	798	-	798
	470	1,001	11,896	13,367
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WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (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
c) If the assets had not been revalued the balances at 31 December 1987 would have been				
Cost	470	1,073	11,896	13,439
Accumulated depreciation	-	312	9,008	9,320
d) Land and buildings at net book value, comprises:				
	<u>31 December 1987</u> £'000		<u>28 December 1986</u> £'000	
Freehold	605		617	
Short leasehold	<u>144</u>		<u>145</u>	
	749		762	
e) The net book value of plant and machinery includes items held under finance leases as follows:				
At 31 December 1987 -	£1,186,000			
At 28 December 1986 -	£1,904,000			
f) Capital expenditure				
	<u>31 December 1987</u> £'000		<u>28 December 1986</u> £'000	
Contracted for but no provision made in the accounts	24		32	
Authorised by the directors but not contracted for	-		-	

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (continued)

9 TANGIBLE FIXED ASSETS (continued)

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:

	<u>Plant and machinery</u>	
	<u>31 December</u>	
	<u>1987</u>	<u>1986</u>
	<u>£'000</u>	<u>£'000</u>
Within one year	-	-
Two to five years	170	170
More than five years	-	-
	<u>170</u>	<u>170</u>
	===	===

10 INVESTMENTS

The Company's investments comprise shares in subsidiary companies which cost £1,428,000 and are stated net of £226,000 written off in previous years and £790,000 written off in the current year.

Additional investments were made during the year by acquiring the share capital of Trummer & Co (Successors) Ltd for £315,000 and J John Masters and Co Ltd for £1,198,000. Trummer & Co (Successors) Ltd subsequently went into liquidation before the year end and a distribution of £315,000 was received. The investment in J John Master & Co has been written down to £408,000 being the value of the underlying assets.

<u>Company</u>	<u>Country of incorporation</u>	<u>Percentage of issued shares</u>		<u>Principal activity</u>
		<u>WS Ltd</u>	<u>WS Ltd through subsidiaries</u>	
Bryant & May (NZ) Ltd	New Zealand	Ord 50	-	Dormant
Scripto Industries (Shannon) Ltd	E.	Ord 55 Pref 19-18	-	In liquidation
Scripto Industries (Ireland) Ltd	Eire	-	Ord 100	In liquidation
Wilkinson Sword (Argentina) Ltd	Argentina	Ord 100	-	In liquidation
J John Masters & Co Ltd	England	Ord 100	-	Distribution of matches
Trummer & Co (Successors) Ltd	England	Ord 100	-	In liquidation

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (continued)

11	STOCKS		
		<u>31 December 1987</u>	<u>28 December 1986</u>
		£'000	£'000
	Raw materials and consumables	988	1,397
	Work in progress	1,297	471
	Finished goods and goods for resale	<u>3,263</u>	<u>4,437</u>
		5,548	6,305
		=====	=====
12	DEBTORS		
		<u>31 December 1987</u>	<u>28 December 1986</u>
		£'000	£'000
	Trade debtors	4,695	6,109
	Amounts owed by other group companies	2,266	2,396
	Other debtors	90	293
	Prepayments and accrued income	<u>290</u>	<u>496</u>
		7,341	9,294
		=====	=====
13	CREDITORS (amounts falling due within one year)		
		<u>31 December 1987</u>	<u>28 December 1986</u>
		£'000	£'000
	Trade creditors	3,994	3,570
	Amounts owed to group companies	36,530	34,492
	Taxation - PAYE	75	155
	- Corporation tax	10	10
	- Social Security	63	100
	Other creditors	883	1,585
	Obligations under finance leases	<u>657</u>	<u>1,010</u>
		42,212	40,922
		=====	=====



WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (continued)

14 CREDITORS: amounts falling due after more than one year

	<u>31 December 1987</u> £'000	<u>28 December 1986</u> £'000
Amounts due to group companies	6	6
Obligations under finance leases	<u>368</u>	<u>741</u>
	374	747
	----	----

Of the lease obligations falling due after more than one year, none are payable after more than five years.

15 DEFERRED INCOME

	<u>31 December 1987</u> £'000	<u>28 December 1986</u> £'000
At 29 December 1985	111	134
Released in the period	<u>(60)</u>	<u>(23)</u>
At 31 December 1987	51	111
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16 PROVISION FOR LIABILITIES AND CHARGES

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

	<u>31 December 1987</u> £'000	<u>Year ended</u> <u>28 December 1986</u> £'000
Capital gains rolled over	441	378
Accelerated capital allowances on plant and machinery	(32)	(16)
Other timing differences	(215)	(125)
Losses carried forward	<u>-</u>	<u>(108)</u>
	194	129
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WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (continued)

17 SHARE CAPITAL

	Authorised		Allotted, and fully paid	
	1987 £'000	1986 £'000	1987 £'000	1986 £'000
6,350,000 Ord shares of 20p each	1,270	1,270	1,270	1,270
19,882,283 Non-voting "A" Ord 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>
	*****	*****	*****	*****

18 RESERVES

	Share premium account £'000	Profit and loss account £'000
At 28 December 1986	360	(25,396)
Loss for the year	-	(4,082)
At 31 December 1987	<u>360</u>	<u>(29,478)</u>
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19 CONTINGENT LIABILITIES

The Company is jointly and severally liable if called upon under a guarantee to provide up to £5,500,000 in relation to overdraft and loan facilities to a fellow subsidiary company (1986: £7,500,000). Of the total facility the sum of £1,050,000 (1986: £942,000) has been utilised.

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 £250,000 (1986: £301,000).

The Company has guaranteed to indemnify Kitchen Devils Limited from and against any and all costs, claims, demands, liabilities and expenses paid or incurred in acting as agents for Wilkinson Sword Limited.

20 RESTATEMENT OF PREVIOUS YEARS RESULTS

The previous year's results have been restated to reflect the capitalisation of all finance leases entered into by the Company in prior years.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1987 (continued)

21 NET ASSETS DEFICIENCY

The accounts of the Company show a deficiency in net assets. Wilkinson Sword Group Limited has undertaken to ensure that it will continue to provide sufficient funds to enable Wilkinson Sword Limited to meet its debts to other creditors as these fall due until such time as this deficiency has been eliminated.

22 GROUP RESTRUCTURING

The Company disposed of its export and major contracts activities to Wilkinson Sword Group Limited on 29 December 1986. These divisions have not therefore been consolidated this year. Comparative figures have not been restated.

23 POST BALANCE SHEET EVENTS

Subsequent to the year end the company:

- (a) disposed of its activities in garden tools and houseware products to Fiskars AB, and
- (b) entered into a £28,000,000 15 year subordinated loan agreement with Wilkinson Sword Group Limited, which provides that the sums due under that agreement are subordinated to the claims of other creditors. The funds generated from the subordinated loan were used to pay off advances due to fellow subsidiaries.

24 ULTIMATE HOLDING COMPANY

On 9 March 1988 Stora Kopparbergs Bergslags AB ("Stora"), a company incorporated in Sweden made an offer to acquire the shares in Swedish Match AB. In June 1988 it was further announced that Stora had received sufficient acceptances from shareholders for them to proceed with the acquisition which would result in them holding, for the time being, 82.5% of the total shares, and 97.6% of the total voting capital.