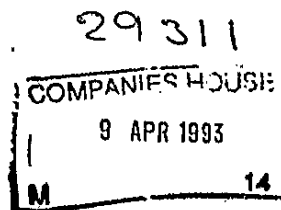


WILKINSON SWORD LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 1992

REGISTERED NUMBER: 29311



WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1992

DIRECTORS	DA Wooler	(Appointed 8 April 1992)
	AL Vosper	
	WJ Cosgrove	(Appointed 19 October 1992)
	K Gruber	(Resigned 31 March 1992)
	G Utikal	(Resigned 30 September 1992)
	CR Millbourne	(Resigned 20 November 1992)
SECRETARY	SM 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 31 December 1992.

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 manleure products. It is anticipated that these activities will continue during the current financial year.

SUBSEQUENT EVENTS

On 22 March 1993 contracts were exchanged for the purchase of the Company's entire issued share capital by Warner Lambert Company. Prior to the sale, the Company acquired the trading operations and certain assets of Wilkinson Sword Group Limited, a fellow subsidiary undertaking.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders was £2,756,000 (1991 : £3,237,000).

Interim dividends totalling £2,099,000 were paid during the year (1991 : £3,080,765). The directors do not recommend the payment of a final dividend and propose that £657,000 (1991 : £156,000) be transferred to reserves.

WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

DIRECTORS' INTERESTS

None of the directors nor their families had any 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.

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.

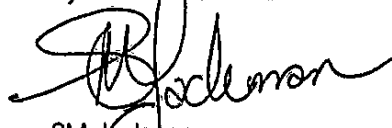
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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



SM Jackman
Secretary

22 March 1993

Price Waterhouse



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

We have audited the accounts on pages 4 to 19 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 31 December 1992 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
PRICE WATERHOUSE

Chartered Accountants
and Registered Auditor

22 March 1993

WILKINSON SWORD LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1992**

	<u>1992</u> £'000	<u>1991</u> £'000
TURNOVER (Note 2)	31,296	25,014
Cost of sales	<u>(22,027)</u>	<u>(15,475)</u>
GROSS PROFIT	9,269	9,539
Distribution costs	(5,479)	(4,322)
Administration costs	(386)	(398)
Research and development costs	<u>(309)</u>	<u>(310)</u>
OPERATING PROFIT	3,095	4,509
Interest receivable (Note 6)	1	485
Interest payable (Note 7)	<u>-</u>	<u>(38)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Notes 2 & 3)	3,096	4,956
Taxation on profit on ordinary activities (Note 8)	<u>(340)</u>	<u>(1,719)</u>
Profit for the financial year	2,756	3,237
Dividends paid	<u>(2,099)</u>	<u>(3,081)</u>
RETAINED PROFIT FOR THE YEAR (Note 17)	<u>657</u>	<u>156</u>

WILKINSON SWORD LIMITED

BALANCE SHEET AT 31 DECEMBER 1992

	<u>1992</u>	<u>1991</u>
	£'000	£'000
FIXED ASSETS		
Tangible assets (Note 9)	1,999	2,274
Investments (Note 10)	<u>7</u>	<u>7</u>
	2,006	2,281
CURRENT ASSETS		
Stocks (Note 11)	2,933	2,144
Debtors (Note 12)	6,973	10,364
Cash at bank and in hand	<u>1,360</u>	<u>-</u>
	11,266	12,508
CREDITORS (amounts falling due within one year) (Note 13)	<u>(5,329)</u>	<u>(7,436)</u>
NET CURRENT ASSETS	<u>5,937</u>	<u>5,072</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	7,943	7,353
CREDITORS (amounts falling due after more than one year) (Note 14)	<u>(541)</u>	<u>(608)</u>
	<u>7,402</u>	<u>6,745</u>
CAPITAL AND RESERVES		
Called up share capital (Note 16)	5,246	5,246
Share premium account (Note 17)	360	360
Profit and loss account (Note 17)	<u>1,796</u>	<u>1,139</u>
	<u>7,402</u>	<u>6,745</u>

Approved by the Board of Directors on 22 March 1993 and signed on their behalf by:

A. L. Vosper

AL Vosper

Director

WILKINSON SWORD LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1992**

	<u>1992</u>		<u>1991</u>	
	£'000	£'000	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 19)		6,989		2,408
RETURNS ON INVESTMENT AND SERVICING OF FINANCE				
Interest paid	-		(38)	
Interest received	1		485	
Dividends paid	<u>(2,099)</u>		<u>(3,081)</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND FROM THE SERVICING OF FINANCE		(2,098)		(2,634)
TAXATION				
Corporation tax paid		(3,030)		(10)
INVESTING ACTIVITIES				
Purchase of tangible fixed assets		<u>(462)</u>		<u>(298)</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(462)</u>		<u>(298)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (Note 20)		<u>1,399</u>		<u>(534)</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992

1 ACCOUNTING POLICIES

i) Basis of accounting

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

ii) Turnover

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

iii) 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.

iv) 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

v) 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 31 DECEMBER 1992 (continued)

1 ACCOUNTING POLICIES (continued)

vi) 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 production overheads

vii) Research and development

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

viii) Patents

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

ix) 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.

x) 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 31 DECEMBER 1992 (continued)

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

Class of business	Turnover		Profit/(loss) before taxation	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Shaving and personal products	30,504	24,355	3,100	5,019
Swords	<u>792</u>	<u>659</u>	<u>(4)</u>	<u>(63)</u>
	<u>31,296</u>	<u>25,014</u>	<u>3,096</u>	<u>4,956</u>
Geographical markets				
United Kingdom	18,313	15,032		
Americas	3,233	1,934		
Europe	8,792	5,951		
Africa and Middle East	163	30		
Pacific	<u>795</u>	<u>2,067</u>		
	<u>31,296</u>	<u>25,014</u>		

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:	1992 £'000	1991 £'000
Depreciation of owned tangible assets	737	678
Auditors' remuneration:		
Audit work	20	20
Non-audit work	3	4
Hire of plant and machinery	34	64
Operating lease rentals	470	353
Redundancy costs	<u>659</u>	<u>28</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

4 EMPLOYEES AND PENSION COSTS

Employees

The average number of employees during the year was:

	<u>1992</u>	<u>1991</u>
Hourly paid	306	238
Salaried	<u>151</u>	<u>136</u>
	457	374
	-----	-----
	<u>1992</u>	<u>1991</u>
Employee costs during the year were:	£'000	£'000
Wages and salaries	6,233	5,459
Social security costs	496	414
Other pension costs	<u>602</u>	<u>591</u>
	7,331	6,464
	-----	-----

Pension costs

Together with other group undertakings the Company has been operating a single defined benefit 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 attained age method. The latest actuarial statement on the scheme was 1 September 1990. 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 September 1990 were sufficient to cover over 100% of the accrued liabilities.

The next full actuarial valuation is scheduled for April 1993

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

5 DIRECTORS' EMOLUMENTS

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

	<u>1992</u> £'000	<u>1991</u> £'000
Salaries	78	110
Contributions to pension schemes	13	15
Compensation for loss of office	—	<u>96</u>
	<u>91</u>	<u>221</u>

Emoluments of Directors (excluding pension contributions) were:

	<u>1992</u>	<u>1991</u>
Highest paid director	£61,153	£58,943
	<u> </u>	<u> </u>
Other directors:		
Nil - £5,000	4	3
£15,001 - £20,000	1	-
£30,001 - £35,000	-	-
£50,001 - £55,000	-	1
	<u> </u>	<u> </u>

6 INTEREST RECEIVABLE

	<u>1992</u> £'000	<u>1991</u> £'000
Bank interest	1	6
Interest receivable from group undertakings	—	<u>479</u>
	<u>1</u>	<u>485</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

7 INTEREST PAYABLE

	<u>1992</u> £'000	<u>1991</u> £'000
Penalty interest payable	-	38
	<u> </u>	<u> </u>

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1992</u> £'000	<u>1991</u> £'000
Current year:		
Corporation tax at 33.0% (1991 - 33.25%)	1,249	2,839
Deferred tax	<u> </u>	<u>(1,120)</u>
	1,249	1,719
Prior year:		
Corporation tax	<u>(909)</u>	<u> </u>
	<u> </u>	<u> </u>
	340	1,719
	<u> </u>	<u> </u>

The prior year adjustment of £909,000 arises from the reappraisal of prior year corporation tax liabilities.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

9 TANGIBLE FIXED ASSETS

	Payments on account and assets in the <u>course of construction</u> £'000	Land and <u>buildings</u> £'000	Plant and <u>machinery</u> £'000	<u>Total</u> £'000
(a) Cost or valuation				
As at 1 January 1992	175	842	11,274	12,291
Re-classification	(66)	-	66	-
Additions	-	-	462	462
Disposals	-	-	(168)	(168)
At 31 December 1992	109	842	11,634	12,585
Depreciation				
At 1 January 1992	-	209	9,808	10,017
Charge for the year	-	14	723	737
Disposals	-	-	(168)	(168)
At 31 December 1992	-	223	10,363	10,586
Net book amount at 31 December 1992	109	619	1,271	1,999
At 31 December 1991	175	633	1,468	2,274
(b) Analysis of cost or valuation at 31 December 1992				
Cost	109	44	11,634	11,787
Open market valuation in 1977	-	798	-	798
	109	842	11,634	12,585

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

9 TANGIBLE FIXED ASSETS (continued)

	Payments on account and assets in the <u>course of construction</u> £'000	Land and <u>buildings</u> £'000	Plant and <u>machinery</u> £'000	<u>Total</u> £'000
(c) If the assets had not been revalued the balances at 31 December 1992 would have been:				
Cost	109	914	11,634	12,657
Accumulated depreciation	-	364	10,363	10,727
(d) Land and buildings at net book amount comprise:				
			<u>1992</u> £'000	<u>1991</u> £'000
Freehold			609	623
Short leasehold			<u>10</u>	<u>10</u>
			<u>619</u>	<u>633</u>
(e) There were no capital commitments at 31 December 1992 or 1991.				
(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>1992</u> £'000	<u>1991</u> £'000
Within one year			179	79
Two to five years			<u>234</u>	<u>300</u>
			<u>413</u>	<u>379</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

10 INVESTMENTS

£'000

Cost at 1 January 1992 and
31 December 1992

7

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

11 STOCKS

1992
£'000

1991
£'000

Raw materials and consumables
Work in progress
Finished goods and goods for resale

630 423

929 712

1,374 1,009

2,933 2,144

12 DEBTORS

1992
£'000

1991
£'000

Trade debtors
Amounts owed by parent undertaking
and fellow subsidiary undertakings (Note 21)
Prepayments and accrued income

3,514 3,888

3,197 6,201

262 275

6,973 10,364

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

13 CREDITORS (amounts falling due within one year)

	<u>1992</u> £'000	<u>1991</u> £'000
Trade creditors	1,158	2,266
Bank overdraft	-	39
Amounts owed to fellow subsidiary undertakings (Note 21)	1,106	141
Corporation tax	1,230	3,920
Other taxation and social security	66	120
Other creditors and accruals	1,701	882
Provision for the excess of pension costs charged over amounts funded	<u>68</u>	<u>68</u>
	<u>5,329</u>	<u>7,436</u>

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

	<u>1992</u> £'000	<u>1991</u> £'000
Provision for the excess of pension costs charged over amounts funded	541	608
	<u>541</u>	<u>608</u>

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 £Nil (1991 - £Nil).

The full potential liability is as follows:

	<u>1992</u> £'000	<u>1991</u> £'000
Accelerated capital allowances	191	213
Other	<u>(479)</u>	<u>(305)</u>
	<u>(288)</u>	<u>(92)</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

16 SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted issued and full paid</u>	
	<u>1992</u> £'000	<u>1991</u> £'000	<u>1992</u> £'000	<u>1991</u> £'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	<u>754</u>	<u>754</u>	<u>-</u>	<u>-</u>
	<u>6,000</u>	<u>6,000</u>	<u>5,246</u>	<u>5,246</u>

17 RESERVES

	<u>Share premium account</u> £'000	<u>Profit and loss account</u> £'000
1 January 1992	360	1,139
Profit for the year	<u>-</u>	<u>657</u>
31 December 1992	<u>360</u>	<u>1,796</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 31 December 1992 the contingent liability in respect of the global facility was £68.6 million (1991 - £70.8 million). As security for the liabilities under the guarantee, the Company entered into a debenture on 6 November 1992 in favour of Mogan 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. Since the year end arrangements have been entered into to discharge this guarantee (Note 21).

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

18 CONTINGENT LIABILITIES (continued)

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 31 December 1992 the contingent liability in respect of this guarantee is £Nil (1991 : £Nil). This guarantee has been discharged since the year end (Note 21).

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 £Nil (1991 : £385,936).

19 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1992</u> £'000	<u>1991</u> £'000
Operating profit	3,095	4,509
Write off of investment	-	4
Depreciation of tangible fixed assets	737	678
Increase in stocks	(789)	(75)
Decrease/(increase) in debtors	387	(1,151)
(Decrease)/increase in creditors	(410)	739
Increase/(decrease) in balances with group undertakings	<u>3,969</u>	<u>(2,296)</u>
Net cash inflow from operating activities	<u>6,989</u>	<u>2,408</u>

20 INCREASE IN CASH AND CASH EQUIVALENTS

	<u>1992</u> £'000	<u>1991</u> £'000	<u>Change</u> £'000	<u>1990</u> £'000	<u>Change</u> £'000
Cash at bank	1,360	-	1,360	495	(495)
Bank overdraft	<u>-</u>	<u>(39)</u>	<u>39</u>	<u>-</u>	<u>(39)</u>
	<u>1,360</u>	<u>(39)</u>	<u>1,399</u>	<u>495</u>	<u>(534)</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1992 (continued)

21 SUBSEQUENT EVENTS

On 22 March 1993 contracts were exchanged for the purchase of the entire issued share capital of the Company by Warner Lambert Company. Prior to the sale, the Company acquired the trading operations and certain assets of Wilkinson Sword Group Limited at book value. Amounts owing by and to group undertakings will be settled on completion and the cross guarantees given in respect of the borrowings of group undertakings will be discharged (see Note 18).

22 ULTIMATE PARENT COMPANY

At 31 December 1992, 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 was the Company's ultimate parent company at 31 December 1992. Group accounts can be obtained from Eemland Holdings NV, Egelenburg 152, 101GK Amsterdam, The Netherlands.