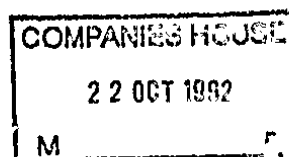


INFORMATION FOR THE USE OF  
COMPANIES REGISTRATION OFFICE:  
ACCOUNTING REFERENCE DATE  
=31ST DECEMBER, 1991  
BALANCE SHEET & FINANCIAL Y/E  
=4TH JANUARY, 1992

RECKITT'S COLOURS LIMITED  
COMPANY REGISTRATION NUMBER 107845  
1991 ACCOUNTS



## RECKITT'S COLOURS LIMITED

### REPORT OF THE DIRECTORS FOR 1991

#### DIRECTORS:

F.A.BECKETT	Appointed 6th March, 1991
C.H.FIETH	Resigned 27th March, 1991
G.J.SELVAGE	
J. ST. LAWRENCE	
A. TUTON	

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#### Re-appointment of auditors

The Auditors, Price Waterhouse, have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

#### Directors

The names of the directors of the company during 1991 are set out above.

#### Interests of directors

The beneficial interests of the directors in the shares or debenture stock of Reckitt & Colman plc at the beginning, and at the end of the financial year, according to the register kept in accordance with s. 325 of the Companies Act 1985, were as follows:

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		4th January, 1992			30th December, 1990 or date of appointment if later		
		<u>Ordinary 10p Shares</u>			<u>Ordinary 25p shares</u>		
<u>Ordinary Shares</u>		Share Options			Share Options		
		Savings	Executive		Savings	Executive	
	Shares	Related	Scheme	Shares	Related	Scheme	
A.TUTON	447	2,176	-	111	708	-	
F.A.BECKETT	3,739	3,378	-	1,392	-	-	

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As permitted by statutory instrument the register does not include any interests of those directors who are also directors of the company's parent company.

## RECKITT'S COLOURS LIMITED

### REPORT OF THE DIRECTORS FOR 1991 (continued)

#### Results of the year and movement on reserves

The accounts for the year to 4th January, 1992 show a profit for the financial year of £868,000. An interim dividend of £770,000 was paid during the year leaving a balance of £98,000 which amount has been added to reserves.

#### Significant changes in the fixed assets of the company

During the year the company sold its interest in the cadmium pigments business and has disposed of most of the fixed assets on the site at Bletchley.

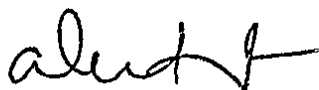
#### Principal activity

The principal activity of the company which is a member of the Reckitt & Colman group of companies is the production and distribution of inorganic pigments.

#### Interests in land

The company's interests in land are in the main fully utilised for normal trading operations and it has not been considered necessary to establish a market value of them. However, the site at Bletchley is no longer in use for trading purposes and is being offered for sale in 1992 at not less than net book value.

On behalf of the board



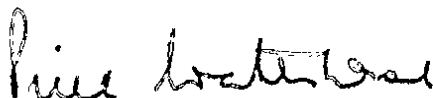
A. TAYLOR  
Secretary  
25th March, 1992

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
RECKITT'S COLOURS LIMITED**

We have audited the financial statements on pages 2 to 8 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 4th January, 1992 and of the profit for the financial year then ended and have been properly prepared in accordance with the Companies Act 1985.

The financial statements do not include a statement of source and application of funds as required by Statement of Standard Accounting Practice No.10.



**PRICE WATERHOUSE  
CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITOR  
9 Bond Court  
Leeds  
LS1 2SN**

25 March, 1992

**RECKITT'S COLOURS LIMITED**  
**1991 PROFIT AND LOSS ACCOUNT**

	Notes	1991 £000	1990 £000
TURNOVER		12,135	14,810
Cost of sales		(8,583)	(10,042)
Gross Profit		3,552	4,768
Distribution costs		(783)	(785)
Administrative expenses		(680)	(694)
Other operating income		221	214
TRADING PROFIT	1	2,310	3,503
Interest payable and similar charges		(33)	(91)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,277	3,412
Tax on profit on ordinary activities	2	(761)	(1,293)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,516	2,119
Extraordinary items	3	(648)	(20)
PROFIT FOR THE FINANCIAL YEAR		868	2,099
DIVIDENDS	4	(770)	(1,100)
ADDED TO OTHER RESERVES	5	98	999

RECKITT'S COLOURS LIMITED

1991 BALANCE SHEET

	Notes	<u>1991</u> £000	<u>1990</u> £000
<b>FIXED ASSETS</b>			
Tangible assets	6	5,604	5,444
Investments			
Shares in group undertakings	7	<u>3,091</u>	<u>3,091</u>
		<u>8,695</u>	<u>8,535</u>
<b>CURRENT ASSETS</b>			
Stock	8	1,685	2,148
Debtors	9	3,324	3,613
Cash at bank and in hand		<u>6</u>	<u>435</u>
		<u>5,015</u>	<u>6,196</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>4,534</u>	<u>5,653</u>
<b>NET CURRENT ASSETS</b>		<u>481</u>	<u>543</u>
<b>TOTAL NET ASSETS</b>		<u>9,176</u>	<u>9,078</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	593	593
Other reserves	5	<u>8,583</u>	<u>8,485</u>
<b>TOTAL CAPITAL AND RESERVES</b>		<u>9,176</u>	<u>9,078</u>

Approved for signing  
On behalf of the board  
on 25th March, 1992.



A. Tuton  
DIRECTOR

# RECKITT'S COLOURS LIMITED

## NOTES TO THE ACCOUNTS - 1991

### A - ACCOUNTING POLICIES

Financial year: The 1991 financial year was a fifty-three week period which ended on 4th January, 1992 (1990 - fifty-two weeks - 29th December, 1990).

Accounting convention: The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Deferred tax: As the company is a member of a group for the purposes of group relief and the surrender of ACT, no provision has been made for deferred tax on timing differences between profit as computed for taxation purposes and profit as stated in the accounts.

Depreciation: Except for freehold land, the cost of properties, plant and equipment, is written off on a straight line basis over the period of the expected useful life of the asset. For this purpose, expected lives are determined within the following limits:

Freehold buildings: not more than fifty years.

Plant and equipment: not more than fifteen years. In general, production plant and equipment, and office equipment are written off over ten years, computer equipment not more than five years, motor vehicles over four years.

Foreign currency translation: Amounts receivable or payable in foreign currency are translated into sterling at the rate of exchange at which forward cover has been arranged or at the rate of exchange ruling at the year end date.

Pension commitments: Contributions to the Reckitt & Colman Pension Fund are assessed by a qualified actuary based on the cost of providing pensions across all participating Reckitt & Colman group undertakings in the United Kingdom. Costs are not determined for each individual undertaking; hence contributions are charged to the profit and loss account in the period in respect of which they become payable.

Research and development: This expenditure is written off in the year in which it is incurred, except for expenditure on related fixed assets which is written off over the expected useful life of those assets.

Stock: Stock is stated at the lower of cost or net realisable value. Cost comprises materials, direct labour and an appropriate proportion of overhead expenses and is arrived at by the "first in - first out" method.

Turnover: Turnover represents the net amount invoiced to external customers and associated companies during the year, exclusive of VAT.

RECKITT'S COLOURS LIMITED  
B - FINANCIAL NOTES

	<u>1991</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>
1. <u>Trading Profit is stated after the following</u>		
Depreciation:		
On depreciable properties	79	85
On plant and equipment	667	753
Hire of equipment	20	19
Staff costs:		
Wages and salaries	3,199	3,389
Social security costs	239	248
Other pension costs	294	297
Remuneration of auditors	13	14
	<u>1991</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>
2. <u>Tax on profit on ordinary activities</u>		
U.K. corporation tax	(770)	(1,293)
Prior year adjustment	<u>9</u>	<u>-</u>
	<u>(761)</u>	<u>(1,293)</u>
U.K. corporation tax is provided for at the rate of 34% up to 31st March, 1991 and 33% thereafter (1990: 35% and 34%)		
The charge for the year has been (increased)/decreased by:		
Timing differences:		
Accelerated capital allowances	<u>21</u>	<u>(64)</u>
	<u>1991</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>
3. <u>Extraordinary items</u>		
Cost of disposal of the Cadmium pigments operation	(723)	(100)
Tax relief	<u>75</u>	<u>80</u>
	<u>(648)</u>	<u>(20)</u>
4. <u>Dividends</u>		
Interim, paid on 6th December, 1991	<u>770</u>	<u>1,100</u>
	<u>1991</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>
5. <u>Other reserves</u>		
At beginning of year	8,485	7,486
Added during the year:		
Profit and loss account balance	<u>98</u>	<u>999</u>
At balance sheet date	<u>8,583</u>	<u>8,485</u>



6.	<u>Tangible assets</u>	Freehold land £000	Freehold Buildings £000	Plant and equipment £000	Total £000
	Cost:				
	At beginning of year	155	1,767	9,626	11,548
	Additions during the year		296	1,348	1,644
	Disposals during the year	<u>(10)</u>	<u>(235)</u>	<u>(1,067)</u>	<u>(1,312)</u>
	At balance sheet date	<u>145</u>	<u>1,828</u>	<u>9,907</u>	<u>11,880</u>
	Accumulated depreciation:				
	At beginning of year		608	5,496	6,104
	Provided during the year		79	667	746
	Disposals during the year		<u>(87)</u>	<u>(487)</u>	<u>(574)</u>
	At balance sheet date		<u>600</u>	<u>5,676</u>	<u>6,276</u>
	Net book amounts:				
	At beginning of year	<u>155</u>	<u>1,159</u>	<u>4,130</u>	<u>5,444</u>
	At balance sheet date	<u>145</u>	<u>1,228</u>	<u>4,231</u>	<u>5,604</u>

Future capital expenditure contracted for but not provided in the accounts £60,000, (1990 - £78,000): authorised by the directors but not contracted for £22,000, (1990 - £100,000).

7.	<u>Shares in group undertakings</u>	Shares in subsidiary undertakings	
		<u>1991</u> £000	<u>1990</u> £000
	Cost:		
	At beginning of year	<u>3,091</u>	<u>3,091</u>
	At balance sheet date	<u>3,091</u>	<u>3,091</u>
8.	<u>Stocks</u>	<u>1991</u> £000	<u>1990</u> £000
	Raw materials and consumables	168	226
	Work in progress	773	810
	Finished goods and goods for resale	<u>744</u>	<u>1,112</u>
		<u>1,685</u>	<u>2,148</u>
9.	<u>Debtors</u>	<u>1991</u> £000	<u>1990</u> £000
	Trade debtors	2,241	2,485
	Amounts owed by group undertakings:		
	Fellow subsidiary undertakings	738	707
	Other debtors	<u>345</u>	<u>221</u>
		<u>3,324</u>	<u>3,613</u>

	<u>1991</u> £000	<u>1990</u> £000
10. <u>Creditors</u>		
Falling due within one year:		
Bank loans and overdrafts	10	-
Trade creditors	758	492
Amounts owed to group undertakings:		
Fellow subsidiary undertakings	2,272	2,845
Other creditors:		
Taxation and social security	813	1,230
Others	209	193
	<u>1,022</u>	<u>1,423</u>
Accruals and deferred income	<u>472</u>	<u>893</u>
	<u>4,534</u>	<u>5,653</u>

11. <u>Called up share capital</u>	<u>1991</u> £000	<u>1990</u> £000
Allotted and fully paid:		
Ordinary shares of £1 each	<u>593</u>	<u>593</u>
Called up share capital	<u>593</u>	<u>593</u>
Authorised share capital	<u>593</u>	<u>593</u>

12. Deferred Tax

The full potential liability for deferred taxation is set out in the table below:

	<u>1991</u> £000	<u>1990</u> £000
Accelerated capital allowances	<u>783</u>	<u>976</u>

13. Emoluments of directors

During the year the company had 5 directors resident in the U.K., none of whom received any emoluments from the company (1990 - 4 directors - no emoluments).

14. Number of staff

The average number of persons employed by the company during the year was:

	<u>1991</u>	<u>1990</u>
Administration	38	39
Production	138	169
Sales	<u>11</u>	<u>12</u>
	<u>187</u>	<u>220</u>

15. Pension scheme

The company participates in the Reckitt & Colman Pension Fund. This scheme is of the defined benefit type providing benefits to certain employees within the Reckitt & Colman group; the assets are held separately from the group's assets.

The latest actuarial value of the scheme was carried out as at 5th April, 1990. Details of that valuation are contained in the financial statements of Reckitt & Colman plc. The total pension cost for the year is shown in note 1 to the accounts.

16. Interest in Subsidiary Undertaking

In the opinion of the directors, the aggregate value of the company's interest in a subsidiary undertaking is not less than the aggregate of the amounts at which shares in and amounts owing from the company's subsidiary undertaking are included in the company's balance sheet.

The company held the following interest at 4th January, 1992 in its subsidiary undertaking, which is registered in England:

<u>Subsidiary undertakings</u>	<u>Class of shares</u>	<u>Percentage held</u>
Kenroy Dispersions Limited	Ordinary	100

17. Statement of source and application of funds

Reckitt & Colman plc manages centrally the cash resources of its U.K. subsidiary undertakings. Accordingly, the directors do not consider it appropriate to include a separate statement of source and application of funds with these accounts.

18. Group accounts and ultimate parent company

Group accounts have not been prepared as the company at the end of its financial year was itself the wholly-owned subsidiary undertaking of its ultimate parent company, Reckitt & Colman plc, a company registered in England, into whose group accounts the company's accounts have been consolidated. Copies of the group accounts of Reckitt & Colman plc can be obtained from One Burlington Lane, London WX 2RW.