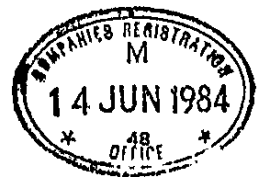


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WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS

ACCOUNTS FOR THE PERIOD ENDED 30 NOVEMBER 1983



WILKINSON SWORD LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 30TH NOVEMBER 1983

Principal Activities and Business Review

The principal activities of the Company are the manufacture and distribution of razors, razor blades, garden tools, swords and housewares. There has been no significant change in these activities during the year.

Results and Dividends

The loss for the year attributable to shareholders was £5,163,000 (14 months 1982 £6,847,000) before extraordinary income of £2,979,711 (14 months 1982 £1,727,000 loss).

Dividends: The directors do not recommend the payment of a dividend for the year.

Board of Directors

The directors who served during the year were:

Mr. C. Lewinton - Chairman
Mr. J.A. Bloxcidge
Mr. A.D. Shanagher
Mr. C.W.K. Saunders
Mr. H. Osberghaus

Mr. A.D. Shanagher retires by rotation and, being eligible, offers himself for re-election.

Directors Interests

None of the directors or their families have any interests in the shares of the Company, or in the share capital or loan stocks of any other United Kingdom subsidiary of Allegheny International Inc.

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

There are no schemes to benefit directors by enabling them to buy shares or stock in the Company or in any other Company in the Group.

Donations

Donations to United Kingdom charitable organisations amounted to £1,000.

WILKINSON SWORD LIMITED

REPORT OF THE DIRECTORS (Continued)

Employees

The Company does not discriminate against disabled persons in its employment or training practices. Its policy is to provide continued work and employment opportunities to persons who are disabled or become disabled whilst in its employ. Overall the Group employs in excess of the legally required numbers of disabled people and provides special facilities and aids where required.

The Company recognises the benefits of keeping employees informed of the progress of the business and information regarding financial and economic factors affecting the performance of the Company and other matters of concern to them as employees were provided through the media of Company reports.

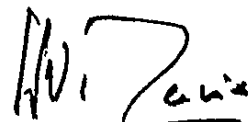
Changes in Fixed Assets

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

Auditors

A resolution regarding the reappointment of Peat, Marwick, Mitchell & Co. as auditors of the Company will be proposed at the Annual General Meeting in accordance with Section 14 (1) of the Companies Act 1976.

By Order of the Board


Secretary

WILKINSON SWORD LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF WILKINSON SWORD LIMITED

We have audited the accounts set out on pages 4 to 15 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared in accordance with the accounting policies set out on page 4 give a true and fair view of the state of the affairs of the Company at 30th November 1983, and of the loss and source and application of funds of the Company for the year then ended and comply with the Companies Acts 1948 to 1981.

Peat, Marwick, Mitchell & Co

Peat, Marwick, Mitchell & Co.
Chartered Accountants

1st May, London
1984

WILKINSON SWORD LIMITED

ACCOUNTING POLICIES

- (a) Basis of accounts: 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.
- (b) Turnover comprises amounts invoiced to customers and fellow subsidiaries, less returns, excluding value added tax.
- (c) Foreign currencies: Assets, 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 included in Operating Profit.
- (d) 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 of valuation of fixed assets over the expected useful lives of the assets.

The lives assumed for the principal categories are generally:

Freehold Buildings	20 - 50 years
Leasehold Buildings	Life of lease
Plant and Machinery	3 to 20 years
Motor Vehicles	3 to 5 years

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

- (e) Deferred taxation: Provision is made for deferred taxation using the deferral 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.
- (f) Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is generally determined on a first in first out basis and, in respect of work in progress and finished stocks, includes an appropriate proportion of overhead cost.
- (g) Research and development expenditure of a revenue nature is written off as incurred.
- (h) Patent and trade mark expenditure is written off in the year in which it is incurred.
- (i) Regional Development Grants are credited to the profit and loss account over the expected useful lives of the assets to which they relate.

WILKINSON SWORD LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH NOVEMBER 1983

	<u>Note</u>	<u>Year Ended</u> <u>30.11.1983</u> £'000	<u>14 Mths Ended</u> <u>30.11.1982</u> £'000
Turnover	1	32,716	36,236
Cost of Sales		<u>23,408</u>	<u>26,526</u>
Gross Profit		9,308	9,710
Distribution and Administration expenses	3	<u>12,552</u>	<u>13,860</u>
Operating Loss		(3,244)	(4,150)
Interest	4	<u>1,895</u>	<u>2,664</u>
Loss on Ordinary Activities before taxation	1	(5,139)	(6,814)
Taxation	5	<u>24</u>	<u>33</u>
Loss on Ordinary Activities after tax		(5,163)	(6,847)
Extraordinary items	6	<u>(2,980)</u>	<u>1,727</u>
Retained Loss for the Financial Year		<u>(2,183)</u>	<u>(8,574)</u>

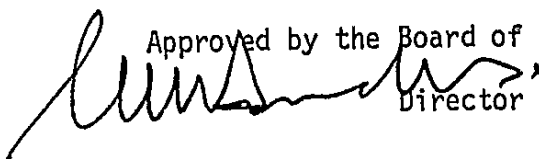
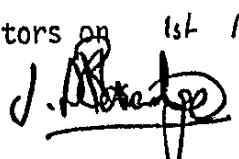
The notes on pages 7 to 14 form part of these accounts.

WILKINSON SWORD LIMITED

BALANCE SHEET

At 30th November 1983

	<u>Note</u>	<u>30.11.83</u> £'000	<u>30.11.82</u> £'000
Fixed Assets			
Tangible assets	7	6,018	6,665
Investments	8	11	11
		<u>6,029</u>	<u>6,676</u>
Current Assets			
Stocks	9	5,353	7,665
Debtors	10	9,464	6,112
Cash at bank and in hand		424	-
		<u>15,241</u>	<u>13,777</u>
Creditors: Amounts falling due within one year	11	25,355	21,660
Net Current Liabilities		<u>10,114</u>	<u>7,883</u>
Total assets less current liabilities		4,085	1,207
Creditors: Amounts falling due after more than one year	12	1,957	1,945
Deferred income		163	351
Provisions for liabilities and charges	13	1,128	1,647
		<u>(7,333)</u>	<u>(5,150)</u>
Capital and Reserves			
Called up share capital	15	5,246	5,246
Share premium account	16	360	360
Revaluation reserve	16	-	618
Profit and loss account	16	(12,939)	(11,374)
		<u>(7,333)</u>	<u>(5,150)</u>

Approved by the Board of Directors on 1st May 1984
 Director
 Director

The notes on pages 7 to 14 form part of these accounts.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS

1. Turnover and profit from ordinary activities before taxation

Class of Business	<u>Turnover</u>		<u>(Loss) Before Taxation</u>	
	Year Ended 30.11.83	14 Mths Ended 30.11.82	Year Ended 30.11.83	14 Mths Ended 30.11.82
	£'000	£'000	£'000	£'000
Shaving and Personal Products	21,322	22,379	(3,619)	(4,491)
Garden Tools and Scissors	7,556	8,566	(792)	(1,064)
Housewares	3,131	4,330	(449)	(1,059)
Swords	707	961	(279)	(200)
	<u>32,716</u>	<u>36,236</u>	<u>(5,139)</u>	<u>(6,814)</u>
 <u>Geographical Markets</u>				
United Kingdom	18,441	21,183		
Americas	1,056	1,257		
Europe	8,655	5,281		
Africa & Middle East	3,267	7,058		
Pacific	1,297	1,457		
	<u>32,716</u>	<u>36,236</u>		

	<u>Year Ended 30.11.83</u>	<u>14 Mths Ended 30.11.82</u>
	£'000	£'000
Profit from ordinary activities before taxation is stated after charging:		
Depreciation charge for year	1,569	1,690
Auditor's remuneration	40	44
Hire of Plant and Machinery	116	522

2. Directors and Employees

The average number of employees during the period was:

	<u>Year Ended 30.11.83</u>	<u>14 Mths Ended 30.11.82</u>
	Number	Number
Hourly Paid	537	648
Salaried	672	733
	<u>1,209</u>	<u>1,381</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS (Continued)

2. Directors and Employees (Continued)

Staff costs during the period were

	Year Ended 30.11.83	14 Mths Ended 30.11.82
	£'000	£'000
Wages and Salaries	11,407	13,035
Social Security costs	870	1,102
Other Pension costs	1,158	1,335
	13,435	15,472
	13,435	15,472

Emoluments of the Directors

All of the directors, except Mr Osberghaus, are or were employed as directors of Wilkinson Sword Group 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 Sword Group Limited. Mr. Osberghaus receives no emoluments from the Company.
The number of UK employees of the Company who received emoluments (excluding pension contributions) in the following range were:

	Year Ended 30.11.83	14 Mths Ended 30.11.82
£30,000 - £35,000	4	8
£35,001 - £40,000	1	3
£40,001 - £45,000	3	3
£45,001 - £50,000	-	1
£55,001 - £60,000	1	-

3. Distribution and Administrative Expenses

	Year Ended 30.11.83	14 Mths Ended 30.11.82
	£'000	£'000
Distribution costs	7,413	8,809
Administrative expenses	2,269	3,023
Research and Development costs	2,870	2,028
	12,552	13,860
	12,552	13,860

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS (Continued)

4. Interest

	Year Ended 30.11.83	14 Mths Ended 30.11.82
	£'000	£'000
Receivable		
Interest receivable from fellow subsidiaries	-	1,005
Other interest receivable	13	14
	13	1,019
Payable		
Interest payable to fellow subsidiaries	1,901	3,680
Other interest	7	3
	1,895	2,664

5. Taxation

Overseas taxation	7	-
Adjustment in respect of previous years	17	33
	24	33

No relief appears in the profit and loss account in respect of taxation losses amounting to £3,102,000 (1982 £7,328,000) surrendered to fellow subsidiaries as no consideration will be received by the Company for the surrender of these losses.

The tax charge on a fully deferred basis would be decreased by £717,000 (1982 £139,000), of which £450,000 (1982 £244,000) is in respect of accelerated capital allowances and £267,000 (1982 £105,000) is in respect of other timing differences, including adjustments in respect of prior years.

6. Extraordinary Items

	Year Ended 30.11.83	14 Mths Ended 30.11.82
	£'000	£'000
Disposal of business premises	(2,980)	-
Factory closures and reorganisation expenses	-	1,727
	(2,980)	1,727
Extraordinary Loss/(Profit)	(2,980)	1,727

No charge to taxation arises on the disposal of the business premises as this was disposed of to a fellow subsidiary. No taxation credit was attributed to the factory closure and reorganisation expenses in 1982 as no consideration was received for taxation losses surrendered to group companies.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS (Continued)

7. Tangible Fixed Assets

	Payments on Account and assets in the course of construction	Land & Buildings	Plant & Machinery	Total
	£'000	£'000	£'000	£'000
(a) Cost of Valuation				
At 1st December 1982	352	3,278	9,062	12,692
Additions - 3rd Party	787	-	1,720	2,507
- Group Companies	-	-	98	98
Disposals - 3rd Party	-	(7)	(1,797)	(1,804)
- Group Companies	-	(1,381)	(39)	(1,420)
At 30th November 1983	1,139	1,890	9,044	12,073
Depreciation				
At 1st December 1982		489	5,538	6,027
Additions - Group Companies		-	59	59
Charge for the year		152	1,417	1,569
Disposals - 3rd Party		(3)	(1,502)	(1,505)
- Group Companies		(74)	(21)	(95)
At 30th November 1983		564	5,491	6,055
Net Book Value				
At 30th November 1983	1,139	1,326	3,553	6,018
At 30th November 1982	352	2,789	3,524	6,665
(b) Analysis of cost or valuation at 30th November 1983:				
Cost	1,139	1,092	9,044	11,275
Valuation in 1977	-	798	-	798
	1,139	1,890	9,044	12,073
(c) If the assets had not been revalued the balances at 30th November 1983 would have been:				
Cost	1,139	1,962	9,044	12,145
Accumulated depreciation	-	622	5,491	6,113

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS (Continued)

	<u>30.11.83</u>	<u>30.11.82</u>
	£'000	£'000
(d) Land and buildings at net book value, comprises:		
Freehold	747	2,080
Long Leasehold	256	351
Short Leasehold	323	358
	<u>1,326</u>	<u>2,789</u>
	<u>1,326</u>	<u>2,789</u>
(e) Capital expenditure:		
contracted for but no provision made in the accounts	1,162	231
	<u>1,162</u>	<u>231</u>
authorised by the directors but not contracted for	1,041	41
	<u>1,041</u>	<u>41</u>
	<u>1,041</u>	<u>41</u>

8. Investments

The Company's investments comprise shares in subsidiary companies which cost £290,000 and are stated net of £279,000 written off in previous years. There has been no change since 30th November 1982.

The principle subsidiaries are as follows:

<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>	
Wilkinson Sword (New Zealand) Ltd	New Zealand	Ord 100	-	Sale of WS products in N. Zealand
Wilkinson Sword AB	Sweden	Ord 100	-	Dormant
Wilkinson Sword (Kenya) Ltd	Kenya	Ord 100	-	Dormant
Scripto Pens Ltd	Great Britain	Ord 55	-	Dormant
Scripto Industries (Shannon) Ltd	Eire	Ord 55 Pref 55	25 25	Dormant
Scripto Industries (Ireland) Ltd	Eire	Ord -	80	Dormant
Wilkinson Sword (Argentina) Ltd	Argentina	Ord 100	-	Dormant

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS (Continued)

	<u>30.11.83</u>	<u>30.11.82</u>
	£'000	£'000
9. <u>Stocks</u>		
Raw materials and consumables	1,129	1,032
Work in progress: gross	1,567	3,355
less progress payments	-	(492)
Finished stock	2,657	3,770
	<u>5,353</u>	<u>7,665</u>
10. <u>Debtors</u>		
Trade debtors	5,989	3,861
Amounts owed by subsidiaries	9	42
Amounts owed by other Group Companies	2,759	1,692
Other debtors	298	71
Prepayments and accrued income	409	446
	<u>3,464</u>	<u>6,112</u>
11. <u>Creditors: Amounts falling due within one year</u>		
Bank loans and overdrafts	-	163
Payments received on account	211	-
Trade creditors	3,837	4,021
Amounts owed to Group Companies	1,901	-
- Interest accrued	17,022	16,489
- Other	211	157
Taxation - PAYE	124	113
Social Security	2,349	717
Other creditors	-	-
	<u>25,355</u>	<u>21,660</u>
12. <u>Creditors: Amounts falling due after more than one year</u>		
Amounts due to Group Companies	<u>1,957</u>	<u>1,945</u>

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS (Continued)

13. Provision for Liabilities

A business re-organisation provision of £1,647,000 was brought forward at 1st December 1982, after applying £519,000 during the course of the year, a provision of £1,128,000 remains at 30th November 1983.

14. Deferred Taxation

The full potential liability for deferred taxation under the deferral method is as follows:

	<u>30.11.83</u>	<u>30.11.82</u>
	£'000	£'000
Accelerated allowances on plant & machinery	971	1,713
Provision for taxation on property revaluation surpluses	-	293
Other timing differences	(651)	(676)
	<u>320</u>	<u>1,330</u>
	<u>320</u>	<u>1,330</u>

15. Called up Share Capital

	<u>Authorised</u>		<u>Allotted Called up and Fully Paid</u>	
	<u>30.11.83</u>	<u>30.11.82</u>	<u>30.11.83</u>	<u>30.11.82</u>
	£'000	£'000	£'000	£'000
6,350,000 Ord shares of 20p each	1,270	1,270	1,270	1,270
19,882,285 Non-Voting 'A' Ord shares of 20p each	3,976	3,976	3,976	3,976
3,767,715 Unclassified shares of 20p each.	754	754	-	-
	<u>6,000</u>	<u>6,000</u>	<u>5,246</u>	<u>5,246</u>
	<u>6,000</u>	<u>6,000</u>	<u>5,246</u>	<u>5,246</u>

16. Reserves

	<u>Share Premium Account</u>	<u>Revaluation Reserve</u>	<u>Profit and Loss Account</u>
	£'000	£'000	£'000
At 1st December 1982	360	618	(11,374)
Retained Loss	-	-	(2,183)
Transfer	-	(618)	618
	<u>360</u>	<u>-</u>	<u>(12,939)</u>
	<u>360</u>	<u>-</u>	<u>(12,939)</u>

Transfers are in respect of realised surpluses on revalued properties.

WILKINSON SWORD LIMITED

NOTES TO THE ACCOUNTS (Continued)

17. Contingent Liabilities

The Company is a co-guarantor of £14,000,000 overdraft facilities of other Group Companies (1982 £8,000,000).

The Company has given counter indemnities to the National Westminster Bank in respect of advance payment guarantees and performance bonds for the total of £740,388 (1982 £887,000).

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.

Under a Group registration, the Company is jointly and severally liable for Value Added Tax due from other Group Companies amounting to £1,332,000 (1982 £1,265,000).

18. Net Asset 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.

19. Ultimate Holding Company

The Company's ultimate holding company is Allegheny International Inc., a company incorporated in Pennsylvania, United States of America.

WILKINSON SWORD LIMITED
SOURCE AND APPLICATION OF FUNDS
YEAR ENDED 30TH NOVEMBER 1983

	Year Ended 30.11.83	14 Mths Ended 30.11.82
	£'000	£'000
SOURCES		
Loss on ordinary activities before taxation	(5,139)	(6,814)
Extraordinary items before taxation	2,980	(1,727)
Less items not involving the movement of funds:		
Depreciation	1,569	1,690
Net deferred income released	(188)	-
Rationalisation costs provided	-	1,647
	<u>1,381</u>	<u>3,337</u>
Funds absorbed by operations	(778)	(5,204)
Funds from other sources		
Disposal of fixed assets	1,624	426
Net deferred income received	-	60
Group relief received	-	3,276
	<u>1,624</u>	<u>3,762</u>
	846	(1,442)
APPLICATIONS		
Acquisition of fixed assets	(2,546)	(1,382)
Rationalisation provision applied	(519)	-
	<u>(3,065)</u>	<u>(1,382)</u>
	(2,219)	(2,824)
Increase in stocks	2,312	(194)
Increase in debtors	(2,318)	1,167
Increase in creditors amounts due within one year	1,400	(1,709)
	<u>1,394</u>	<u>(715)</u>
Net flow of funds	(825)	(3,539)
Increase in net indebtedness with Affiliated Companies	1,412	2,832
Increase/(Decrease) in cash balances	<u>587</u>	<u>(707)</u>