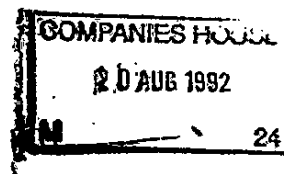


JACKEL INTERNATIONAL LIMITED  
REPORT AND ACCOUNTS  
YEAR ENDED 31ST DECEMBER 1991

Registered Number: 1894022



**HAYS ALLAN**  
CHARTERED ACCOUNTANTS

JACKEL INTERNATIONAL LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31ST DECEMBER 1991

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# JACKEL INTERNATIONAL LIMITED

## DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 1991

The directors present their report together with the audited accounts for the year ended 31st December 1991.

### REVIEW OF THE BUSINESS

The principal activity of the company was the manufacture and distribution of baby accessories, chemists' sundries and children's hair decorations.

Turnover increased to £17,140,000 and operating profit was £2,058,000 due to the consolidation of the core business and improvements in the product and distribution profile.

### RESULTS AND DIVIDENDS

The net profit after taxation was £1,262,000 (1990: £1,547,000). An interim dividend of £600,000 (1990: £1,500,000) has been paid. The directors do not recommend the payment of a final dividend.

### DIRECTORS AND THEIR INTERESTS

The directors in office during the year and their interests in the shares of Mayborn Group PLC the parent company at 31st December were as follows:-

	Shares		Share Options	
	1991	1990	1991	1990
The Hon M.J. Samuel	8,992,870	8,193,870	-	-
R. Banerji	10,951	980	122,352	82,352
N. Kincaid	-	26,691	4,021	4,021
J.B. Cusworth	1,329	196	45,615	21,115
D.D. Barker	-	-	47,702	18,702
A E. Rees	2,756	490	47,919	21,919
R.E. Bowen (resigned 14th February 1992)	-	-	32,820	12,820
E. Chan	4,000	-	20,000	-

As permitted by the Companies Act 1985 the company has insurance cover for directors against liabilities in relation to the company.

### FIXED ASSETS

The movements on the fixed assets of the company during the year are set out in note 9 to the accounts.

### EMPLOYEES

The company currently employs a number of disabled people and offers the same opportunity to them as to others in respect of recruitment and career advancement, providing their disability does not prevent them from carrying out their required duties.

The organisation of the company helps to improve communication and to provide greater involvement of employees in their company's activities. With the objective of giving employees the opportunity to participate in the future growth of the company, a share option scheme is in operation.

JACKEL INTERNATIONAL LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31ST DECEMBER 1991

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AUDITORS

A resolution to re-appoint Hays Allan as auditors will be presented to the members at the Annual General Meeting in accordance with Section 385(2) of the Companies Act 1985.

BY ORDER OF THE BOARD



J.B. CUSWORTH

Secretary.

13th March 1992

Registered Office:

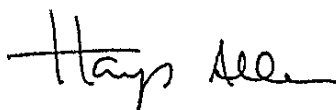
Dudley Lane,  
Cramlington,  
Northumberland,  
NE23 7RH.

AUDITORS' REPORT TO THE MEMBERS OF  
JACKEL INTERNATIONAL LIMITED

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We have audited the accounts on pages 4 to 14 in accordance with auditing standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HAYS ALLAN

Chartered Accountants

Registered Auditor

Southampton House,  
317 High Holborn,  
London, WC1V 7NL.

13th March 1992.

**JACKEL INTERNATIONAL LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31ST DECEMBER 1991**

	Note	1991 £'000	1990 £'000
<b>TURNOVER</b>	2	17,140	14,976
Changes in stocks of finished goods and work in progress		2,552	(513)
Raw materials and consumables		5,671	7,984
Staff costs	3	2,853	2,277
Depreciation		408	324
Auditors' remuneration		25	15
Other operating charges		3,573	3,544
		<u>15,082</u>	<u>13,631</u>
<b>OPERATING PROFIT</b>		<u>2,058</u>	<u>1,345</u>
Other income		26	727
Interest payable	5	(478)	(60)
		<u>(452)</u>	<u>667</u>
Exceptional item	6	326	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<u>1,932</u>	<u>2,012</u>
Taxation charge on profit on ordinary activities	7	670	465
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>1,262</u>	<u>1,547</u>
Dividends	8	600	1,500
<b>RETAINED PROFIT FOR THE YEAR</b>	18	<u>662</u>	<u>47</u>

A statement of the movement on reserves in the year is set out in note 18.

JACKEL INTERNATIONAL LIMITED

BALANCE SHEET

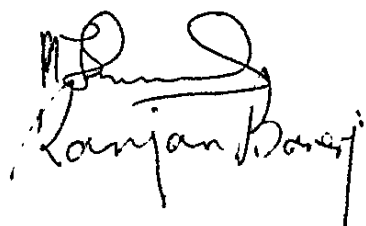
31ST DECEMBER 1991

	Note	1991 £'000	1990 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	1,340	1,068
Investments	11	617	617
		<u>1,957</u>	<u>1,685</u>
<b>CURRENT ASSETS</b>			
Stocks	12	1,575	3,809
Debtors	13	4,569	3,278
Cash at hand		80	192
		<u>6,224</u>	<u>7,279</u>
<b>CREDITORS:DUE WITHIN ONE YEAR</b>	14	<u>(5,976)</u>	<u>(7,477)</u>
<b>NET CURRENT/ASSETS (LIABILITIES)</b>		248	(198)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,205</u>	<u>1,487</u>
<b>CREDITORS:DUE AFTER MORE THAN ONE YEAR</b>	15	(501)	(501)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	(286)	(230)
<b>NET ASSETS</b>		<u>1,418</u>	<u>756</u>
<b>CAPITAL AND RESERVES</b>			
<b>CALLED UP SHARE CAPITAL</b>	17	-	-
<b>PROFIT AND LOSS ACCOUNT</b>	18	1,418	756
		<u>1,418</u>	<u>756</u>

Signed on behalf of the Board on 13th March 1992

THE HON. M.J. SAMUEL Director

R. BANERJI Director



JACKEL INTERNATIONAL LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31ST DECEMBER 1991

	1991		1990
£000	£000	£000	£000
<b>SOURCE OF FUNDS</b>			
Profit on ordinary activities before taxation	1,932		2,012
Adjustments for items not involving the movement of funds:-			
Depreciation	408		324
(Profit) on disposal of tangible fixed assets	(5)		(2)
Pension provision	56		59
<b>TOTAL GENERATED FROM OPERATIONS</b>	<b>2,391</b>		<b>2,393</b>
Advance received	-		202
Disposal of tangible fixed assets	25		4
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,416</b>		<b>2,599</b>
<b>APPLICATION OF FUNDS</b>			
Purchase of tangible fixed assets	700		388
Dividends	600		2,100
Payment of corporation tax	500		395
	<b>1,800</b>		<b>2,883</b>
(Decrease)/increase in stocks	(2,234)	599	
Increase in debtors	1,291	783	
Decrease/(increase) in creditors	1,671	(1,481)	
Increase/(decrease) in working capital			(99)
<b>TOTAL APPLICATION OF FUNDS</b>	<b>2,528</b>		<b>2,784</b>
	<b>(112)</b>		<b>(185)</b>
<b>SHORT-TERM FINANCING</b>			
(Decrease) in cash at bank	(112)		(185)



1. ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The accounts are prepared on the historical cost basis and in accordance with applicable accounting standards.

Goodwill is written off against reserves in the year of acquisition.

(b) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are included at cost less depreciation. Depreciation is provided on a straight line basis over the estimated useful life of the asset. The following rates per annum are used:

Leasehold improvements	10%
Plant, furniture and fittings	15%
Computer equipment and tooling	25%
Motor vehicles	25%

(c) STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is on a first-in first-out basis and includes an addition for production overheads where appropriate.

(d) RESEARCH AND DEVELOPMENT COSTS

Research and development costs are written off as incurred.

(e) FOREIGN CURRENCIES

Transactions in foreign currencies are converted at the rate ruling when the transactions are undertaken - any gain or loss on exchange arising from settlement being taken to the profit and loss account.

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

(f) DEFERRED TAXATION

Deferred taxation is provided for using the liability method on all timing differences other than those on which no liability is expected to crystallise in the foreseeable future.

(g) TURNOVER

Turnover represents the invoiced amount of goods sold and services provided during the year, net of value added tax.

(h) LEASED ASSETS

Rental costs under operating leases are charged to the profit and loss account as incurred.

**JACKEL INTERNATIONAL LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**YEAR ENDED 31ST DECEMBER 1991**

**2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The activities of the company are considered one class of business.

Turnover by geographical area	1991 £'000	1990 £'000
United Kingdom	15,928	13,976
Europe	878	701
Asia/Africa	11	53
America	219	139
Far East/Australia	104	107
	<u>17,140</u>	<u>14,976</u>

The profit on ordinary activities before taxation is stated after charging:

Directors' emoluments	292	241
Auditors' remuneration	25	15
Operating lease rentals - land & buildings	122	122
- equipment and vehicles	133	120
	<u>      </u>	<u>      </u>

**3. STAFF COSTS**

Wages and salaries	2,603	2,052
Social security costs	193	166
Other pension costs (note 20)	57	59
	<u>2,853</u>	<u>2,277</u>

Number Number

The average number of employees during the year was:	272	284
	<u>      </u>	<u>      </u>

**4. DIRECTORS' EMOLUMENTS**

	£'000	£'000
Management remuneration including pension contributions	292	241
	<u>      </u>	<u>      </u>

The directors' emoluments, excluding pension contributions, included amounts paid to:

The chairman	NIL	NIL
The highest paid director	87	72
	<u>      </u>	<u>      </u>

JACKEL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 1991

4.	DIRECTORS' EMOLUMENTS (continued)	1991 Number	1990 Number
	The number of other directors who received emoluments, excluding pension contributions, in the following ranges was:		
	£Nil to £ 5,000	1	2
	£15,001 to £20,000	1	-
	£30,001 to £35,000	-	3
	£35,001 to £40,000	1	-
	£40,001 to £45,000	2	-
	£60,001 to £65,000	1	-
	£65,001 to £70,000	-	1
		<hr/>	<hr/>
5.	INTEREST PAYABLE	£'000	£'000
	Payable to ultimate parent company on loans repayable within one year	478	60
		<hr/>	<hr/>
6.	EXCEPTIONAL ITEM		
	Surplus arising from settlement of consequential loss claim	326	NIL
		<hr/>	<hr/>
7.	TAXATION ON PROFIT ON ORDINARY ACTIVITIES		
	UK Corporation taxation charge at a rate of 33.25% (1990: 35%)	670	511
	Deferred taxation	-	(46)
		<hr/>	<hr/>
		670	465
		<hr/>	<hr/>
8.	DIVIDEND		
	Interim dividend paid	600	1,500
		<hr/>	<hr/>

JACKEL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 1991

9. TANGIBLE FIXED ASSETS

	Short Leasehold land and buildings £'000	Equipment and vehicles £'000	Total £'000
<b>COST</b>			
At 1st January 1991	91	2,494	2,585
Additions	10	688	698
Intra-group transfers	-	2	2
Disposals	-	(43)	(43)
At 31st December 1991	<u>101</u>	<u>3,141</u>	<u>3,242</u>
<b>DEPRECIATION</b>			
At 1st January 1991	33	1,484	1,517
Intra-group transfers	-	-	-
Amount provided	7	401	408
Eliminated on disposals	-	(23)	(23)
At 31st December 1991	<u>40</u>	<u>1,862</u>	<u>1,902</u>
<b>NET BOOK VALUE</b>			
At 31st December 1991	61	1,279	1,340
At 31st December 1990	<u>58</u>	<u>1,010</u>	<u>1,068</u>

10. CAPITAL COMMITMENTS

	1991 £'000	1990 £'000
Authorised but not contracted for	57	35
Contracted for	<u>449</u>	<u>109</u>

11. FIXED ASSET INVESTMENTS

Shares in wholly owned subsidiary undertakings at cost and net book value	<u>617</u>	<u>617</u>
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JACKEL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 1991

11. FIXED ASSET INVESTMENTS (continued)

The wholly owned subsidiary undertakings, which are all non trading, are:-

Ravina Limited - registered in England and Wales.

Jackel and Company Ireland - incorporated in Northern Ireland

Tommee Tippee Limited - registered in England and Wales.

The directors have taken advantage of the exemption from preparing group accounts granted under S.228 Companies Act 1985 on the grounds that the company and its subsidiary undertakings are part of a larger group.

12. STOCKS	1991 £'000	1990 £'000
Raw materials	902	584
Work in progress	53	25
Finished goods	620	3,200
	<u>1,575</u>	<u>3,809</u>
13. DEBTORS		
Trade debtors	2,809	3,025
Due from fellow subsidiary undertakings	1,433	100
Due from ultimate parent company	143	-
Other debtors	13	12
Prepayments and accrued income	171	141
	<u>4,569</u>	<u>3,278</u>
14. CREDITORS: DUE WITHIN ONE YEAR		
Trade creditors	1,232	1,078
Due to fellow subsidiary undertakings	90	1,113
Due to ultimate parent company	3,000	4,034
Corporation tax	686	516
Other taxes and social security payments	132	339
Other creditors	3	1
Accruals and deferred income	833	396
	<u>5,976</u>	<u>7,477</u>

The amount due to the ultimate parent company includes a fixed loan of £3,000,000 (1990: £3,700,000), repayable on 29th January 1992, at a fixed interest rate of 15% p.a.

JACKEL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 1991

15.	CREDITORS: DUE AFTER MORE THAN ONE YEAR	1991 £'000	1990 £'000
	Due to fellow subsidiary undertakings	501	501
		<u>501</u>	<u>501</u>
16.	PROVISIONS FOR LIABILITIES AND CHARGES		
	Deferred taxation provided:		
	Excess of capital allowances received over depreciation charged	58	80
	Other short-term timing differences	(58)	(80)
		<u>-</u>	<u>-</u>
	Pension provision (Note 20)	286	230
		<u>286</u>	<u>230</u>
17.	CALLED UP SHARE CAPITAL	Authorised 1991 and 1990 £	Allotted, issued and fully paid 1991 and 1990 £
	Ordinary shares of £1 each	100	2
18.	PROFIT AND LOSS ACCOUNT	1991 £'000	
	At 1st January 1991	756	
	Retained profit for the year	662	
	At 31st December 1991	<u>1,418</u>	
19.	GUARANTEES		

There is an unlimited cross guarantee to bankers given, jointly and severally, by this company and fellow subsidiary undertakings in respect of Mayborn Group PLC, the ultimate parent company.

## 20. PENSION COMMITMENTS

Mayborn Group PLC, the company's ultimate parent company operates a defined benefit pension scheme in the U.K., the assets of which are administered by trustees.

Contributions to the scheme are assessed by a qualified actuary on the basis of triennial valuations using the projected unit method. The charge to profit and loss account for regular pensions costs has been calculated so as to spread the cost of pensions over employees' working lives with the group in the light of current actuarial assumptions.

The latest actuarial valuation of the scheme was as at 1st December 1990. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on the investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 8.5% per annum, that salary increases would average 7.5% per annum and that present and future pensions would increase at the rate of 4% per annum.

Particulars of this latest valuation are contained in the accounts of Mayborn Group PLC.

The resulting surplus of the actuarial value of assets over accrued benefits is being reflected in the profit and loss account over a period of fifteen years - being the estimated average remaining service life of the employees. The cumulative pension provisions set up prior to the latest actuarial valuation which are now surplus to requirements are also being reflected in the profit and loss account over the estimated average remaining service life of the employees.

The charge for pension costs for the year is:	1991 £'000	1990 £'000
Regular cost	133	130
Amortisation of surpluses on valuations	(77)	(71)
	<u>56</u>	<u>59</u>

The cumulative pension cost charged in the profit and loss account that has not been paid to the pension scheme is shown as a pension provision (note 16).

JACKEL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST DECEMBER 1991

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21. OPERATING LEASE COMMITMENTS

Operating lease commitments payable in the following year analysed according to the period in which each lease expires, are as follows:-

Land and buildings	1991 £'000	1990 £'000
Expiring in years two to five	122	122
Expiring after five years	13	13
	<u>135</u>	<u>135</u>
Other assets		
Expiring within one year	28	30
Expiring in years two to five	120	143
	<u>148</u>	<u>173</u>

22. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Mayborn Group PLC, a company registered in England and Wales.

The consolidated accounts of Mayborn Group PLC are available to the public and may be obtained from:

Dylon House,  
Worsley Bridge Road,  
Lower Sydenham,  
London SE26 5HD.