

Markbalance plc

Report and Accounts

30 September 1999

Registered No. 2410796



Markbalance plc

Registered No. 2410796

DIRECTORS

W Fletcher
D J Wolstenholme

SECRETARY

D J Wolstenholme

AUDITORS

Ernst & Young
PO Box 31
Cloth Hall Court
14 King Street
Leeds LS1 2JN

REGISTERED OFFICE

Atlas Way
Atlas North
Sheffield S4 7QQ

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 September 1999.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The company's principal activity is the making and holding of investments. The company did not make any new investments in the year.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were:

W Fletcher
D J Wolstenholme

None of the directors hold shares in the company. Interests in Spear & Jackson plc, the company's parent undertaking, by directors of Markbalance plc who are also directors of Spear & Jackson plc are disclosed in the accounts of that company. None of the directors have any interests in the shares of the group companies.

AUDITORS

A resolution to reappoint Ernst & Young as auditors of the company will be proposed at the next Annual General Meeting.

By order of the Board



D J Wolstenholme

Secretary

20 April 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year 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; 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.

REPORT OF THE AUDITORS

To the members of Markbalance plc

We have audited the accounts on pages 6 and 7 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. 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 state of affairs of the company as at 30 September 1999 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

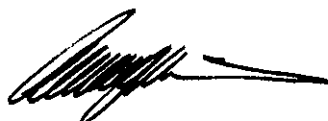
Ernst & Young
Registered Auditor
Leeds

20 April 2000

Markbalance plc

BALANCE SHEET at 30 September 1999

	Notes	1999 £000	1998 £000
CREDITORS - amounts falling due within one year			
Amounts owed to parent undertaking		(786)	(786)
CAPITAL AND RESERVES			
Called up share capital	2	13	13
Profit and loss account		(799)	(799)
SHAREHOLDERS' FUNDS - EQUITY INTERESTS			
		(786)	(786)



D J Wolstenholme - Director

20 April 2000

NOTES TO THE ACCOUNTS

30 September 1999

1. ACCOUNTING POLICY

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

A cash flow statement has not been prepared as the company is a wholly owned subsidiary undertaking of USI Mayfair Limited, a company registered in England. That company publishes consolidated accounts which include a consolidated cash flow statement dealing with the cash flows of the group.

Fundamental accounting concept

The accounts are prepared on the going concern basis as the immediate parent undertaking has agreed to provide support to the company.

2. CALLED UP SHARE CAPITAL

	1999 No.	1998 No.	1999 £000	Authorised 1998 £000
Ordinary shares of £1 each	100,000	100,000	100	100
	1999 No.	1998 No.	Allotted, called up and paid 1999 £000	1998 £000
Ordinary shares of £1 each, 25p per share paid	50,000	50,000	13	13

ERNST & YOUNG

3. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary undertaking of Spear & Jackson plc, a company registered in England.

Spear & Jackson plc is a subsidiary undertaking of USI Mayfair Limited, a company registered in England for which group accounts are prepared. The ultimate parent undertaking of USI Mayfair Limited is U S Industries Inc, a company registered in the United States of America. Group accounts are available to the public and may be obtained from USI Mayfair Limited.