

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 1976.

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 1976 was as follows :-

	<u>31st March</u> 1976	<u>31st March</u> 1975
	£'000	£'000
Razors and razor blades	17,327	14,984
Garden Tools	2,825	2,995
Swords	292	219
Other	-	861
	<u>£20,444</u>	<u>£19,059</u>

Exports

5. The value of goods exported from the United Kingdom during the year amounted to £10,344,000.

Political and Charitable Contributions

6. Charitable contributions made by the company during the year amounted to £2,045. No contributions were made to political organisations.

Movements in Fixed Assets

7. The movements in fixed assets during the year are set out in note 7 on the accounts.

### Investments in Subsidiary Companies

8. During the year the share holdings in the following subsidiary companies were transferred to another subsidiary company, Wilkinson Sword (Overseas) Limited, at book value.

<u>Company</u>	<u>Consideration</u>	<u>Transfer Date</u>
Wilkinson Sword (Canada) Limited	£ 2	20.6.75
Wilkinson Sword S.p.A.	3,336	14.8.75
Wilkinson Sword Incorporated	833,869	6.6.75
Wilkinson Sword G.m.b.H.	53,708	20.6.75

### Directors

9. Mr. R.J. Randolph resigned from the board on 31st January 1976. The directors of the company at 31st March 1976 all of whom were directors for the whole of the year ended on that date were :-

D. Randolph (Chairman)  
H.B. Randolph  
R. Griffiths (Deputy Chairman)  
C. Lewinton (Managing Director)  
D.R. Gatley  
R.H. Bartlett  
A.D. Shanagher  
C.W.K. Saunders (Secretary)  
H. Osberghaus  
J.W. Latham  
Dr. J. Spreadborough

In accordance with the Articles of Association Mr. R. Griffiths, Mr. C. Lewinton and Mr. R.H. Bartlett retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

### Directors' Interests in Shares

10. None of the directors have 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 not required to be disclosed in this report.

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

	At 31st March 1976		At 31st March 1975	
	Ordinary Shares of £1 each	10% Convertible Loan Stock 1983/98	Ordinary Shares of £1 each	10% Convertible Loan Stock 1983/98
		£		£
<b>Beneficial interests:</b>				
H.B. Randolph	76,138	252,209	77,138	252,209
R. Griffiths	1,000	-	17,524	2,000
D.R. Gatley	9,127	14,646	9,127	14,646
R.H. Bartlett	1,314	21,189	1,314	21,189
H. Osberghaus	479	1,396	479	1,396
J.W. Latham	2,226	-	93,006	-
Dr. J. Spreadborough	57	4,173	57	4,173
R.J. Randolph	-	-	297,272	-
<b>Other interests:</b>				
H.B. Randolph	186,970	-	186,970	-
R.J. Randolph	-	-	274,773	308,415

Auditors

11. Coopers & Lybrand will continue in office in accordance with Section 159(2) of the Companies Act 1948.

BY ORDER OF THE BOARD

C.W.K. SAUNDERS

Secretary.

Sword House,  
Tutteridge Road,  
High Wycombe,  
Buckinghamshire.  
5th August 1976

WILKINSON SWORD LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

In our opinion the accounts set out on pages 5 to 13 give a true and fair view of the state of the company's affairs at 31st March 1976 and of the profit for the year ended on that date, according to the historical cost convention, and comply with the Companies Acts 1948 and 1967.

COOPERS & LYBRAND

LONDON, 6th August 1976

Chartered Accountants.

WILKINSON SWORD LIMITED

STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MARCH 1976

	<u>1976</u>	<u>1975</u>
	£	£
TURNOVER	<u>£20,443,917</u>	<u>£19,059,199</u>
TRADING PROFIT/(LOSS) (notes 2 to 4)	479,142 ✓	(28,580) ✓
TAXATION (note 5)	<u>223,539</u>	<u>131,812</u>
PROFIT AFTER TAXATION	255,603	103,232
<u>Less: EXTRAORDINARY ITEMS,</u> NET AFTER TAX (note 6)	<u>240,685</u>	<u>-</u>
PROFIT AFTER TAXATION AND EXTRAORDINARY ITEMS RETAINED	<u>£ 14,918</u>	<u>£103,232</u>

STATEMENT OF RETAINED PROFIT

RETAINED PROFIT FOR YEAR	14,918	103,232
RETAINED PROFIT AT 1ST APRIL 1975	<u>3,192,127</u>	<u>3,088,895</u>
RETAINED PROFIT AT 31ST MARCH 1976	<u>£3,207,045</u>	<u>£3,192,127</u>

The notes on pages 7 to 13 form part of these accounts.

Auditors' report page 4.

WILKINSON SWORD LIMITED

BALANCE SHEET - 31ST MARCH 1976

	<u>1976</u>		<u>1975</u>	
	£	£	£	£
FIXED ASSETS (note 7)		4,733,478		5,007,018
INTEREST IN SUBSIDIARIES (note 8)		8,070,677		8,720,075
CURRENT ASSETS				
Stock and work in progress	2,830,664		3,476,433	
Amounts due by group companies	81,473		1,843,373	
Debtors and prepayments	4,402,867		4,373,287	
Taxation recoverable	150,016		-	
Cash and bank balances	275,449		346,693	
		<u>7,740,469</u>		<u>10,039,785</u>
<u>Less:</u>				
CURRENT LIABILITIES				
Creditors and accrued liabilities	4,312,045		4,540,680	
Amounts due to group companies	5,619,413		4,149,827	
Current taxation	32,202		105,000	
Bank loans and overdrafts	89,555		4,890,352	
		<u>10,053,215</u>		<u>13,685,859</u>
NET CURRENT LIABILITIES		<u>(2,312,746)</u>		<u>(3,646,073)</u>
		<u>£10,491,409</u>		<u>£10,081,020</u>
<u>Financed by :</u>				
SHARE CAPITAL (note 9)		5,246,457		5,246,457
SHARE PREMIUM		359,728		359,728
CAPITAL RESERVES		487,387		487,387
RETAINED PROFIT		3,207,045		3,192,127
		<u>9,300,617</u>		<u>9,285,699</u>
DEFERRED TAXATION		913,000		539,834
REGIONAL DEVELOPMENT GRANTS		277,792		255,487
		<u>£10,491,409</u>		<u>£10,081,020</u>

D. RANDOLPH            )  
                                  ) Directors  
C. LEWINTON

The notes on pages 7 to 13 form part of these accounts.

Auditors' report page 4.

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.

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 difference occurs (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;

(ii) reserves and 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.

(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.

(h) Extraordinary Items

Extraordinary items are defined as being those which derive from events or transactions outside the ordinary activities of the group and which are both material and not expected to occur frequently or regularly.

2. Profit/(Loss) before Taxation

The profit/(loss) before taxation is stated after charging:-

	<u>1976</u>	<u>1975</u>
	£	£
Directors' emoluments		
As directors	-	1,000
For management	41,297	80,446
	<u>£ 41,297</u>	<u>£ 81,446</u>
Pensions and consultancy fees paid to former directors	£ 18,450	£ 10,198
Ex gratia payment to former directors	£ -	£ 4,000
Depreciation	£549,561	£479,487
Auditors' remuneration	£ 18,000	£ 15,300
Interest paid on short term loans	£776,805	£811,337
Hire of plant and machinery	£ 50,874	£ 35,246
and after crediting:-		
Interest received (gross)	£313,669	£343,461
Dividends received from subsidiary companies (gross)	1141 518 £ -	£496,454

537037



WILKINSON SWORD LIMITED

NOTES ON THE ACCOUNTS - 31ST MARCH 1976 - 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 are as follows:-

	<u>1976</u>	<u>1975</u>
Emoluments (excluding pension contributions in respect of duties wholly or mainly discharged in the United Kingdom)		
Emoluments of the chairman	Nil	Nil
Emoluments of the highest paid director	£16,726	£17,100

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

	<u>Number</u>	<u>Number</u>
Nil to £ 2,500	4	5
£ 2,501 to £ 5,000	1	-
£ 7,501 to £10,000	-	1
£10,001 to £12,500	1	1
£12,501 to £15,000	1	1
£15,001 to £17,500	-	2

4. Emoluments of Senior Employees

	<u>Number</u>	<u>Number</u>
£10,001 to £12,500	3	5
£12,501 to £15,000	1	-
£15,001 to £17,500	1	-

5. Taxation

	<u>1976</u>	<u>1975</u>
	£	£
United Kingdom corporation tax at 52%	114,262	-
Deferred taxation	118,166	(357,165)
Amount paid to group companies in respect of group relief	-	121,946
	<u>332,428</u>	<u>(235,219)</u>
Overseas taxation	20,208	135,130
	<u>252,636</u>	<u>(100,089)</u>
Overspill relief	(29,097)	(14,983)
Adjustment for previous years	-	(16,740)
	<u>£223,539</u>	<u>£(131,812)</u>

6. Extraordinary Items, Net after Tax

	<u>1976</u>	<u>1975</u>
	£	£
Relocation expenses	14,550	-
Provision for losses in subsidiary investments	226,135	-
	<u>£240,685</u>	<u>£ -</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 1975	1,873,346	54,238	116,445	5,410,625	7,454,654
Additions	75,745	1,205	8,397	461,214	546,561
Group transfers	-	17,953	-	19,094	37,047
Disposals	-	-	-	(304,827)	(384,827)
At 31st March 1976	<u>1,949,091</u>	<u>73,396</u>	<u>124,842</u>	<u>5,506,106</u>	<u>7,653,435</u>
<u>Depreciation</u>					
At 1st April 1975	45,811	10,276	14,121	2,377,428	2,447,636
Charge for year	19,698	3,931	3,379	522,553	549,561
Group transfers	-	-	-	3,519	3,519
Disposals	-	-	-	(80,759)	(80,759)
At 31st March 1976	<u>65,509</u>	<u>14,207</u>	<u>17,500</u>	<u>2,822,741</u>	<u>2,919,957</u>
<u>Net Book Value at</u>					
<u>31st March 1976</u>	<u>£1,883,582</u>	<u>59,189</u>	<u>£107,342</u>	<u>£2,683,365</u>	<u>£4,733,478</u>

Cost or valuation includes freehold properties of £1,820,000 valued on 31st October 1972 as between a willing buyer and willing seller with vacant possession.

8. Interest in Subsidiaries

	<u>1976</u>	<u>1975</u>
	£	£
Shares at cost less amounts written off	1,361,615	2,253,945
Amounts owing by subsidiaries	7,056,577	6,883,781
	<u>8,418,192</u>	<u>9,137,726</u>
Amounts owing to subsidiaries	(61,515)	(139,651)
	<u>8,356,677</u>	<u>8,998,075</u>
Unrealised profits in subsidiaries' stocks	(286,000)	(278,000)
	<u>£8,070,677</u>	<u>£8,720,075</u>

WILKINSON SWORD LIMITED

NOTES ON THE ACCOUNTS - 31ST MARCH 1976 - 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 1976 and 31st March 1975		
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	-
	<u>£6,000,000</u>	<u>£5,246,457</u>

10. Capital Expenditure

	<u>1976</u>	<u>1975</u>
	£	£
Commitments in respect of contracts	<u>£353,708</u>	<u>£128,750</u>
Approved by the directors but not committed	<u>£104,864</u>	<u>£ -</u>

11. Contingent Liabilities

The company has given guarantees in respect of bank borrowings by certain subsidiary companies, and jointly and severally with other group companies has guaranteed a facility granted to Wilkinson Match Limited, as follows:-

	<u>Amount guaranteed</u>		<u>Amount outstanding</u>	
	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>
	£	£	£	£
Wilkinson Match Limited	8,000,000	8,000,000	5,500,000	5,500,000
Subsidiaries	264,550	613,905	-	-
Fellow subsidiary	unlimited	-	-	-