

WILKINSON SWORD LIMITED

REPORT AND ACCOUNTS

30 NOVEMBER 1993

Registered number: 29311



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COMPANIES HOUSE 10/09/94

WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD ENDED 30 NOVEMBER 1993

DIRECTORS D A Wooler
 A L Vosper
 W J Cosgrove
 A W Yates (Appointed 4 May 1993)

SECRETARY K A M Sykes (Appointed 16 July 1993)
 S M Jackman (Mrs) (Resigned 16 July 1993)

REGISTERED NUMBER 29311

REGISTERED OFFICE Lambert Court
 Chestnut Avenue
 Eastleigh
 Hampshire
 SO5 3ZQ

This report accompanies the accounts of the Company for the period ended 30 November 1993.

CHANGE OF OWNERSHIP

On 22 March 1993 the entire share capital of Wilkinson Sword Limited was purchased by Warner Lambert (UK) Limited, a subsidiary of Warner-Lambert Company a US corporation.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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 manicure products. Since March 1993 the activities of the company were extended to include the sale of technological know how and equipment relating to the manufacture of razors and razor blades in overseas territories through its technological division.

FUTURE DEVELOPMENTS

The company has launched the 'Lady' version of the Protector shaving unit in the spring of 1994. In the opinion of the directors the financial position of the company is satisfactory and current trading levels are in line with expectations.

WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD ENDED 30 NOVEMBER 1993 (Continued)

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit or loss of the Company for the period to that date.

The Directors are responsible for ensuring that systems are in place for maintaining adequate accounting records, safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.

The Directors confirm that:

- suitable accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates, have been used in the preparation of the financial statements;
- applicable accounting standards have been followed; and
- the financial statements have been prepared on a going concern basis.

RESULTS AND DIVIDENDS

The loss after taxation for the eleven month period to 30 November 1993 was £230,000 (1992: profit for the year ended 31 December 1992 £2,756,000).

No interim dividend was paid during the period (1992: £2,099,000). The directors do not recommend the payment of a final dividend and propose that the loss of £230,000 is set against reserves.

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 period.

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.

WILKINSON SWORD LIMITED

**REPORT OF THE DIRECTORS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)**

CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in notes 9 and 10 to the accounts.

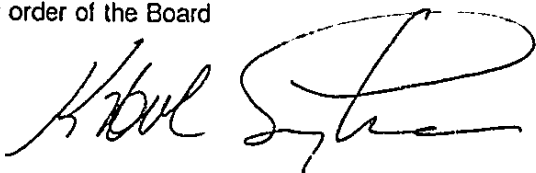
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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



K A M Sykes
Secretary

28 April 1994

Price Waterhouse



AUDITORS' REPORT TO THE SHAREHOLDERS OF WILKINSON SWORD LIMITED

We have audited the financial statements on pages 5 to 21 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 9 and 10.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 explanation which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from a 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 as at 30 November 1993 and of its loss and cash flow for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

28 April 1994

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Offices at Aberdeen, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Hull, Leeds, Leicester, Liverpool, London, Manchester, Middlesbrough, Newcastle, Nottingham, Perth,
St Albans, Southampton and Windsor

The partnership's principal place of business is at Southwark Towers, 32 London Bridge Street, London, SE1 9QY where a list of the partners' names is available for inspection.

The firm is authorized by the Institute of Chartered Accountants in England and Wales to carry on investment business.

WILKINSON SWORD LIMITED

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED
30 NOVEMBER 1993**

	<u>Notes</u>	<u>11 months to 30 Nov 1993</u> £000	<u>12 months to 31 Dec 1992</u> £000
TURNOVER	2	33,439	31,296
Cost of sales		<u>(21,520)</u>	<u>(22,027)</u>
GROSS PROFIT		11,919	9,269
Distribution costs		(6,583)	(5,479)
Administrative expenses		(1,998)	(386)
Research and development costs		(286)	(309)
Charge in respect of an onerous lease		(2,000)	-
Amortisation of intangible assets	9	<u>(299)</u>	<u>-</u>
OPERATING PROFIT		753	3,095
Interest receivable	6	186	1
Interest payable	7	<u>(25)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2,3	914	3,096
Taxation on profit on ordinary activities	8	<u>(1,144)</u>	<u>(340)</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(230)	2,756
Dividends paid		<u>-</u>	<u>(2,099)</u>
AMOUNT (SET AGAINST)/TRANSFERRED TO RESERVES 17,18		<u>(230)</u>	<u>657</u>

All the company's operations are classed as continuing.

WILKINSON SWORD LIMITED

BALANCE SHEET AS AT 30 NOVEMBER 1993

	<u>Notes</u>	<u>30 Nov 1993</u>		<u>31 Dec 1992</u>	
		£000	£000	£000	£000
FIXED ASSETS					
Intangible assets	9		17,001		-
Tangible assets	10		2,390		1,999
Investments	11		<u>7</u>		<u>7</u>
			19,398		2,006
CURRENT ASSETS					
Stocks	12	3,312		2,933	
Debtors	13	9,653		6,973	
Cash at bank and in hand		<u>4,788</u>		<u>1,360</u>	
			17,753		11,266
CREDITORS: Amounts falling due within one year	14		<u>(11,663)</u>		<u>(5,261)</u>
NET CURRENT ASSETS			<u>6,090</u>		<u>6,005</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			25,488		8,011
PROVISIONS FOR LIABILITIES AND CHARGES	15		<u>(695)</u>		<u>(609)</u>
			<u>24,793</u>		<u>7,402</u>
CAPITAL AND RESERVES					
Called up share capital	16		5,246		5,246
Share premium account	17		360		360
Revaluation reserve	17		17,320		-
Profit and loss account	17		<u>1,867</u>		<u>1,796</u>
Shareholders' funds	18		<u>24,793</u>		<u>7,402</u>

Approved by the Board of Directors on 28 April 1994 and signed on their behalf by:

A. L. Vosper.

A L Vosper

Director

WILKINSON SWORD LIMITED

**CASH FLOW STATEMENT FOR THE PERIOD ENDED
30 NOVEMBER 1993**

	Notes	11 months to		12 months to	
		30 Nov 1993		31 Dec 1992	
		£000	£000	£000	£000
NET CASH INFLOW FROM OPERATING ACTIVITIES	19		4,599		6,989
RETURNS ON INVESTMENT AND SERVICING OF FINANCE					
Interest paid		(25)		-	
Interest received		186		1	
Dividends paid		-		(2,099)	
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND FROM THE SERVICING OF FINANCE			161		(2,098)
TAXATION					
Corporation tax paid			(862)		(3,030)
INVESTING ACTIVITIES					
Purchase of tangible fixed assets		(670)		(462)	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES			(670)		(462)
INCREASE IN CASH AND CASH EQUIVALENTS	20		<u>3,428</u>		<u>1,399</u>

WILKINSON SWORD LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 30 NOVEMBER 1993**

	11 months to <u>30 Nov 1993</u> £000	12 months to <u>31 Dec 1992</u> £000
(Loss)/profit for the financial period	(230)	2,756
Dividends	<u>—</u>	<u>(2,099)</u>
	(230)	657
Revaluation of properties	321	—
Revaluation of intangible assets	<u>17,300</u>	<u>—</u>
Total gains and loss recognised since last annual report	<u>17,391</u>	<u>657</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE PERIOD ENDED 30 NOVEMBER 1993**

	11 months to <u>30 Nov 1993</u> £000	12 months to <u>31 Dec 1992</u> £000
Reported profit on ordinary activities before taxation	914	3,096
Difference between the historical cost depreciation charge and the actual charge of the year calculated on the revalued amount	<u>301</u>	<u>—</u>
Historical cost profit on ordinary activities before taxation	<u>1,215</u>	<u>3,096</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 NOVEMBER 1993

1 ACCOUNTING POLICIES

1) 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.

2) Turnover

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

3) 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.

4) 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 was placed on the trademarks and patents. The amortisation is calculated to write off the valuation of these intangible assets over forty years.

5) 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

6) Deferred taxation

Provision is made for deferred taxation where there is a reasonable probability that a liability will arise in the foreseeable future.

WILKINSON SWORD LIMITED

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)**

1 ACCOUNTING POLICIES (Continued)

7) 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.

8) Research and development

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

9) 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.

10) 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 PERIOD ENDED
30 NOVEMBER 1993 (Continued)**

2 TURNOVER ON ORDINARY ACTIVITIES BEFORE TAXATION

	11 months to <u>30 Nov 1993</u> £000	12 months to <u>31 Dec 1992</u> £000
Geographical markets		
United Kingdom	17,623	18,313
Americas	3,722	3,233
Europe	9,493	8,792
Africa and Middle East	2,181	163
Other	<u>420</u>	<u>795</u>
	<u>33,439</u>	<u>31,296</u>

The company has only one class of business.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	11 months to <u>30 Nov 1993</u> £000	12 months to <u>31 Dec 1992</u> £000
Amortisation of intangible assets	299	-
Depreciation of tangible assets	600	737
Auditors' remuneration:		
Audit work	40	20
Non-audit work	6	3
Hire of plant and machinery	23	34
Operating lease rentals	492	470
Redundancy costs	<u>14</u>	<u>659</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30 NOVEMBER 1993 (Continued)

4 EMPLOYEES AND PENSION COSTS

The average number of employees during the period was:

	<u>11 months to 30 Nov 1993</u>	<u>12 months to 31 Dec 1992</u>
Hourly paid	274	306
Salaried	<u>153</u>	<u>151</u>
	<u>427</u>	<u>457</u>

Employee costs during the year were:

	<u>11 months to 30 Nov 1993</u>	<u>12 months to 31 Dec 1992</u>
	£000	£000
Wages and salaries	5,973	6,233
Social security costs	503	496
Other pension costs	<u>313</u>	<u>602</u>
	<u>6,789</u>	<u>7,331</u>

Pension costs

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 prepared on 6 April 1993. The market value of the assets in the scheme at that date was approximately £68 million. The opinion expressed in the statement was that the pension fund assets at 6 April 1993 were sufficient to cover over 100% of the accrued liabilities.

The pension charge for the year has fallen as a result of the review by the actuaries on 6 April 1993.

The next full actuarial valuation is scheduled for April 1996.

WILKINSON SWORD LIMITED

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)**

5 DIRECTORS' EMOLUMENTS

	<u>11 months to 30 Nov 1993</u> £000	<u>12 months to 31 Dec 1992</u> £000
Salaries, including benefits in kind	176	78
Contributions to pension schemes	<u>16</u>	<u>13</u>
	<u>192</u>	<u>91</u>
	<u>11 months to 30 Nov 1993</u> £	<u>12 months to 31 Dec 1992</u> £
Highest paid director - excluding pension contributions	<u>101,918</u>	<u>61,153</u>

The company has no Chairman

The emoluments of the directors fell within the following bands:

Nil - £5,000	2	4
£15,001 - £20,000	-	1
£60,001 - £65,000	-	1
£70,001 - £75,000	1	-
£100,001 - £105,000	<u>1</u>	<u>-</u>

6 INTEREST RECEIVABLE

	<u>11 months to 30 Nov 1993</u> £000	<u>12 months to 31 Dec 1992</u> £000
Bank interest	58	1
Interest receivable from group undertakings	<u>128</u>	<u>-</u>
	<u>186</u>	<u>1</u>

WILKINSON SWORD LIMITED

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)**

7 INTEREST PAYABLE

	<u>11 months to 30 Nov 1993</u> £000	<u>12 months to 31 Dec 1992</u> £000
Interest payable to group undertakings	<u>25</u>	<u>-</u>

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>11 months to 30 Nov 1993</u> £000	<u>12 months to 31 Dec 1992</u> £000
Current year:		
Corporation tax at 33% (1992: 33%)	1,144	1,249
Prior year:		
Corporation tax	<u>-</u>	<u>(909)</u>
	<u>1,144</u>	<u>340</u>

The 1992 prior year adjustment of £909,000 arises from the reappraisal of corporation tax liabilities prior to 1992.

The rate of taxation on the profits in the accounts is higher than the prevailing tax rate principally because certain expenses (such as the part of the provision for an onerous lease and the amortisation of intangible assets) are not allowable for tax purposes.

9 INTANGIBLE FIXED ASSETS

	£000
At 1 January 1993	-
Valuation on 22 March 1993	17,300
Amortisation in the period	<u>(299)</u>
At 30 November 1993	<u>17,001</u>

As referred to in note 1(4), 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.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)

10 TANGIBLE FIXED ASSETS

	Land and buildings £000	Payments on account and assets in the course of construction £000	Plant and machinery £000	Total £000
a) Cost or valuation				
As at 1 January 1993	842	109	11,634	12,585
Revaluation	321	-	-	321
Additions	74	215	381	670
Disposals	<u>-</u>	<u>-</u>	<u>(1,072)</u>	<u>(1,072)</u>
At 30 November 1993	<u>1,237</u>	<u>324</u>	<u>10,943</u>	<u>12,504</u>
Depreciation				
At 1 January 1993	223	-	10,363	10,586
Charge for the year	19	-	581	600
Disposals	<u>-</u>	<u>-</u>	<u>(1,072)</u>	<u>(1,072)</u>
At 30 November 1993	<u>242</u>	<u>-</u>	<u>9,872</u>	<u>10,114</u>
Net book amount at 30 November 1993	<u>995</u>	<u>324</u>	<u>1,071</u>	<u>2,390</u>
At 31 December 1992	<u>619</u>	<u>109</u>	<u>1,271</u>	<u>1,999</u>
b) Analysis of cost or valuation at 30 November 1993				
Cost	118	324	10,943	11,385
Valuation	<u>1,119</u>	<u>-</u>	<u>-</u>	<u>1,119</u>
	<u>1,237</u>	<u>324</u>	<u>10,943</u>	<u>12,504</u>

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

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)

10 TANGIBLE FIXED ASSETS (Continued)

	<u>Land and buildings</u> £000	Payments on account and assets in the course of <u>construction</u> £000	<u>Plant and machinery</u> £000	<u>Total</u> £000
c) If the assets had not been revalued the balances at 30 November 1993 would have been:				
Cost	<u>916</u>	<u>324</u>	<u>10,943</u>	<u>12,183</u>
Accumulated depreciation	<u>240</u>	<u>-</u>	<u>9,872</u>	<u>10,112</u>

d) Land and buildings at net book amount comprises:

	<u>1993</u> £000	<u>1992</u> £000
Freehold	919	609
Short leasehold	<u>76</u>	<u>10</u>
	<u>995</u>	<u>619</u>

e) There were capital commitments at 30 November 1993 of £144,000 (1992: £Nil).

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>30 Nov 1993</u>	<u>31 Dec 1992</u>
	£000	£000
Within one year	354	179
Between one and five years	<u>384</u>	<u>234</u>
	<u>738</u>	<u>413</u>

WILKINSON SWORD LIMITED

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)**

11 INVESTMENTS

	<u>30 Nov 1993</u>	<u>31 Dec 1992</u>
	£000	£000
Cost at 1 January 1993 and 30 November 1993	<u>7</u>	<u>7</u>

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.

12 STOCKS

	<u>30 Nov 1993</u>	<u>31 Dec 1992</u>
	£000	£000
Raw materials and consumables	512	630
Work in progress	879	929
Finished goods and goods for resale	<u>1,921</u>	<u>1,374</u>
	<u>3,312</u>	<u>2,933</u>

13 DEBTORS

	<u>30 Nov 1993</u>	<u>31 Dec 1992</u>
	£000	£000
Trade debtors	4,777	3,514
Amounts owed by parent undertaking and fellow subsidiary undertakings	4,574	3,197
Prepayments and accrued income	<u>302</u>	<u>262</u>
	<u>9,653</u>	<u>6,973</u>

WILKINSON SWORD LIMITED

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)**

14 CREDITORS: Amounts falling due within one year

	<u>30 Nov 1993</u>	<u>31 Dec 1992</u>
	£000	£000
Trade creditors	4,809	1,158
Amounts owed to fellow subsidiary undertakings	-	1,106
Corporation tax	1,712	1,230
Other taxation and social security	98	66
Other creditors and accruals	<u>5,044</u>	<u>1,701</u>
	<u>11,663</u>	<u>5,261</u>

15 PROVISION FOR LIABILITIES AND CHARGES

a) Deferred tax

Deferred tax, which is calculated under the liability method, is £nil (1992: £nil).

The full potential liability is as follows:

	<u>30 Nov 1993</u>	<u>31 Dec 1992</u>
	£000	£000
Accelerated capital allowances	165	191
Other timing differences	<u>(661)</u>	<u>(479)</u>
	<u>(496)</u>	<u>(288)</u>

b) Pensions

	<u>30 Nov 1993</u>	<u>31 Dec 1992</u>
	£000	£000
Provision for the excess of pension costs charged over amounts funded	<u>695</u>	<u>609</u>

WILKINSON SWORD LIMITED

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)**

16 CALLED UP SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted issued and fully paid</u>	
	<u>Nov 1993</u>	<u>Dec 1992</u>	<u>Nov 1993</u>	<u>Dec 1992</u>
	£000	£000	£000	£000
6,350,000 Ordinary shares of 20p each	1,270	1,270	1,270	1,270
19,862,283 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>	<u>Revaluation reserve</u>	<u>Profit and loss account</u>
	£000	£000	£000
1 January 1993	360	-	1,796
Loss for the period	-	-	(230)
Transfer in respect of depreciation on revalued assets		(301)	301
Revaluation of fixed assets	<u>-</u>	<u>17,621</u>	<u>-</u>
30 November 1993	<u>360</u>	<u>17,320</u>	<u>1,867</u>

WILKINSON SWORD LIMITED

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)**

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>30 Nov 1993</u>	<u>31 Dec 1992</u>
	£000	£000
(Loss)/profit for the financial period	(230)	2,756
Dividends	—	<u>(2,099)</u>
	(230)	657
Revaluation of tangible assets	321	-
Revaluation of intangible assets	<u>17,300</u>	—
Net addition to shareholders' funds	17,391	657
Opening shareholders' funds	<u>7,402</u>	<u>6,745</u>
Closing shareholders' funds	<u>24,793</u>	<u>7,402</u>

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

	<u>11 months to</u> <u>30 Nov 1993</u>	<u>12 months to</u> <u>31 Dec 1992</u>
	£000	£000
Operating profit	753	3,095
Amortisation of intangible fixed assets	299	-
Depreciation of tangible fixed assets	600	737
Increase in stocks	(379)	(789)
(Increase)/decrease in debtors	(1,303)	387
Increase/(decrease) in creditors	7,112	(410)
(Increase)/decrease in balances due from group undertakings	<u>(2,483)</u>	<u>3,969</u>
Net cash inflow from operating activities	<u>4,599</u>	<u>6,989</u>

26 INCREASE IN CASH AND CASH EQUIVALENTS

	<u>30 Nov 1993</u>	<u>31 Dec 1992</u>	<u>Change</u>	<u>31 Dec 1991</u>	<u>Change</u>
	£000	£000	£000	£000	£000
Cash at bank	4,788	1,360	3,428	-	1,360
Bank overdraft	—	—	—	(39)	39
	<u>4,788</u>	<u>1,360</u>	<u>3,428</u>	<u>(39)</u>	<u>1,399</u>

WILKINSON SWORD LIMITED

**NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED
30 NOVEMBER 1993 (Continued)**

21 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Warner Lambert Company, the largest company for which group accounts are prepared. It is incorporated in the United States of America. Copies of the accounts 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 accounts are prepared. It is incorporated in Great Britain. Copies of the accounts can be obtained from Lambert Court, Chestnut Avenue, Eastleigh, Hampshire, SO5 3ZQ.