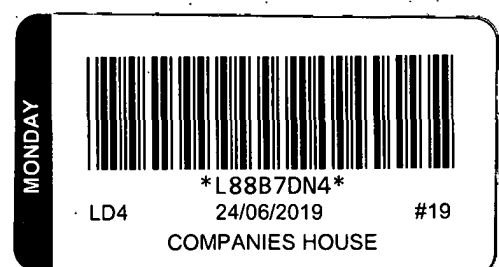


Registered number: 00029311

WILKINSON SWORD LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**



WILKINSON SWORD LIMITED

COMPANY INFORMATION

Directors

J N Hill
M B lasenza

Registered number

00029311

Registered office

Sword House
Totteridge Road
High Wycombe
Bucks
HP13 6DG
United Kingdom

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
The Atrium
1 Harefield Road
Uxbridge
Middlesex
UB8 1EX

WILKINSON SWORD LIMITED

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WILKINSON SWORD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

Introduction

The directors present their Annual Report, consisting of the Strategic Report and the Directors' Report, and the audited financial statements of Wilkinson Sword Limited ("the company") for the year ended 30 September 2018.

Principal activities, business review and future developments

The principal activities of the company were the sale and distribution of wet shave and skincare products. The company is a Limited Risk distributor of the ultimate parent company's products in the United Kingdom. As part of a group restructure, the Rest of World trade of Bulldog Skincare Limited, a fellow subsidiary of Edgewell Personal Care Holdings UK Ltd, was transferred to the company at book value (refer to Note 4 for additional information). Accordingly, since 1 April 2018, the company became the entrepreneur principal entity in the Limited Risk distributor model for Bulldog products and accrues a royalty charge of 3% of the net sales price in exchange for use of the Bulldog trademarks.

The loss for the financial year, amounted to £654,000 (2017 - profit £2,976,000). The loss has arisen primarily as a result of the transfer of the Rest of World trade from Bulldog Skincare Limited. It is anticipated that in the future the transfer of the profitable UK trade of Bulldog Skincare Limited will also be made.

The external commercial environment is expected to remain competitive in the next financial year. The company continues to seek opportunities to increase sales, market share, profit and maximise future opportunities.

WILKINSON SWORD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Principal risks and uncertainties

Risk associated with global economic conditions

Unfavourable economic conditions and uncertainty about future economic prospects could reduce customer demand for our products as a result of a reduction in discretionary spending or a shift of purchasing patterns to lower-cost options. Declining financial performance by our retailer customers could impact their ability to pay us on a timely basis, or at all. Declining economic conditions could harm our sales and profitability.

If the company cannot continue to develop new products in a timely manner and at favourable margins, the company may not be able to compete effectively

The wet shave and skin care industries have been notable for the pace of innovations in product life, product design and applied technology and our success depends on future innovations. New product introductions in categories where we have existing products will likely also reduce the sales of our existing products. Our research and development may not result in successful products or innovation that will recover the costs of such investments. If we fail to develop and launch successful new products, or fail to reduce our cost structure to a competitive level, we may be unable to grow our business and compete successfully.

Competition may hinder our ability to execute our business strategy, achieve profitability, or maintain relationships with existing customers

The industries in which the company operates are mature and highly competitive. Because of this, our retail customers frequently seek to obtain pricing concessions or better trade terms, resulting in either reduction of our margins or a reduction in our working capital. Competition is based upon brand perceptions, product performance and innovation; customer service and price. If we fail to remain competitive on all these levels, we may lose market share and product awareness to our competitors.

Loss of reputation of our leading brands or failure of our marketing plans could have an adverse effect on our business

We depend on the continuing reputation and success of our brands, particularly Wilkinson Sword. Our operating results could be adversely affected if one of our leading brands suffers damage to its reputation due to real or perceived quality issues. Further, the success of these brands can suffer if our marketing plans or new product offerings do not have the desired impact on our brand's image or ability to attract and retain customers. Further, a boycott or other campaign critical of one or more of our brands, through social media or otherwise, could negatively impact product sales.

Loss of any of our principal customers could significantly decrease our sales and profitability

Generally, sales to our top customers are made pursuant to purchase orders and we do not have supply agreements or guarantees of minimum purchases from them. As a result, these customers may cancel their purchase orders or decrease their level of purchases at any time. This potential loss of volume would have a significant impact on our sales and profitability.

WILKINSON SWORD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Principal risks and uncertainties (continued)

A failure of a key information technology ("IT") system could adversely impact our ability to conduct business

We rely extensively on IT systems, including some which are managed by third-party service providers, in order to conduct business. These IT systems could be damaged or cease to function properly due to the poor performance or failure of third-party service providers, catastrophic events, power outages, security breaches, network outages, failed upgrades or other similar events. If our business continuity plans do not effectively resolve such issues on a timely basis, we may suffer interruptions in conducting our business which may adversely impact our operating results.

The business is subject to regulation

The manufacture, packaging, labelling, storage, distribution, advertising and sale of our products are subject to extensive regulation. New or more restrictive regulations could have an adverse impact on our business. Additionally, a finding that we are in violation of, or not in compliance with, applicable laws or regulations could subject us to material civil remedies. Even if a claim is unsuccessful, is not merited or is not fully pursued, the negative publicity surrounding such assertions could jeopardise our reputation and brand image.

Changes in production costs, including raw material prices, could erode the company's profit margins

Pricing and availability of raw materials, energy, shipping and other services needed for our business can be volatile due to general economic conditions, labour costs, production levels, import duties and tariffs and other factors beyond our control. Historically, cost increases have been partially offset by price increases, however there is no certainty that the company will be able to offset future cost increases in this manner.

The company's manufacturing facilities or supply channels may be subject to disruption from events beyond our control

Operations of the ultimate parent company's or third party manufacturing and packaging facilities worldwide may be subject to disruption for a variety of reasons, including availability of raw materials, work stoppages, industrial accidents, disruption in logistics, loss or impairment of key manufacturing sites, product quality or safety issues, trade disputes between countries in which we have operations, such as the U.S. and China, acts of war, terrorism and natural disasters. If major disruption were to occur, it could result in delayed shipments of products to customers or suspension of operations. The company maintains business interruption insurance to potentially mitigate the impact of potential business interruption.

We may not be able to attract, retain and develop key personnel

Our future performance depends in significant part upon the continued service of our executive officers and other key personnel. The loss of the service of key personnel could have a material adverse effect on our business, prospects, financial condition and results of operations. Our success also depends on our continuing ability to attract, retain and develop highly qualified personnel. Competition for such personnel is intense and there can be no assurance that we can retain and motivate our key employees or attract and retain other highly qualified personnel in the future.

Risk of United Kingdom leaving the European Union (Brexit)

The UK's referendum decision to leave the EU, which was due to occur on 29 March 2019 has increased uncertainty. Brexit negotiations are ongoing and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers, foreign exchange and the wider economy, which could impact the reported performance and results of the company.

WILKINSON SWORD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Financial key performance indicators

The main KPIs used by the directors to assess the performance of the business are Gross Margin percentage (GM%), Operating Profit percentage (OP%) and Days Sales Outstanding (DSO).

	2018	2017
GM%	29.8%	31.7%
DSO	49.2 days	60 days
OP%	-1.1%	3.3%

The movement in the company's KPIs can be attributed to the group restructure outlined in earlier in this report.

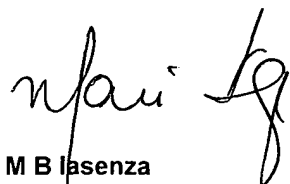
Financial risk management

The credit risk, liquidity risk and cash flow risk are deemed low due to financing being obtained from group undertakings.

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Treasury and financial risk management are conducted at a corporate level and further details can be found in Section 1A of Edgewell Personal Care Company's annual report, which does not form part of this report.

This report was approved by the Board of directors and signed on its behalf.



M B lasenza
Director

Date: 20 June 2019

WILKINSON SWORD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their report and the audited financial statements for the year ended 30 September 2018.

Results and dividends

The loss for the financial year, amounted to £654,000 (2017 - profit £2,976,000).

Interim dividends of £Nil (2017 - £2,657,000) were declared and paid in the year. The directors do not propose a final dividend.

Future developments

There are no planned changes to the operations of the business, except as noted in the Strategic Report that it is anticipated the transfer of the profitable UK trade of Bulldog Skincare Limited will also be made.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

D P Hatfield (resigned 1 March 2019)
M R Shanbhag (resigned 9 March 2018)
S J Sheldon (resigned 12 December 2017)
C A Hutchison (appointed 23 March 2018, resigned 1 April 2019)
R R Little (appointed 23 March 2018, resigned 1 April 2019)
J N Hill (appointed 1 April 2019)
M B lasenza (appointed 1 April 2019)

Qualifying third party indemnity provisions

During the year qualifying third party indemnity provisions for the directors were provided by Edgewell Personal Care Company, the ultimate parent company. Such qualifying third party provisions remain in force as at the date of approval of the financial statements.

Matters covered in the strategic report

The directors' assessment of the company's principal risks and uncertainties and financial risk management is set out in the strategic report.

Post balance sheet events

There have been no significant events affecting the company since the year end.

WILKINSON SWORD LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Going concern

Risk of United Kingdom leaving the European Union (Brexit)

The UK's referendum decision to leave the EU has increased uncertainty. Brexit negotiations are ongoing and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers, foreign exchange and wider economy, which could impact the reported performance and results of the company.

The company meets its day-to-day working capital requirements through its cash reserves and borrowings. The company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves. After making enquiries, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 the financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

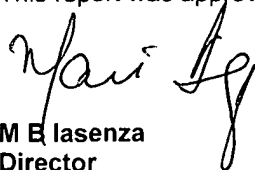
WILKINSON SWORD LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the Board of directors and signed on its behalf.


M E lasenza
Director

Date: 20 June 2019

WILKINSON SWORD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILKINSON SWORD LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Wilkinson Sword Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 30 September 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

WILKINSON SWORD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILKINSON SWORD LIMITED

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Hitesh Haria (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Uxbridge 20 June 2019

WILKINSON SWORD LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £000	2017 £000
Turnover	5	63,341	58,718
Cost of sales		(44,468)	(40,108)
Gross profit		18,873	18,610
Selling and distribution costs		(27,657)	(23,191)
Administrative expenses		(1,479)	(1,597)
Other operating income	6	9,596	8,109
Operating (loss)/profit	7	(667)	1,931
Income from other fixed assets investments	9	-	1,238
Other interest receivable and similar income	10	43	10
Interest payable and similar expenses	11	(4)	(72)
(Loss)/profit before tax		(628)	3,107
Tax on (loss)/profit	12	(26)	(131)
(Loss)/profit and total comprehensive (loss)/income for the financial year		(654)	2,976

The notes on pages 13 to 30 form part of these financial statements.

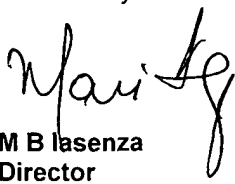
WILKINSON SWORD LIMITED
REGISTERED NUMBER: 00029311

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	14	470	535
Investments	15	39,435	39,435
		<u>39,905</u>	<u>39,970</u>
Current assets			
Stocks	16	2,526	195
Debtors: amounts falling due within one year	17	24,683	18,821
Cash at bank and in hand		8,455	14,615
		<u>35,664</u>	<u>33,631</u>
Creditors: amounts falling due within one year	18	(25,768)	(24,020)
Net current assets		<u>9,896</u>	<u>9,611</u>
Total assets less current liabilities		<u>49,801</u>	<u>49,581</u>
Net assets		<u><u>49,801</u></u>	<u><u>49,581</u></u>
Capital and reserves			
Called up share capital*	20	-	-
Share premium account	21	40,349	40,349
Share option reserve	21	2,927	2,053
Retained earnings	21	6,525	7,179
Total shareholders' funds		<u><u>49,801</u></u>	<u><u>49,581</u></u>

* Amount represents £1.

The financial statements were approved and authorised for issue by the Board of directors and were signed on its behalf by:


M B lasenza
 Director

Date: 20 June 2019

The notes on pages 13 to 30 form part of these financial statements.

WILKINSON SWORD LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	*Called up share capital	Share premium account	Share option reserve	Retained earnings	Total shareholders' funds
	£000	£000	£000	£000	£000
At 1 October 2017	-	40,349	2,053	7,179	49,581
Comprehensive expense for the financial year					
Loss for the financial year	-	-	-	(654)	(654)
Total comprehensive expense for the year	-	-	-	(654)	(654)
Recognition of equity-settled share-based payments in the year	-	-	874	-	874
At 30 September 2018	-	40,349	2,927	6,525	49,801

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	*Called up share capital	Share premium account	Share option reserve	Retained earnings	Total shareholders' funds
	£000	£000	£000	£000	£000
At 1 October 2016	-	40,349	1,064	6,860	48,273
Comprehensive income for the financial year					
Profit for the financial year	-	-	-	2,976	2,976
Total comprehensive income for the year	-	-	-	2,976	2,976
Dividends: Equity capital (Note 13)	-	-	-	(2,657)	(2,657)
Recognition of equity-settled share-based payments in the year	-	-	989	-	989
At 30 September 2017	-	40,349	2,053	7,179	49,581

The notes on pages 13 to 30 form part of these financial statements.

* Amount represents £1.

WILKINSON SWORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. GENERAL INFORMATION

Wilkinson Sword Limited ("the company") is a private company limited by shares and is incorporated and domiciled in England and Wales.

The address of its registered office is Sword House, Totteridge Road, High Wycombe, Bucks, HP13 6DG, United Kingdom.

The financial statements present information about Wilkinson Sword Limited as an individual company and do not contain consolidated information of it as a parent of its fellow group constituents. The results of the company and its group are included in the consolidated financial statements of Edgewell Personal Care Company, a company incorporated in the USA. The company considers those financial statements, prepared under US Generally Accepted Accounting Practices, to be equivalent to the requirements of the 7th EU Directive in all material respects and has therefore taken advantage of the Companies Act 2006 section 401 and not prepared consolidated statements.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see Note 3).

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions in its financial statements:

From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;

From the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;

From disclosing share based payment arrangements, required under FRS 102 paragraphs 26.18(c), 26.19 to 26.21 and 26.23, concerning its own equity instruments. The company financial statements are presented within the consolidated financial statements and the relevant disclosures are included therein; and

From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

The following principal accounting policies have been applied in the preparation of these financial statements. These policies have been consistently applied to all the years presented.

WILKINSON SWORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Going concern

The company meets its day-to-day working capital requirements through its cash reserves and borrowings. The company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves. After making enquiries, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The company offers rebate programs, primarily to its retail customers, designed to promote the sale of its products. Such programs require periodic payments and allowances based on estimated results and are recorded as a reduction to revenue.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price and includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

WILKINSON SWORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 3 to 15 years straight line
Fixtures and fittings	- 15 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of shares issued together with the fair value of any additional consideration paid.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs complete to sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

WILKINSON SWORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

WILKINSON SWORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'interest receivable or payable'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

2.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

WILKINSON SWORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.18 Current and deferred taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The tax expense for the year comprises current and deferred tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

WILKINSON SWORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.19 Related party transactions

The company has made use of the exemption contained in Section 1.11 and 1.12 of FRS 102, not to disclose related party transactions with other group companies, as it is a wholly owned subsidiary of a company, Edgewell Personal Care Co., which prepares consolidated financial statements incorporating those transactions.

2.20 Share based payment

The company has made use of the exemption contained in Section 1.11 and 1.12 of FRS 102, not to disclose share based payments related information, as it is a wholly owned subsidiary of a company, Edgewell Personal Care Co., which prepares consolidated financial statements incorporating those transactions.

Share options and Restricted Stock Equivalents ("RSE") in the capital of Edgewell Personal Care Co. are issued to employees to the company. The estimated fair value of each grant issued is estimated on the date of grant based on the current market price of the shares. A credit is recognised directly in share options reserve.

Non-qualified stock option awards ("share options") are granted at the market price on the grant date. The fair value of total share-based compensation for share options is calculated using the Black-Scholes option pricing model, which utilizes certain assumptions and estimates that have a material impact on the amount of total compensation cost recognised in the consolidated financial statements, including the expected term, expected stock price volatility, risk-free interest rate and expected dividends. An additional assumption is made on the number of awards expected to forfeit prior to vesting. The original estimate of the grant date fair value is not subsequently revised unless the awards are modified, or there is a change in the number of awards expected to forfeit prior to vesting.

In accordance with FRS 102, the total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

WILKINSON SWORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management has to make judgments on how to apply the company's accounting policies and make estimates about the future. The critical judgments that have been made in arriving at the amounts recognised in the financial statements and the key areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year, are discussed below:

Rebates

The company offers a variety of programs, primarily to retail customers, designed to promote sales of our products. Such programs require periodic payments and allowances based on estimated results of specific programs and are recorded as a reduction to net sales. The company accrues, at the time of sale, the estimated total payments and allowances associated with each transaction. At the Statement of Financial Position date, the company reviews the level of actual activity for each promotion and updates the accrual as required.

Impairment of investments

The company makes an estimate on the recoverable value of the investments it currently holds. When assessing impairment of investments, management considers factors including market conditions, consumer preferences and historical information.

Impairment of trade debtors

The company reviews trade debtors on a monthly basis to assess whether there are any indicators that these debts may prove to be irrecoverable. Factors taken into consideration in reaching such a decision include the credit rating of the debtor, the ageing profile of the debtor and historical experience.

Share-based payments

Accounting for share-based payments requires a degree of judgement over such matters as dividend yield, timing of performance conditions being met, expected volatility and the method in which those liabilities will be settled. An additional assumption is made on the number of options expected to forfeit prior to vesting. The original estimate of the grant date fair value is not subsequently revised unless the options are modified, or there is a change in the number of options expected to forfeit prior to vesting.

4. ACQUISITION OF BUSINESS

On 1 April 2018, as part of an internal reorganisation detailed in the Strategic Report, the company acquired part of the business and assets and liabilities of a company under common ownership, Bulldog Skincare Limited. Stocks of £1,442,000 were transferred to the company at cost, and the purchase settled through an inter-company loan of the same amount. This acquisition has been accounted for under the merger accounting method as permitted by FRS 102.

WILKINSON SWORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

5. TURNOVER

The whole of the turnover is attributable to the company's principal activity.

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United Kingdom	61,683	58,718
Europe	508	-
North America and Asia	1,150	-
	<u>63,341</u>	<u>58,718</u>

6. OTHER OPERATING INCOME

	2018 £000	2017 £000
Service fee and other income	9,596	8,109
	<u>9,596</u>	<u>8,109</u>

Other income represents certain costs recharged to Wilkinson Sword GmbH for services that support the EMEA and international regions.

7. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting):

	2018 £000	2017 £000
Staff costs (Note 8)	9,704	9,057
Depreciation of tangible fixed assets	109	106
Fees payable to the company's auditors for the audit of the company's annual financial statements	117	81
Foreign exchange losses/(gains)	64	(54)
Provision against stock	77	-
Restructuring costs	530	-
	<u>10,591</u>	<u>9,248</u>

During the year, no director received any emoluments (2017 - £Nil).

Directors' remuneration was paid by Edgewell Personal Care Company. No recharge is made to the company and therefore it is not possible to identify separately the amount of remuneration in respect of this company. Details of the remuneration for the directors are disclosed within the financial statements of Edgewell Personal Care Company.

WILKINSON SWORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

8. EMPLOYEES

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	7,244	6,592
Social security costs	1,107	1,110
Equity-settled share-based payments (Note 22)	874	989
Other pension costs (Note 23)	479	366
	<u>9,704</u>	<u>9,057</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Commercial	37	25
Marketing	24	19
Supply chain and customer service	17	12
Administration and support	34	28
	<u>112</u>	<u>84</u>

9. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2018 £000	2017 £000
Dividends received from subsidiary undertakings	-	1,238
	<u>-</u>	<u>1,238</u>

10. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £000	2017 £000
Interest receivable from group undertakings	43	10
	<u>43</u>	<u>10</u>

WILKINSON SWORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £000	2017 £000
Bank interest payable	4	11
Loans from group undertakings	-	61
	<u>4</u>	<u>72</u>

12. TAX ON (LOSS)/PROFIT

	2018 £000	2017 £000
CORPORATION TAX		
Current tax on (loss)/profit for the year	-	115
Adjustments in respect of previous periods	114	-
	<u>114</u>	<u>115</u>
TOTAL CURRENT TAX	<u>114</u>	<u>115</u>
DEFERRED TAX		
Origination and reversal of timing differences (Note 19)	(88)	16
TOTAL DEFERRED TAX	<u>(88)</u>	<u>16</u>
TAX ON (LOSS)/PROFIT	<u>26</u>	<u>131</u>

WILKINSON SWORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

12. TAX ON (LOSS)/PROFIT (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19.0% (2017 - 19.5%). The differences are explained below:

	2018 £000	2017 £000
(Loss)/profit before taxation	(628)	3,107
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 19.0% (2017 - 19.5%)	(119)	606
EFFECTS OF:		
Expenses not deductible for tax purposes	55	13
Income and dividends not taxable for tax purposes	-	(252)
Adjustments in respect of prior periods	114	-
Effect of change in tax rate	9	-
Group relief	(33)	(236)
TOTAL TAX CHARGE FOR THE YEAR	26	131

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Changes to the UK corporation tax rates were substantially enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These included reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred tax at the balance sheet date has been measured using these enacted tax rates and reflected in the financial statements.

13. DIVIDENDS

	2018 £000	2017 £000
Interim dividends paid	-	2,657
	-	2,657

Interim dividends of £Nil per Ordinary share (2017 - £0.101) were declared and paid in the year.

WILKINSON SWORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

14. TANGIBLE ASSETS

	Office equipment £000	Fixtures and fittings £000	Total £000
COST			
At 1 October 2017	288	511	799
Additions	9	35	44
At 30 September 2018	<u>297</u>	<u>546</u>	<u>843</u>
DEPRECIATION			
At 1 October 2017	174	90	264
Charge for the year on owned assets	71	38	109
At 30 September 2018	<u>245</u>	<u>128</u>	<u>373</u>
NET BOOK VALUE			
At 30 September 2018	<u>52</u>	<u>418</u>	<u>470</u>
At 30 September 2017	<u>114</u>	<u>421</u>	<u>535</u>

WILKINSON SWORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

15. INVESTMENTS

	Investments in subsidiary companies £000
COST AND NET BOOK VALUE	
At 1 October 2017	39,435
At 30 September 2018	<u>39,435</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

In 2017 the company entered into an agreement with ShaveKit Limited ("ShaveKit"), whereby the company sold products to ShaveKit and received consideration of cash and share capital of ShaveKit in exchange. As at 30 September 2018 the company held 24,291 shares as a consequence of this agreement (2017 - 24,291). The carrying value of these shares is £Nil.

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Personna International UK Limited	Ordinary	100 %	Ceased to trade
Edgewell Personal Care UK Limited	Ordinary	100 %	Holding company
Personna International CZ S.R.O.	Ordinary	100 %	Manufacture and packaging of razors

All holdings are in the ordinary share capital of the undertakings concerned. All the subsidiary undertakings are incorporated in the UK and registered in England & Wales with the same registered office as the company (refer note 1) except for Personna International CZ S.R.O. which is incorporated in the Czech Republic with a registered office of Krupka - Nové Modlany, Katerinská 96, 417 42, Czech Republic. The company also has an indirect 100% interest in Edgewell PBG GP, a UK general partnership.

16. STOCKS

	2018 £000	2017 £000
Finished goods	2,526	195
	<u>2,526</u>	<u>195</u>

Stocks are stated after provisions for impairment of £67,000 (2017 - £Nil).

WILKINSON SWORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Trade debtors	12,122	13,176
Amounts owed by group undertakings	11,860	5,065
Other debtors	371	378
Prepayments and accrued income	192	153
Deferred taxation (Note 19)	138	49
	<u>24,683</u>	<u>18,821</u>

Amounts owed by group undertakings attract interest at 2.425%, are unsecured and repayable on demand.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Trade creditors	5,144	1,151
Amounts owed to group undertakings	11,907	12,700
Other taxation and social security	530	1,157
Other creditors	12	10
Accruals and deferred income	3,752	4,123
Accrued rebates	4,423	4,879
	<u>25,768</u>	<u>24,020</u>

Balances included within amounts owed to group undertakings are interest free, unsecured and repayable on demand.

19. DEFERRED TAXATION

	2018 £000	2017 £000
At beginning of year	49	65
Movement in the year	89	(16)
AT END OF YEAR	<u>138</u>	<u>49</u>

WILKINSON SWORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

19. DEFERRED TAXATION (CONTINUED)

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	(30)	(34)
Pension payment	10	10
Timing differences relating to share option expense	158	73
	<u>138</u>	<u>49</u>

20. CALLED UP SHARE CAPITAL

	2018 £000	2017 £000
Shares classified as equity		
Allotted, called up and fully paid*		
6,350,003 (2017 - 6,350,003) Ordinary shares of £0.0000000381 each	-	-
19,882,283 (2017 - 19,882,283) Non-voting 'A' ordinary shares of £0.0000000381 each	-	-
	<u>-</u>	<u>-</u>

* Amount represents £1

21. RESERVES

Share premium account

Share premium represents additional amount paid per share over the nominal value of shares issued.

Share option reserve

Share options reserve represents the cumulative charge in respect of equity-settled share-based payments.

Retained earnings

Retained earnings represents accumulated retained earnings net of dividends paid.

WILKINSON SWORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

22. SHARE BASED PAYMENTS

Edgewell Personal Care Company has three share-based compensation plans - the 2018 Stock Incentive Plan (the "2018 Plan"), the Second Amended and Restated 2009 Incentive Stock Plan (the "2009 Plan") and the Incentive Stock Plan. The Incentive Stock Plan was superseded by the 2009 Plan, which was then superseded by the 2018 Plan. New awards granted after January 2018 are issued under the 2018 Plan. The 2018 Plan provides for the award of restricted stock, RSE awards or share options to purchase Edgewell Personal Care Company common stock to directors, officers and employees of the group. The maximum number of shares authorised for issuance under the 2018 Plan is 12.0 million, of which 5.2 million were available for future awards as of 30 September 2018.

Options are granted at the market price on the grant date and generally vest rateably over three years. These awards are equity settled and typically have a maximum term of ten years. Restricted stock and RSE awards may also be granted. Option shares and prices, and restricted stock and RSE awards are adjusted in conjunction with stock splits and other recapitalisations.

In accordance with FRS 102, the company uses the straight-line method of recognising compensation cost. Total compensation costs charged to the Statement of Comprehensive Income was £874,044 (2017 - £989,283). Restricted stock issuances and shares issued for stock options exercises under the group's share-based compensation programme are generally issued from treasury shares.

23. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension charge in the Statement of Comprehensive Income for the year represents contributions payable by the company to the scheme and amounted to £loss (2017 - £366,406). Contributions of £57,955 (2017 - £56,723) were payable to the fund at the year end.

24. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Not later than 1 year	3	24
Later than 1 year and not later than 5 years	153	162
	<u>156</u>	<u>186</u>

WILKINSON SWORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent is Edgewell Personal Care Holdings UK Limited, a company incorporated in England and Wales. The company's ultimate parent company and controlling party is Edgewell Personal Care Company, a US company incorporated in the state of Missouri.

The parent undertaking of the smallest and largest group for which financial statements are drawn up and of which the company is a member is Edgewell Personal Care Company, incorporated in the USA.

Copies of Edgewell Personal Care Company annual report can be obtained from Investor Relations; Edgewell Personal Care Company, 1350 Timberlake Manor Parkway, St Louis, MO 63017, USA.