

Company registration number: 29311

**DIRECTORS' REPORT AND ACCOUNTS FOR  
THE YEAR ENDED 31 DECEMBER 1998 FOR  
WILKINSON SWORD LIMITED**



# **WILKINSON SWORD LIMITED**

## **REPORT OF THE DIRECTORS**

Directors: W J Cosgrove  
A L Vosper (resigned 26 January 1998)  
S A Mellino  
M J Cummings

Secretary: S J Wallcraft (appointed 1 December 1998)  
D M Willis (resigned 1 December 1998)

The Directors have pleasure in submitting the Annual Report and Accounts of the Company for the year ended 31 December 1998.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the Company continued to be the manufacture and distribution of razors, razor blades and swords and the distribution of toiletries and manicure products.

The business comprising the manufacture of shavings products, including intellectual property rights, supply rights and goodwill related thereto, together with certain items of plant and machinery, is to be sold. The Company will thereafter market, distribute and sell shavings products in the UK.

### **RESULTS AND DIVIDENDS**

The loss after taxation for the year to 31 December 1998 was £6,154,000 (1997 – profit of £7,000 after restatement following the prior year adjustment-see note 2(d)) all of which has been transferred from reserves.

No dividends were paid during the year (1997: £Nil).

### **DIRECTORS**

The directors of the Company during the year ended 31 December 1998 were as listed above.

### **DIRECTORS' INTERESTS**

None of the Directors nor their families had any beneficial interest in the shares of the Company or its immediate parent undertaking or its fellow subsidiary undertakings either at the beginning or end of the financial year.

### **EMPLOYMENT POLICY AND EMPLOYEE INVOLVEMENT**

It is the policy of the company to recruit and employ persons for all jobs without regard to race, creed, colour, sex, national origin, age or physical handicap. Decisions on employment are based solely on the individual's qualifications for the position being filled. The same policy is adopted when considering career development and promotion, while in the field of training, a distinction would only be made in order to meet the particular requirements of any disabled persons. If an employee becomes disabled whilst in employment, all due consideration would be given to continued employment whether in the same, or in an alternative capacity, and training would be given where necessary.

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.

# WILKINSON SWORD LIMITED

## REPORT OF THE DIRECTORS (continued)

### DIRECTORS' RESPONSIBILITY STATEMENT

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for the year. In preparing these statements the directors are required to select suitable accounting policies and apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed or explained in the financial statements; prepare the 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 which 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.

### CHARITABLE AND POLITICAL DONATIONS

The Company donated £6,000 (1997 - £2,000) for charitable purposes during the year and made no political donations.

### YEAR 2000

The Directors are aware of the Year 2000 issue and are taking steps to address it by ensuring that internal systems are reviewed and seeking assurances from significant suppliers that they are formulating appropriate strategies to deal with the problem.

The Board has assessed the likely impact on activities of the Company and has considered the action required to address the issue.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain because at least some level of failure may still occur. However, the Board believes that an acceptable state of readiness will be achieved. The costs associated with implementing Year 2000 compliance have all been incurred by Parke Davis & Co Limited, a fellow subsidiary undertaking. Details of the expenditure incurred are disclosed in the Directors' Report of that Company.

### 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 financial statements before the member in general meeting, the annual appointment of auditors and the holding of general meetings.

### AUDITORS

Following the merger on 1 July 1998 of our auditors, Price Waterhouse, with Coopers & Lybrand, the directors appointed the new firm, PricewaterhouseCoopers, as auditors to the Company.

By order of the Board



S J Wallcraft  
Company Secretary

Date 25 October 1999

**PricewaterhouseCoopers**  
The Quay  
30 Channel Way  
Ocean Village  
Southampton SO14 3QG  
Telephone +44 (0) 1703 330077  
Facsimile +44 (0) 1703 223473  
Direct fax 01703 223473

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

We have audited the financial statements on pages 4 to 17, which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 6 and 7.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report including, as described on page 2, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or materials inconsistencies with the financial statements.

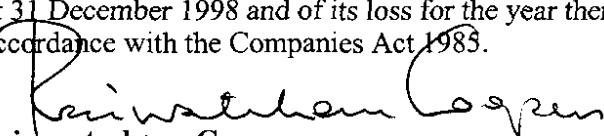
### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Southampton

25 October 1999

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6NN. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

**WILKINSON SWORD LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1998**

	Note	1998	1997
		£'000	As restated £'000
Turnover	4	64,642	56,841
Cost of Sales		39,433	(38,519)
Gross profit		<u>25,209</u>	<u>18,322</u>
Distribution costs		(15,102)	(13,206)
Administrative expenses		(4,584)	(5,146)
Exceptional release of provision	8	-	900
Operating profit	5	<u>5,523</u>	<u>870</u>
Exceptional restructuring costs	9	(10,009)	-
(Loss)/profit before interest		<u>(4,486)</u>	<u>870</u>
Interest receivable	10	229	232
Interest payable and similar charges	11	-	(6)
(Loss)/profit on ordinary activities before taxation	5	<u>(4,257)</u>	<u>1,096</u>
Taxation on (loss)/profit on ordinary activities	12	(1,897)	(1,089)
(Loss)/profit for the financial year transferred to reserves	3/21	<u>(6,154)</u>	<u>7</u>

The Company had no recognised gains or losses other than those disclosed in the profit and loss account.

Turnover and operating profit are derived from continuing operations.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

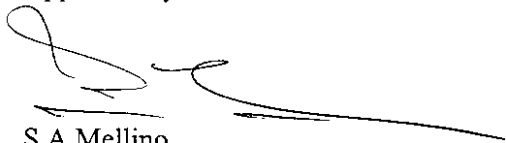
	1998	1997
	£'000	As restated £'000
Reported (loss)/profit on ordinary activities before taxation	(4,257)	1,096
Difference between the historical cost depreciation charge and the actual charge for the year calculated on the revalued amount	868	868
Historical cost (loss)/profit on ordinary activities before taxation	<u>(3,389)</u>	<u>1,964</u>
Historical cost (loss)/profit for the year retained after taxation & dividends	<u>(5,286)</u>	<u>875</u>

**WILKINSON SWORD LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 1998**

	Note	1998		1997	
		£'000	£'000	As Restated	
				£'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	13		12,304		13,170
Tangible assets	14		7,586		7,532
Investments	15		29		29
			<u>19,919</u>		<u>20,731</u>
<b>CURRENT ASSETS</b>					
Stocks	16	5,407		4,798	
Debtors	17	14,504		8,002	
Cash at Bank and in hand		4,968		2,317	
		<u>24,879</u>		<u>15,117</u>	
CREDITORS (amounts falling due within one year)	18	(13,036)		(7,522)	
<b>NET CURRENT ASSETS</b>			11,843		7,595
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>31,762</u>		<u>28,326</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	19		(10,288)		(698)
			<u>21,474</u>		<u>27,628</u>
<b>CAPITAL AND RESERVES</b>					
Called up equity share capital	20		5,246		5,246
Share premium account	21		360		360
Revaluation reserve	21		12,610		13,478
Profit and Loss account	21		3,258		8,544
<b>SHAREHOLDERS' FUNDS</b>	3		<u>21,474</u>		<u>27,628</u>

Approved by the Board of Directors on



S A Mellino  
Director

Date 25 October 1999

# WILKINSON SWORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998

### 1. ULTIMATE PARENT COMPANY

The ultimate parent and controlling undertaking is Warner-Lambert Company, the largest company for which group financial statements are prepared. It is incorporated in the United States of America. Copies of the financial statements can be obtained from 201 Tabor Road, Morris Plains, New Jersey, 07950, USA. The immediate parent undertaking is Warner Lambert (UK) Limited, the smallest company for which group financial statements are prepared. It is incorporated in Great Britain. Copies of the financial statements can be obtained from Lambert Court, Chestnut Avenue, Eastleigh, Hampshire, SO53 3ZQ.

### 2. ACCOUNTING POLICIES

#### a) Basis of accounting

The accounts have been prepared under historical cost convention as modified to include the revaluation of certain assets and in accordance with applicable accounting standards. In accordance with Financial Reporting Standard No. 1 (Revised) no cashflow has been prepared. Warner-Lambert Company, the ultimate holding company, prepares a cash flow.

#### b) Turnover

Turnover comprises amounts invoiced to customers and fellow subsidiary understandings less returns, excluding value added tax and after deductions for trade discounts.

#### c) Foreign currencies

Assets and liabilities denominated in foreign currencies are converted into sterling at the 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.

#### d) Intangible assets

Consequent upon the acquisition on 22 March 1993 of Wilkinson Sword Limited by Warner Lambert (UK) Limited, a wholly owned subsidiary of Warner Lambert Company, a US corporation, a valuation of £17.3 million (Note 13) was placed on the trademarks and patents. With the introduction of Financial Reporting Standard Number 10 (FRS 10) 'Goodwill and Intangible Assets', the Company has accelerated the amortisation period from 40 years to 20 years for patents and trademarks, which is in keeping with the requirements of FRS 10. This represents a change in accounting policy and a prior year adjustment has been made in the accounts (see notes 3 and 13).

#### e) 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 economic 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

# WILKINSON SWORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)

### 2. ACCOUNTING POLICIES (continued)

#### f) Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### g) 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.

#### h) Research and development

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

#### i) 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 expected remaining service lives of current employees in the scheme. The pension cost is assessed in accordance with the advice of qualified actuaries.

#### j) Investments

Investments are valued at cost. The directors do not consider there to be a permanent diminution in the value of the investments at 31 December 1998.

#### k) Government Grants

Assets acquired with the provision of Government Grant are recorded at their full cost and depreciated over their economic lives. The grant that financed the acquisition is recorded as a liability and taken to profit over the same period, and on the same basis, as the cost of the asset is depreciated.

### 3. MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
		As restated
	£'000	£'000
(Loss)/profit for the financial year transferred to reserves	(6,154)	7
Net (reduction in)/addition to shareholders' funds	(6,154)	7
Opening shareholders' funds (1997:originally £29,693,000 before the prior year adjustment of £2,065,000)	27,628	27,621
Closing shareholder's funds	21,474	27,628



**WILKINSON SWORD LIMITED****NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)****4. TURNOVER**

	1998	1997
	£000	£000
Geographical markets:		
United Kingdom	33,687	31,237
Rest of Europe	27,370	21,326
United States of America	1,275	1,700
Other	2,310	2,578
	<hr/> 64,642	<hr/> 56,841

In the opinion of the directors the company has only one class of business.

**5. OPERATING (LOSS)/PROFIT ON OPERATING ACTIVITIES BEFORE TAXATION**

This is stated after charging:

	1998	1997
	£000	As restated £000
Amortisation of intangible assets (see note 2(d))	866	866
Depreciation of tangible assets	2397	1,945
Auditors' remuneration:		
Audit fees	42	41
Non audit work	-	51
Hire of plant and machinery	184	184
Operating Leases		
Land and buildings	484	521
Other	316	357
Research & Development Costs	183	196
	<hr/>	<hr/>
and after crediting:		
Government Grants	179	255
Pension	86	86
	<hr/>	<hr/>

**WILKINSON SWORD LIMITED****NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)****6. STAFF COSTS**

	1998	1997
	£000	£000
Wages and salaries	8,681	8,900
Social security costs	672	714
Other pension costs	370	368
	<hr/>	<hr/>
	9,723	9,982

The average number of employees during the year was:-

	1998	1997
Manufacturing	277	296
Admin	156	166
R & D	2	2
	<hr/>	<hr/>
	435	464

**7. DIRECTORS' REMUNERATION**

	1998	1997
	£'000	£'000
Aggregate emoluments	142	287
Payments under long term incentive schemes	<hr/>	<hr/>
	-	39
Number of directors to whom retirement benefits accrue under a defined benefit scheme	1	2
Highest paid director	£	£
Aggregate emoluments	141,652	181,396
Amount of accrued pension at the end of the year	9,247	7,467
	<hr/>	<hr/>

**8. EXCEPTIONAL RELEASE OF PROVISION**

	1998	1997
	£'000	£'000
Release of provision in respect of lease renegotiations	<hr/>	<hr/>
	-	900

The 1997 exceptional credit relates to the release of a lease renegotiation provision that was established at the time of the acquisition in 1993 by Warner Lambert (UK) Limited. The provision was released following the decision of the directors not to renegotiate the lease.

**WILKINSON SWORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)**

**9. EXCEPTIONAL REORGANISATION COSTS**

The exceptional reorganisation costs shown in the profit and loss account represents the closure costs of. Credit is being taken for tax allowances on this charge as the spend is incurred (see note 19).

**10. INTEREST RECEIVABLE**

	1998	1997
	£'000	£'000
Bank interest	229	215
Other interest	-	17
	<hr/> 229	<hr/> 232

**11. INTEREST PAYABLE**

	1998	1997
	£'000	£'000
Interest payable on bank overdraft	-	2
Other interest payable	-	4
	<hr/> -	<hr/> 6

**12. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

	1998	1997
	£'000	£'000
The charge for taxation based on the (loss)/profit for the year comprises:		
UK Corporation tax at 31 % (1997: 31.5%)	1,800	676
Prior year adjustment	97	413
	<hr/> 1,897	<hr/> 1,089

# WILKINSON SWORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)

### 13. INTANGIBLE FIXED ASSETS

	1998	1997
		As restated
	£'000	£'000
Valuation:	17,300	17,300
Amortisation:		
As at 1 January (1997 as originally stated)	4,130	1,632
Prior year adjustment (see note 2(d))	-	1,632
Charge for the year	866	866
Total	4,996	4,130
Net book amount at 31 December	12,304	13,170

As referred to in note 2(d), Wilkinson Sword Limited was purchased by Warner Lambert (UK) Limited on 22 March 1993 and on that date a valuation of £17.3 million was placed on the trademarks and patents.

As mentioned in the Report of the Directors, the business comprising the manufacture of shaving products including the trademarks and patents is to be sold. The directors believe that the realisable value of these trademarks and patents will not be materially different from that stated above.

**WILKINSON SWORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)**

**14. TANGIBLE FIXED ASSETS**

	Land and Buildings	Plant and Machinery	Payments on account and assets in the course of construction	Total
	£'000	£'000	£'000	£'000
a) Cost or valuation:				
As at 1 January 1998	1,257	14,235	1,238	16,730
Additions	43	1,304	1,122	2,469
Transfer assets now completed	-	768	(768)	-
Disposals	-	(221)	-	(221)
As at 31 December 1998	1,300	16,086	1,592	18,978
Depreciation:				
As at 1 January 1998	380	8,818	-	9,198
Charge for the year	35	2,362	-	2,397
Disposals	-	(203)	-	(203)
As at 31 December 1998	415	10,977	-	11,392
Net book amount:				
At 31 December 1998	885	5,109	1,592	7,586
At 31 December 1997	877	5,417	1,238	7,532
b) Analysis of cost or valuation at 31 December 1998:				
Cost	181	16,086	1,592	17,859
Valuation	1,119	-	-	1,119
	1,300	16,086	1,592	18,978

The land and buildings were revalued on an existing use basis by Vail Williams, Chartered Surveyors, on 22 March 1993.

**WILKINSON SWORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)**

**14. TANGIBLE FIXED ASSETS (continued)**

	Land and Buildings	Plant and Machinery	Payments on account and assets in the course of construction	Total
	£'000	£'000	£'000	£'000
c) If the assets had not been revalued the balances at 31 December 1998 would have been:				
Cost	979	16,086	1,592	18,657
Accumulated depreciation	397	10,977	-	11,374

Land and buildings at net book amount Comprises:	1998	1997
	£'000	£'000
Freehold	851	864
Short leasehold	34	13
	885	877

**15. INVESTMENTS**

	1998	1997
	£'000	£'000
Cost at 1 January	29	22
Additions	-	7
	29	29

The Company's investment represents a 1.03% shareholding in Wilkinson Sword SPA Italy, a company incorporated in Italy. The principal activity of that company is the distribution and marketing of shaving products. The addition in 1997 represents a pro rata contribution to the capital of the company.

**WILKINSON SWORD LIMITED****NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)****16. STOCKS**

	1998	1997
	£'000	£'000
Raw materials and consumables	593	1,260
Work in progress	2,408	1,281
Finished goods and goods for resale	2,406	2,257
	<u>5,407</u>	<u>4,798</u>

**17. DEBTORS**

	1998	1997
	£'000	£'000
Trade debtors	8,059	6,328
Corporation tax recoverable	-	305
Amounts owed by parent undertaking and fellow group Undertakings	5,181	716
Prepayments and accrued income	1,196	556
Other debtors	68	97
	<u>14,504</u>	<u>8,002</u>

**18. CREDITORS: Amounts falling due within one year**

	1998	1997
	£'000	As restated £'000
Trade creditors	1,577	908
Corporation tax	1,897	-
Other taxation and social security	2	547
Amounts owed by parent undertaking and fellow group Undertakings	3,573	-
Accruals & deferred income	5,969	6,067
Other creditors	18	-
	<u>13,036</u>	<u>7,522</u>

**WILKINSON SWORD LIMITED****NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)****19. PROVISION FOR LIABILITIES AND CHARGES**

	<i>Pension costs</i>	<i>Restructuring</i>	<i>Total</i>
		<i>Costs</i>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 31 December 1997	343	355	698
Charged to Profit & Loss account	307	10,009	10,316
Amount utilised: Existing	(393)	(268)	(661)
New	-	(65)	(65)
Balance at 31 December 1998	257	10,031	10,288

The restructuring provision as at 1 January 1998 relates to business process re engineering. This re engineering involved the relocation of certain processes and was started in 1997. This provision has been substantially utilised, with £87,000 remaining unutilised at the year end. It is expected to be fully utilised during 1999.

The new provision in 1998 for £10,009,000 arises in respect of a reorganisation of the manufacturing and production site at Cramlington. The restructuring of the manufacturing and production of shaving products involves the closure of the site at Cramlington. Agreement has been reached prior to December 1998 with the local union representatives that specified the number of staff involved and quantified the amounts payable to those made redundant. Customers and suppliers were also informed before 31 December 1998. The associated impairment charge for the write-down of fixed assets at Cramlington are recognised in the financial statements for the year ended 31 December 1998. The provision is expected to be utilised during 1999 and 2000.

**Deferred taxation:**

The full net potential deferred tax asset, none of which has been recognised in these financial statements is set out below:

	<b>1998</b>	<b>1997</b>
	<b>£'000</b>	<b>£'000</b>
Accelerated capital allowances	423	475
Other timing differences	(490)	(864)
Reorganisation costs	(3,009)	(110)
	<b>(3,076)</b>	<b>(499)</b>



**WILKINSON SWORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)**

**20. CALLED UP EQUITY SHARE CAPITAL**

	Authorised		Allotted issued And fully paid	
	1998	1997	1998	1997
	£'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	-	-
	<u>6,000</u>	<u>6,000</u>	<u>5,246</u>	<u>5,246</u>

The Non-Voting "A" Ordinary shares rank pari passu in all respects with the Ordinary shares except that holders of the former shares are not entitled to vote at general meetings and on any issue of shares (not being Preference shares) by way of capitalisation, are only entitled to receive further Non-Voting "A" Ordinary shares.

The Unclassified shares may be issued by the Company in all or part either as Ordinary shares or as Non-Voting "A" Ordinary shares as it may so determine.

**21. RESERVES**

	Share Premium Account	Revaluation reserve	Profit and Loss Account
	As restated	As restated	As restated
	£'000	£'000	£'000
1 January 1998 as originally stated	360	15,543	8,544
Prior year adjustment-amortisation of patents and trademarks	-	-	(2,065)
Transfers:			
Excess amortisation of patents and trademarks-prior year adjustment (see note 2(d))	-	(2,065)	2,065
1 January 1998 as restated	<u>360</u>	<u>13,478</u>	<u>8,544</u>
Loss for the year	-	-	(6,154)
Transfers:			
Excess amortisation of trademarks	-	(866)	866
Excess depreciation of revalued land & buildings	-	(2)	2
31 December 1998	<u>360</u>	<u>12,610</u>	<u>3,258</u>

## WILKINSON SWORD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 1998 (Continued)

#### 22. LEASING COMMITMENTS

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

	Land & Buildings		Other	
	1998	1997	1998	1997
	£'000	£'000	£'000	£'000
Within one year	-	36	14	45
Between one and five years	-	-	253	310
Over five years	473	473	-	-
	<u>473</u>	<u>509</u>	<u>267</u>	<u>355</u>

#### 23. PENSION COSTS

The company has been operating a funded single defined pension scheme since 1 September 1990. 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 Projected Unit Method. The latest actuarial statement on the scheme was prepared on 6 April 1996. The market value of the assets in the scheme at that date was approximately £73 million. The opinion expressed in the statement was that the pension fund assets at 6 April 1998 were sufficient to cover 105% of the accrued liabilities.

The next full actuarial valuation is scheduled for April 1999.

#### 24. RELATED PARTY TRANSACTIONS

The results of the Company are consolidated in the results of Warner-Lambert Company, whose financial statements are publicly available. Accordingly, the Company is exempt from the requirement to disclose transactions which qualify as related parties within the Group.