

Scholl (UK) Limited

Accounts for the 13 months ended 31 March 2000
together with directors' and auditors' reports

Registered number: 2285039



Directors' report

For the 13 months ended 31 March 2000

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the 13 months ended 31 March 2000.

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company is that of a holding company.

Results and dividends

The results for the period are dealt with in the profit and loss account on page 4. During the period an interim dividend of £6,568,000 was paid to the immediate parent company, Scholl Investments Limited (14 months ended 28 February 1999 - £Nil). The directors do not recommend the payment of a final dividend.

Directors and their interests

The directors who served during the period are as shown below:

I.C.D. Cater	(resigned 19 February 2001)
M.J.V. Bishop	(resigned 28 February 1999)
P.A. Sanders	(resigned 30 November 2000)
G. Watts	(appointed 19 February 2001)
D. George	(appointed 19 February 2001, resigned 29 May 2001)
J.D. Jowett	(appointed 30 November 2000)
B.J. Buchan	(appointed 29 May 2001)
A. Slater	(appointed 29 May 2001)

Directors' report (continued)

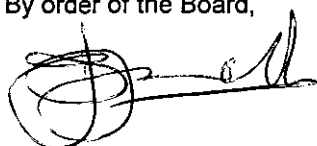
Directors and their interests (continued)

The interest of these directors who are also directors of SSL International plc, the ultimate parent company, (formerly Seton Scholl Healthcare plc), in the shares of that company, are disclosed in the annual report of that company. The directors have no other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

Auditors

On 11 November 1991 the company passed an elective resolution to dispense with the annual appointment of auditors.

By order of the Board,

A handwritten signature in black ink, appearing to be 'J.D. Jowett', written over a horizontal line.

J.D. Jowett
Secretary

SSL International plc
Toft Hall
Holmes Chapel Road
Toft
Knutsford
Cheshire
WA16 9PD

10 August 2001

To the Shareholders of Scholl (UK) Limited:

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the company's state of affairs at 31 March 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

Bank House
9 Charlotte Street
Manchester
M1 4EU

29 October 2001

Profit and loss account

For the 13 months ended 31 March 2000

	Notes	13 months ended 31 March 2000 £	14 months ended 28 February 1999 £
Investment income	3	6,568,000	-
Profit on disposal of investment		-	17,593,824
Profit on ordinary activities before taxation		6,568,000	17,593,824
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation		6,568,000	17,593,824
Dividends paid and proposed	5	(6,568,000)	-
Retained profit for the period		-	17,593,824
Retained profit at the beginning of the period		19,387,227	1,793,403
Retained profit at the end of the period		19,387,227	19,387,227

All operations of the company continued throughout both periods and no operations were acquired or discontinued.

There are no recognised gains and losses in either period other than the result for the period.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet
31 March 2000

	Notes	31 March 2000 £	28 February 1999 £
Fixed assets			
Investments	6	<u>32,155,172</u>	<u>32,155,172</u>
Current assets			
Debtors	7	49,134,282	49,134,282
Creditors: Amounts falling due within one year	8	<u>(172,325)</u>	<u>(172,325)</u>
Net current assets		<u>48,961,957</u>	<u>48,961,957</u>
Total assets less current liabilities		<u>81,117,129</u>	<u>81,117,129</u>
Creditors: Amounts falling due after more than one year	9	<u>(30,898,802)</u>	<u>(30,898,802)</u>
Net assets		<u>50,218,327</u>	<u>50,218,327</u>
Capital and reserves			
Called-up share capital	10	30,831,100	30,831,100
Profit and loss account	11	<u>19,387,227</u>	<u>19,387,227</u>
Equity shareholders' funds	11	<u>50,218,327</u>	<u>50,218,327</u>

Signed on behalf of the Board



G. Watts
Director

10 August 2001

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

31 March 2000

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding periods, is set out below.

a) Basis of accounting

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

b) Investments in subsidiary undertakings

Investments are stated at cost less provision for impairment.

c) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is calculated using the liability method, provided in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

d) Consolidation

The company considers its ultimate parent company to be SSL International plc (formerly Seton Scholl Healthcare plc), a company registered in England and Wales. The company has taken advantage of Section 228 of the Companies Act 1985 not to prepare consolidated accounts. The consolidated accounts of SSL International plc are available to the public from Toft Hall, Holmes Chapel Road, Toft, Knutsford, Cheshire WA16 9PD

2 Directors' remuneration

No directors received emoluments in respect of their services to the company during the period (14 months ended 28 February 1999 - £Nil). All the directors are employees of, and are remunerated by, the ultimate parent undertaking. No specific charges are made in respect of the directors' services.

Auditors' remuneration has been paid by the parent company.

3 Investment income

	13 months ended 31 March 2000 £	14 months ended 28 February 1999 £
Dividends receivable		
- Scholl Consumer Products Limited	<u>6,568,000</u>	<u>-</u>

Notes to accounts (continued)

4 Tax on profit on activities

There was no tax charge during the period (14 months ended 28 February 1999 - £Nil).

5 Dividends paid and proposed

	13 months ended 31 March 2000 £	14 months ended 28 February 1999 £
Per ordinary share		
- interim paid of £0.213 (14 months ended 28 February 1999 - £Nil)	<u>6,568,000</u>	<u>-</u>

6 Investments

	31 March 2000 £	28 February 1999 £
Subsidiary undertakings	<u>32,155,172</u>	<u>32,155,172</u>

The company has investments in the following subsidiary undertakings:

	Percentage shareholding	Country of incorporation	Principal activity
Scholl Consumer Products Limited	100%	England and Wales	Manufacture and distribution of personal care products
Foot Comfort Centre Srl	1%	Italy	Footwear distribution

7 Debtors

Amounts falling due after more than one year:

	31 March 2000 £	28 February 1999 £
Amounts due from group undertaking	<u>49,134,282</u>	<u>49,134,282</u>

Notes to accounts (continued)

8 Creditors: Amounts falling due within one year

	31 March 2000 £	28 February 1999 £
Bank loans and overdrafts	2	2
Amounts due to group undertakings	172,323	172,323
	<u>172,325</u>	<u>172,325</u>

9 Creditors: Amounts falling due after more than one year

	31 March 2000 £	28 February 1999 £
Loan from group undertaking	30,898,802	30,898,802

The loan, which is non-interest bearing, is repayable in full on or before 31 December 2003.

10 Called up share capital

	31 March 2000 £	28 February 1999 £
<i>Authorised</i>		
35,000,000 ordinary shares of £1 each	35,000,000	35,000,000
<i>Allotted, called-up and fully paid</i>		
30,831,100 ordinary shares of £1 each	30,831,100	30,831,100

11 Reconciliation of movement in equity shareholders' funds

	31 March 2000 £	28 February 1999 £
Profit for the period	6,568,000	17,593,824
Dividends	(6,568,000)	-
Net movement in equity shareholders' funds	-	17,593,824
Opening equity shareholders' funds	50,218,327	32,624,503
Closing equity shareholders' funds	<u>50,218,327</u>	<u>50,218,327</u>

Notes to accounts (continued)

12 Ultimate controlling party

The immediate parent company is Scholl Investments Limited, a company registered in England and Wales. The directors regard SSL International plc, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party.

SSL International plc is the parent company of the largest and smallest group of which the company is a member and for which accounts are drawn up. Copies of the group accounts may be obtained from SSL International plc, Toft Hall, Holmes Chapel Road, Toft, Knutsford, Cheshire, WA16 9PD.

13 Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (revised 1996), the company has not prepared a cash flow statement because its ultimate parent company, SSL International plc (formerly Seton Scholl Healthcare plc), has prepared consolidated accounts which include the accounts of the company for the period and which contain an appropriate cash flow statement.