Registered no 34239

Brintons Limited

Directors' report and financial statements

for the year ended 5 July 2008

Brintons Limited

Company registration number

34239

Chairman

Andrew Walker

Non-executive directors

Michael Brinton	Honorary President
Julian Brinton	
Catharine Brinton-Hope	
Diarmid Glencairn Campbell	
Andrew Neubauer	
Terry Stannard	

Executive directors

Harry Reilly	Managing Director
Peter Johansen	Finance Director

Secretary

David Smith

Registered office

Exchange Street
Kidderminster
Worcestershire
DY10 1AG

Auditor

KPMG LLP

Tax advisor

PricewaterhouseCoopers LLP

Bankers

Lloyds TSB Bank plc
HSBC Bank plc

Directors' Report
for the year ended 5 July 2008

The Directors present their report and the audited consolidated financial statements for the year ended 5 July 2008

Principal activity

The Group and Company's principal activity is the production and sale of high quality Axminster and Wilton woven carpet The Group spins yarn for use in its own carpets and manufactures textile machinery for its own requirements

Results and dividends

The consolidated profit for the financial year after taxation amounted to £1,040,000 (2007 profit of £444,000) Before taxation, the consolidated profit for the financial year amounted to £535,000 (2007 profit of £731,000)

The Directors recommend the payment of an ordinary dividend of £236,000 Dividends paid in the year amounted to £472,000 (2007 £943,000)

Review of the business and future developments

It was reported last year that the Board was considering the construction of a carpet manufacturing factory in Suzhou, in the Jiangsu Province of the People's Republic of China During this financial year, the Board decided to proceed with this plan and construction of the factory is now underway

The Board has also decided to cease manufacturing operations in Geelong, Australia Going forward, Brintons Pty Limited will operate as a selling and distribution business for the Asia-Pacific region

A number of key performance indicators (KPI's) are used in the business Non-financial KPI's are focused on delivering high levels of customer satisfaction, introducing new products and services which meet the needs of our customers, ensuring operational effectiveness and attracting, retaining and developing key employees Financial KPI's focus on profit growth, profitability improvement, inventory management, cash generation, future borrowing requirements and return on operating assets

The Group will continue to pursue its principal activity for the foreseeable future

Business risks

In the Directors' opinion, the principal risks and uncertainties facing the business relate to

- its ability to maintain market share, particularly in the face of growing competition from low-cost producers in an increasingly global marketplace,
- the exchange rate between the US dollar and the British pound because a strong dollar is to the benefit of the Group's results which are reported in sterling,
- the continuity of supply of raw materials within the global supply chain, particularly of wool and yarn,
- economic downturns in its principal markets, being Europe and the USA, and
- the UK defined benefit pension scheme deficit

Research and development

The Group continues to invest in methods of improving production efficiency, product quality and differentiation

Political and charitable contributions

During the year, the Group made political contributions of £nil (2007 £ nil) and various charitable contributions totalling £9,000 (2007 £12,000)

Directors and their interests

The Directors, who served throughout the year, unless indicated otherwise, are as follows

M A C Brinton*	Honorary President
J B T Brinton*	
C E Brinton-Hope*	
D C B Glencairn Campbell*	
P J S Johansen	
R A D Keatinge*	resigned 29 February 2008
E A C Neubauer*	appointed 29 February 2008
H N Reilly	Managing Director
T G Stannard*	
A J Walker*	Chairman
A J Wilson*	resigned 31 January 2008

* non-executive directors

The interests of the Directors in office at the end of the financial year in the shares of Brintons Limited were as follows

Ordinary shares in Brintons Limited	**At 5 July 2008 or subsequent date of appointment**		At 30 June 2007 or subsequent date of appointment	
	'A' Ordinary shares of 25p each	**'B' Ordinary shares of £1 each**	'A' Ordinary shares of 25p each	'B' Ordinary shares of £1 each
Beneficial interests	***No.***	***No.***	*No*	*No*
M A C Brinton	**401,762**	**55,918**	401,762	55,918
J B T Brinton	**168,574**	**58,587**	168,574	56,887
C E Brinton-Hope	**298,029**	**74,741**	298,029	74,741
D C B Glencairn Campbell	**530,216**	**190,738**	530,216	183,738
H N Reilly	**-**	**855**	-	855
	1,398,581	**380,839**	1,398,581	372,139
Non-beneficial interests				
D C B Glencairn Campbell	**77,518**	**24,224**	77,518	24,224
	1,476,099	**405,063**	1,476,099	396,363

Save as stated herein, none of the Directors has any interest in the shares of the Company or of any other Group company

Employment policies

The Company is concerned that all of its employees, wherever they are in the world, are treated with due respect and dignity Discrimination of any form will not be tolerated and this includes discrimination or harassment on the grounds of sex, race, disability, age and religion or belief Family friendly and equal opportunities policies are followed

Employment policies (continued)

The Directors regard the involvement, participation and training of employees to be of great importance Management takes every opportunity to inform employees of Group developments and encourage them to be aware of the performance of the Group Employees are encouraged to discuss with management matters of interest to the employee

Employee briefings and action review meetings, at all levels of responsibility, provide the necessary information flow in both directions Health, safety and environmental matters are discussed at regular meetings with actions being proposed and monitored

Profit sharing schemes apply in some parts of the Group

Applications for employment from disabled people are given full and fair consideration bearing in mind the aptitudes and abilities of each person in relation to the requirements of the job Opportunities also exist for employees of the Group who become disabled to continue in their employment or to be trained for other positions in the Group Disabled people have the same training, career development and promotion opportunities as all other employees

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The Group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the Group and the parent company and of the profit or loss for that period In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 Group and the parent company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985 They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

A resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming annual general meeting

By order of the Board

D J Smith
Secretary
29 September 2008

Independent Auditor's Report to the Members of Brintons Limited

We have audited the Group and parent company financial statements (the "financial statements") of Brintons Limited for the year ended 5 July 2008 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses and the related notes These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and 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 financial statements 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 financial statements

Brintons Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Group's and the parent company's affairs as at 5 July 2008 and of the Group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
29 September 2008

Consolidated Profit and Loss Account for the year ended 5 July 2008

	Notes	2008			2007		
		Normal £'000	Australian restructuring £'000	Total £'000	Normal £'000	Impairment of fixed assets £'000	Total £'000
Turnover (continuing operations)	2	100,621	-	100,621	96,871	-	96,871
Operating costs	3, 5	(97,739)	(2,305)	(100,044)	(95,755)	(529)	(96,284)
Operating profit (continuing operations)		2,882	(2,305)	577	1,116	(529)	587
Exceptional profit on disposal of fixed assets	5	213	-	213	-	-	-
Profit on ordinary activities before interest		3,095	(2,305)	790	1,116	(529)	587
Net interest (payable)/receivable	6	(255)	-	(255)	144	-	144
Profit on ordinary activities before tax		2,840	(2,305)	535	1,260	(529)	731
Taxation	10	505	-	505	(287)	-	(287)
Profit on ordinary activities after tax, and for the financial year	20	3,345	(2,305)	1,040	973	(529)	444

Consolidated Statement of Total Recognised Gains and Losses for the year ended 5 July 2008

	Notes	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Profit for the financial year			**1,040**		444
Net exchange gains on retranslation of subsidiary undertakings and related borrowings		**412**		766	
Actuarial (losses)/gains					
Company defined benefit pension scheme	23	**(6,078)**		(1,357)	
Company post-retirement medical benefit scheme		**46**		215	
Company ex-gratia pension scheme		**8**		51	
Taxation	10	**1,687**		306	
	20		**(3,925)**		(19)
Total recognised gains and losses relating to the financial year			**(2,885)**		425

Brintons Limited

Balance Sheets
at 5 July 2008

	Notes	Group 2008 £'000	Group 2007 £'000	Company 2008 £'000	Company 2007 £'000
Fixed assets					
Goodwill	12	-	229	-	-
Tangible assets	13	**22,037**	25,425	**13,717**	14,443
Investments	14	-	-	**9,210**	9,196
		22,037	25,654	**22,927**	23,639
Current assets					
Stocks	15	**20,152**	21,508	**16,426**	16,777
Debtors	16	**16,412**	16,149	**12,938**	15,612
Cash at bank and in hand		**5,196**	2,737	**2,770**	188
		41,760	40,394	**32,134**	32,577
Creditors: amounts falling due within one year	17	**(15,189)**	(16,623)	**(15,793)**	(15,171)
Net current assets		**26,571**	23,771	**16,341**	17,406
Total assets less current liabilities		**48,608**	49,425	**39,268**	41,045
Creditors: amounts falling due after more than one year	17	**(157)**	(145)	-	(39)
Provisions	18	**(430)**	(1,396)	**(1,296)**	(1,556)
Net assets excluding pension liabilities		**48,021**	47,884	**37,972**	39,450
Pension liabilities	23	**(9,071)**	(5,577)	**(9,071)**	(5,577)
Net assets including pension liabilities		**38,950**	42,307	**28,901**	33,873
Capital and reserves					
Called up share capital	19	**4,025**	4,025	**4,025**	4,025
Profit and loss account	20	**34,925**	38,282	**24,876**	29,848
Equity shareholders' funds	20	**38,950**	42,307	**28,901**	33,873

The financial statements on pages 8 to 32 were approved by the board of directors on 29 September 2008 and signed on its behalf by

Peter Johansen
Director

Consolidated Cash Flow Statement for the year ended 5 July 2008

	Notes	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Net cash inflow from operating activities	21(a)		5,083		2,787
Returns on investment and servicing of finance					
Interest received		213		99	
Interest (paid)		(218)		(764)	
			(5)		(665)
Taxation					
Overseas tax (paid)			(92)		(240)
Capital expenditure					
Purchase of tangible fixed assets	13	(1,371)		(1,969)	
Receipts from sales of tangible fixed assets					
Exceptional		1,671		-	
Normal		30		191	
Receipt of government grants		-		36	
			330		(1,742)
Disposals					
Deferred consideration received			-		770
Equity dividends paid	11		(472)		(943)
Cash inflow/(outflow) before financing			4,844		(33)
Financing					
Loans raised/(repaid)	22		73		(2,451)
Capital element of leases repaid	22		(55)		(130)
Increase/(decrease) in cash in the year	21(b)		4,862		(2,614)

Notes to the Financial Statements for the year ended 5 July 2008

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and in accordance with the historical cost convention The financial statements are for a 53-week period (2007 52-weeks)

Basis of consolidation

The consolidated financial statements comprise the accounts of the Company and its subsidiary undertakings made up to 5 July 2008

Where the accounting reference date of a subsidiary undertaking is 31 March, a statutory reporting pack for the 53 weeks to 5 July has been used in the consolidation

The acquisition method of accounting has been adopted Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Goodwill

Purchased goodwill (both positive and negative) arising on consolidation in respect of acquisitions before 28 June 1998, when FRS10 'Goodwill and Intangible Assets' was adopted, was written off to reserves in the year of acquisition When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 28 June 1998 is capitalised Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life subject to a maximum of 20 years

On the subsequent disposal or termination of a business acquired since 28 June 1998, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill

Fixed asset investments

Investments in subsidiary undertakings are generally stated at original cost However, where the investments are denominated in foreign currency and hedged by foreign currency borrowings they are re-translated at closing exchange rates Provision is made for diminutions in value

1 Principal accounting policies (continued)

Depreciation of tangible fixed assets

The cost less estimated residual value of fixed assets, other than freehold land and assets in the course of construction, is depreciated by equal instalments over the expected useful life of the assets as follows

Freehold buildings	- 20-40 years
Leasehold buildings	- 40 years or the lease term if shorter
Motor cars	- 4 years
Commercial vehicles	- 10 years
Plant and equipment	- 3-10 years

Freehold land and assets in the course of construction are not depreciated

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable

Foreign currencies

Company
Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction or at the rate of exchange of the related forward currency contract Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate All gains and losses on translation are included in the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves, together with the exchange difference on the carrying amount of the related investments

Group
The profit and loss accounts of overseas subsidiary undertakings are consolidated at average exchange rates The assets and liabilities of overseas subsidiary undertakings are translated at year-end exchange rates in accordance with the closing rate method However, where it is considered that the financial performance of an overseas subsidiary is more dependent on the economic environment of the UK (Brintons Limited) than its own, the assets and liabilities of that subsidiary are translated at rates approximating to actual in accordance with the temporal method In these cases exchange differences are recorded in the profit and loss account

All other translation differences are taken to reserves, including differences on foreign currency borrowings, to the extent they are used to finance or provide a hedge against Group equity investments in foreign enterprises

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate

Retirement benefits

Defined contribution schemes

The pension costs charged to the profit and loss account represent the amount of the contributions payable to the schemes in respect of the accounting period

1 Principal accounting policies (continued)

Retirement benefits (continued)

Defined benefit schemes

Pension scheme assets are measured at market values The liabilities of pension schemes and other post-retirement benefits are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability The pension scheme deficit is recognised in full The movement on the scheme deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses

The gross deficit in the balance sheet is net of deferred tax where appropriate The Group's principal defined benefit pension scheme was closed to future accruals on 30 June 2006

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items Cost includes all costs incurred in bringing each product to its present location and condition, as follows

Raw materials and consumables	-	purchase cost on a first in, first out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Research and development

Research and development expenditure is written off as incurred

Deferred taxation

Deferred taxation is recognised (without discounting), in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19 'Deferred Tax'

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease

2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the Group exclusive of VAT and net of trade discounts Turnover is solely attributable to the Group's principal activity

In the opinion of the Directors, an analysis of turnover by geographical destination would be seriously prejudicial to the interests of the Group for commercial reasons and therefore no disclosure has been made

3 Operating expenses

	2008			2007		
	Normal		Australian restructuring	Normal		Impairment of fixed assets
	Other	Redundancy	(note 5)	Other	Redundancy	(note 5)
	£'000	£'000	£'000	£'000	£'000	£'000
Change in stocks of finished goods & work in progress	1,011	-	-	(1,449)	-	-
Own work capitalised	-	-	-	(3)	-	-
Other operating income	(256)	-	(138)	(225)	-	-
Raw materials and consumables	24,282	-	913	27,370	-	-
Other external charges	7,782	-	90	7,448	-	-
Staff costs (note 8)	37,224	1,268	1,636	36,301	334	-
Depreciation of tangible fixed assets	3,612	-	129	3,633	-	-
Impairment adjustments	-	-	-	-	-	529
Amortisation of goodwill	229	-	-	275	-	-
Other operating charges	22,587	-	(325)	22,071	-	-
	96,471	1,268	2,305	95,421	334	529

4 Operating profit

This is stated after charging		2008 £'000	2007 £'000
Research and development expenditure		364	726
Operating lease rentals	- plant and machinery	113	81
	- land and buildings	454	596
		567	677
Government grants	- amortisation of capital grants	(207)	(57)
	- revenue grants receivable	(43)	(9)
		(250)	(66)

Auditors' remuneration	Fees borne by the Group 2008 £'000	Fees borne by the Group 2007 £'000	Fees borne by Group pension schemes 2008 £'000	Fees borne by Group pension schemes 2007 £'000
Audit of these financial statements	87	84	-	-
Audit of financial statements of subsidiaries pursuant to legislation	71	81	-	-
Other services relating to taxation	2	2	-	-
Valuation and actuarial services	11	-	32	-
All other services	7	17	143	148
	178	184	175	148

5 Exceptional costs

	2008 £'000	2007 £'000
Recognised in arriving at operating profit		
Net loss on cessation of manufacturing operations in Australia	**2,305**	-
Impairment of fixed assets	**-**	529
	2,305	529
Recognised below operating profit		
Profit on sale of property	**213**	-

The tax effect of the net loss on cessation of manufacturing operations in Australia is nil because these losses have not yet been recognised in deferred taxation The tax effect of the profit on the sale of property is also nil because of indexation

6 Net interest payable/(receivable)

	2008 £'000	2007 £'000
Interest payable and similar charges		
Interest on bank loans and overdrafts	**267**	478
Other loans	**2**	-
Net interest charge on Company post-retirement medical scheme*	**36**	48
Net interest charge on Company ex-gratia pension scheme*	**5**	8
Finance charges payable under finance leases & hire purchase contracts	**5**	16
Other interest payable and similar charges	**3**	76
Exchange losses	**281**	-
Other interest receivable and similar income		
Bank interest	**(145)**	(111)
Net interest credit on Company defined benefit pension scheme*	**(150)**	(370)
Corporation tax repayment supplements	**-**	(12)
Other interest receivable and similar income	**(49)**	(73)
Exchange gains	**-**	(204)
Net interest payable/(receivable)	**255**	(144)

* FRS17 the difference between the long-term expected return on the scheme assets and the expected increase in the present value of the scheme liabilities is as follows

	Defined benefit pension scheme (note 23) £'000	Post-retirement medical benefits £'000	Ex-gratia pensions £'000	Total £'000
Long-term expected return on the scheme assets	(3,750)	-	-	(3,750)
Expected increase in the present value of the scheme liabilities	3,600	36	5	3,641
Net interest (receivable)/payable	(150)	36	5	(109)

7 Directors' emoluments

	2008	2007
Total emoluments (excluding pension contributions)	**£'000**	£'000
Emoluments and benefits	**553**	554
Pension contributions		
Company contributions paid to defined contribution pension schemes	**92**	88
	No.	No
Number of directors who were members of defined contribution pension schemes at year end	**2**	2
Highest paid director	**£'000**	£'000
Emoluments and benefits (excluding pension contributions)	**215**	211
Company contributions paid to defined contribution pension scheme	**55**	56

The amount of the annual pension that would be payable to the highest paid director, under the Company's defined benefit pension scheme, when he reached normal pension age if he left the Company's service at the end of the financial year is £26,292 p a (2007 highest paid director - £25,315 p a)

8 Staff costs

	2008	2007
Staff costs (which includes Directors' remuneration) were as follows	**£'000**	£'000
Wages and salaries	**32,729**	31,966
Social security costs	**3,111**	3,013
Other pension costs (amounts within operating profit)		
UK - defined contribution schemes	**1,250**	1,215
- post-retirement medical costs	**(22)**	(26)
Overseas schemes	**156**	133
	37,224	36,301

The monthly average number of employees during the year were	**No.**	No
Production	**1,515**	1,552
Sales, marketing, distribution and design	**356**	272
Engineering and technology	**60**	73
Administration and finance	**131**	146
	2,062	2,043

9 Profits of holding company

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the Company for the year is not presented as part of these accounts The loss after tax of the Company was £163,000 (2007 profit of £3,801,000)

10 Taxation

(a) Analysis of (credit)/charge in the year

	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Profit and loss account:				
Current tax charges/(credits)				
UK corporation tax on profits of the year		-		66
Overseas tax on profits of the year	197		309	
Overseas tax adjustments in respect of previous years	(48)		28	
		149		337
Total current tax charge		149		403
Deferred taxation (note 18)				
Origination and reversal of timing differences	(1,031)		(511)	
Effect of reduced tax rate on opening liability	23		(94)	
Adjustment in respect of prior year	26		(62)	
		(982)		(667)
Deferred taxation (retirement benefits)				
Origination and reversal of timing differences	328		390	
Effect of reduced tax rate on opening liability	-		161	
		328		551
Tax on profit on ordinary activities		(505)		287
Statement of total recognised gains and losses:				
Deferred taxation (retirement benefits)				
Origination and reversal of timing differences		(1,687)		(306)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date

(b) Factors affecting current tax charge for year

The tax assessed for the year is different to the standard rate of corporation tax in the UK (29 5%) The differences are explained below	2008 £'000	2007 £'000
Profit on ordinary activities before tax	535	731
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 29 5% (2007 30%)	158	219
Effects of		
Expenses not deductible for tax purposes	68	129
Current year tax losses/(utilisation of tax losses)	152	(227)
Gains on capital disposals eliminated by indexation	(85)	-
Effect of overseas tax rates	(102)	63
Differences between depreciation and capital allowances	562	634
Short term timing differences (UK defined benefit pension schemes)	(328)	(417)
Other short term timing differences	(228)	(26)
Adjustments to tax charge in respect of previous years	(48)	28
Current tax charge for year	149	403

10 Taxation (continued)

(c) Factors that may affect future tax charges

The Group has tax losses available to carry forward of approximately £11 3m (2007 £11 7m) which have not been recognised as deferred tax assets

The Group has operations in India where effective tax rates are currently lower than the standard rate of corporation tax

11 Dividends

Equity dividends paid on 'A' and 'B' ordinary shares	**2008 £'000**	2007 £'000
Relating to 2005/06 financial year		
2nd interim at 5 86%, paid 7 July 2007	-	236
3rd interim at 5 86%, paid 6 October 2007	-	235
Final at 5 86%, paid 5 January 2007	-	236
Relating to 2006/07 financial year		
1st interim at 5 86%, paid 10 April 2007	-	236
2nd interim at 5 86%, paid 6 July 2007	**236**	-
3rd interim at 5 86%, paid 5 October 2007	**236**	-
	472	943

12 Goodwill

	£'000
Cost	
At 30 June 2007 and 5 July 2008	**1,375**
Amortisation	
At 1 July 2007	1,146
Charge for the year	229
At 5 July 2008	**1,375**
Net book value	
At 5 July 2008	-
At 30 June 2007	229

Goodwill arising on the acquisition of Woodward Grosvenor Holdings Limited has been amortised evenly over the Directors' estimate of its useful economic life of 5 years

13 Tangible fixed assets

Group	Land & buildings Freehold £'000	Short leasehold £'000	Vehicles, plant & equipment (owned) £'000	Vehicles, plant & equipment (leased) £'000	Assets in course of construction £'000	Total £'000
Cost						
At 1 July 2007	18,773	845	76,224	218	1,021	97,081
Exchange adjustment	(43)	3	505	-	-	465
Reclassifications	14	-	1,162	1	(1,177)	-
Additions	-	8	273	2	1,088	1,371
Disposals	(777)	(489)	(2,953)	(86)	-	(4,305)
At 5 July 2008	**17,967**	**367**	**75,211**	**135**	**932**	**94,612**
Depreciation						
At 1 July 2007	8,475	162	62,909	110	-	71,656
Exchange adjustment	42	(2)	401	1	-	442
Charge for year	457	16	3,246	22	-	3,741
Disposals	(444)	(168)	(2,601)	(51)	-	(3,264)
At 5 July 2008	**8,530**	**8**	**63,955**	**82**	**-**	**72,575**
Net book value						
At 5 July 2008	**9,437**	**359**	**11,256**	**53**	**932**	**22,037**
At 30 June 2007	10,298	683	13,315	108	1,021	25,425

Included in freehold land and buildings is freehold land of £1,501,000 (2007 £1,531,000) which is not depreciated

Company	Land & buildings Freehold £'000	Short leasehold £'000	Vehicles, plant & equipment (owned) £'000	Vehicles, plant & equipment (leased) £'000	Assets in course of construction £'000	Total £'000
Cost						
At 1 July 2007	11,187	444	55,763	173	956	68,523
Additions	-	-	5	-	422	427
Reclassifications	-	-	1,119	-	(1,119)	-
Group transfers	-	-	1,350	-	(84)	1,266
Disposals	-	(444)	(1,163)	(84)	-	(1,691)
At 5 July 2008	**11,187**	**-**	**57,074**	**89**	**175**	**68,525**
Depreciation						
At 1 July 2007	5,278	126	48,591	85	-	54,080
Charge for year	276	9	1,752	22	-	2,059
Group transfers	-	-	6	-	-	6
Disposals	-	(135)	(1,151)	(51)	-	(1,337)
At 5 July 2008	**5,554**	**-**	**49,198**	**56**	**-**	**54,808**
Net book value						
At 5 July 2008	**5,633**	**-**	**7,876**	**33**	**175**	**13,717**
At 30 June 2007	5,909	318	7,172	88	956	14,443

Included in freehold land and buildings is freehold land of £1,084,000 (2007 £1,084,000) which is not depreciated

14 Fixed asset investments

Company	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
Cost			
At 1 July 2007	12,888	13,525	26,413
Divisionalisation	1,159	(1,250)	(91)
Exchange adjustment	(1)	149	148
At 5 July 2008	**14,046**	**12,424**	**26,470**
Provision for diminution in value			
At 1 July 2007	4,888	12,329	17,217
Divisionalisation	1,159	(1,250)	(91)
Exchange adjustment	(1)	135	134
At 5 July 2008	**6,046**	**11,214**	**17,260**
Net book value			
At 5 July 2008	**8,000**	**1,210**	**9,210**
At 30 June 2007	8,000	1,196	9,196

On 31 March 2008, the business, trade and assets of a subsidiary undertaking, William Brinton Limited, were transferred to the ultimate parent undertaking, Brintons Limited, for arms-length consideration On that date William Brinton Limited ceased to trade The intra-group transfer (divisionalisation) is analysed as follows

Tangible assets transferred at book value	£'000
Fixed assets	4
Stock	4
Debtors	91
Creditors	(57)
Cash	49
Net tangible assets	91
Intangible assets at directors' valuation	
Goodwill	-
Total assets transferred	91
Satisfied by	
Cash	91

14 Fixed asset investments (continued)

Details of principal subsidiary undertakings are as follows

Subsidiary	*Country of incorporation*	*Holding*	*Proportion of voting rights & shares held*	*Nature of Business*
Brintons US Axminster Inc*	USA	Common stock	100%	Sale of high quality Axminster woven carpet
Brintons Pty Limited	Australia	Ordinary shares	100%	Sale of high quality Axminster and Wilton woven carpet
Brintons Carpets Asia Private Limited*†	India	Ordinary shares	100%	Production and sale of high quality Axminster woven carpet
Brintons Industria de Alcatifas Limitada*	Portugal	Ordinary Shares	100%	Production of high quality Axminster woven carpet for Brintons Limited
Brintons Christchurch Yarns Limited	Australia	Ordinary shares	100%	Non trader (business sold in June 2004)
Brintons (France) SARL*	France	Ordinary shares	100%	Sale of high quality Axminster woven carpet & furnishings
William Brinton Ltd*	UK	Ordinary shares	100%	Non trader (business transferred to Brintons Ltd)
Brintons Carpet Manufacturing (Suzhou) Limited	China	Registered capital	100%	*Factory under construction* Production of high quality Axminster woven carpet for Brintons Limited

* interests held directly by Brintons Limited
† accounting reference date is 31 March

All the above subsidiaries have been included in the consolidation A full list of subsidiary undertakings at 5 July 2008 will be annexed to the Company's next Annual Return

15 Stocks

	Group		Company	
	2008	2007	**2008**	2007
	£'000	£'000	**£'000**	£'000
Raw materials and consumables	**1,952**	2,327	**1,330**	1,445
Work in progress	**6,800**	8,310	**4,530**	5,055
Finished goods	**11,400**	10,871	**10,566**	10,277
	20,152	21,508	**16,426**	16,777

16 Debtors

	Group		Company	
	2008	2007	**2008**	2007
Amounts falling due within one year	**£'000**	£'000	**£'000**	£'000
Trade debtors	**14,308**	13,951	**7,157**	6,592
Amounts owed by group undertakings	**-**	-	**4,587**	7,943
Other debtors	**707**	896	**148**	279
Prepayments and accrued income	**1,141**	1,140	**905**	792
Corporation tax recoverable	**115**	162	**-**	-
Amounts falling due after more than one year				
Other debtors	**141**	-	**141**	6
	16,412	16,149	**12,938**	15,612

17 Creditors

	Group		Company	
	2008	2007	**2008**	2007
Amounts falling due within one year	**£'000**	£'000	**£'000**	£'000
Bank overdrafts	**-**	2,591	**-**	2,696
Other loans	**41**	-	**-**	-
Obligations under finance leases	**29**	45	**29**	45
Payments received on account	**1,669**	1,161	**-**	-
Trade creditors	**4,724**	5,689	**3,708**	4,674
Amounts owed to group undertakings	**-**	-	**8,115**	3,670
Corporation tax	**102**	94	**-**	-
Other taxes and social security	**2,111**	2,191	**1,108**	1,362
Other creditors	**993**	719	**722**	628
Accruals and deferred income	**5,520**	4,133	**2,111**	2,096
	15,189	16,623	**15,793**	15,171

Amounts falling due after more than one year	**£'000**	£'000	**£'000**	£'000
Other loans	**157**	106	**-**	-
Obligations under finance leases	**-**	39	**-**	39
	157	145	**-**	39

Other loans (secured on the assets of a subsidiary undertaking) are due for repayment as follows	**£'000**	£'000	**£'000**	£'000
Within one year	**41**	-	**-**	-

17 Creditors (continued)

Other loans (secured on the assets of a subsidiary undertaking) are due for repayment as follows	**£'000**	£'000	**£'000**	£'000
Between one and two years	**41**	35	**-**	-
Between three and five years	**116**	71	**-**	-
	157	106	**-**	-

18 Provisions

Group	Deferred taxation £'000	Other provisions £'000	Total £'000
At 1 July 2007	1,096	300	1,396
Exchange adjustment	(62)	2	(60)
(Credit)/charge to profit and loss account	(982)	200	(782)
Cash paid	-	(124)	(124)
At 5 July 2008	**52**	**378**	**430**

Company	£'000	£'000	£'000
At 1 July 2007	1,456	100	1,556
(Credit)/charge to profit and loss account	(360)	200	(160)
Cash paid	-	(100)	(100)
At 5 July 2008	**1,096**	**200**	**1,296**

Other provisions include a residual amount in respect of insurance premiums, as reported in 2004/05 In addition, a new provision has been created this year for litigation relating to employee compensation claims The information required by FRS12 'Provisions, Contingent Liabilities and Assets' has not been disclosed on the grounds that it could prejudice seriously the outcome of negotiations

Deferred taxation provided in the accounts is as follows

	Group		Company	
	2008	2007	**2008**	2007
Deferred tax (assets)/liabilities	**£'000**	£'000	**£'000**	£'000
Accelerated capital allowances	**134**	957	**118**	558
Other timing differences	**(289)**	(473)	**(67)**	(41)
Capital gains	**1,050**	1,050	**1,050**	1,050
Tax losses carried forward	**(843)**	(438)	**(5)**	(111)
	52	1,096	**1,096**	1,456

19 Called up share capital

	2008 & 2007	
Authorised:	*No*	**£'000**
Undesignated shares of £1 each	75,000	**75**
'A' ordinary shares of 25p each	7,155,536	**1,789**
'B' ordinary shares of £1 each	2,286,116	**2,286**
	9,516,652	**4,150**

19 Called up share capital (continued)

Allotted, called up and fully paid:	2008 & 2007 No	£'000
'A' ordinary shares of 25p each	7,155,536	**1,789**
'B' ordinary shares of £1 each	2,236,116	**2,236**
	9,391,652	**4,025**

The 'A' and 'B' ordinary shares rank equally in respect of voting rights, rights to dividends and their priority and rights to distributions in respect of a winding up

20 Reconciliation of shareholders' funds and movement on reserves

Group	Share capital £'000	Profit & loss account £'000	Total share-holders' funds £'000
At 2 July 2006	4,025	38,800	42,825
Profit for the year	-	444	444
Dividends	-	(943)	(943)
Other recognised net losses relating to the year	-	(19)	(19)
At 1 July 2007	4,025	38,282	42,307
Profit for the year	-	1,040	1,040
Dividends	-	(472)	(472)
Other recognised net losses relating to the year	-	(3,925)	(3,925)
At 5 July 2008	**4,025**	**34,925**	**38,950**

The cumulative amount of goodwill written off directly to consolidated reserves in relation to acquisitions in previous years is £3,356,000 (2007 £3,356,000)

Company	Share capital £'000	Profit & loss account £'000	Total share-holders' funds £'000
At 2 July 2006	4,025	27,775	31,800
Profit for the year	-	3,801	3,801
Dividends	-	(943)	(943)
Other recognised net gains relating to the year	-	(785)	(785)
At 1 July 2007	4,025	29,848	33,873
Loss for the year	-	(163)	(163)
Dividends	-	(472)	(472)
Other recognised net losses relating to the year	-	(4,337)	(4,337)
At 5 July 2008	**4,025**	**24,876**	**28,901**

21 Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

Continuing activities	**2008 £'000**	2007 £'000
Operating profit	**577**	587
Non cash charges/(credits)		
Profit on disposal of fixed assets	**(445)**	(44)
Depreciation of tangible fixed assets	**3,741**	4,162
Amortisation of goodwill	**229**	275
Amortisation of capital grants	**(106)**	(53)
Decrease/(increase) in stocks	**1,754**	(1,215)
Decrease/(increase) in debtors	**237**	(390)
Increase in creditors	**81**	653
Increase/(decrease) in provisions		
(Decrease) in pension provisions	**(1,062)**	(1,088)
Increase/(decrease) in other provisions	**77**	(100)
Net cash inflow from operating activities	**5,083**	2,787

(b) Changes in net cash balances during the year

	2008 £'000	2007 £'000
At beginning of year	**146**	2,797
Net cash inflow/(outflow) before adjustments for the effects of foreign exchange rates	**4,862**	(2,614)
Effect of foreign exchange rates	**188**	(37)
At end of year	**5,196**	146

(c) Analysis of balances

	2008 £'000	2007 £'000	**Change in year £'000**	2007 £'000	2006 £'000	Change in year £'000
Cash at bank and in hand	**5,196**	2,737	**2,459**	2,737	3,693	(956)
Bank overdrafts	**-**	(2,591)	**2,591**	(2,591)	(896)	(1,695)
At end of year	**5,196**	146	**5,050**	146	2,797	(2,651)

(d) Reconciliation of net cash flow to movement in net debt

	2008 £'000	2007 £'000
Increase/(decrease) in cash	**4,862**	(2,614)
Cash outflow from net decrease in loans and leases	**(18)**	2,581
(Increase)/decrease in net debt resulting from cash flows	**4,844**	(33)
Effect of foreign exchange rates	**169**	(37)
Movement in net debt	**5,013**	(70)
Net cash/(debt) at beginning of year	**(44)**	26
Net (debt)/cash at end of year	**4,969**	(44)

21 Notes to the consolidated cash flow statement (continued)

(e) Analysis of net cash/(debt)

	At 1 July 2007 £'000	Cash flow £'000	Exchange movts £'000	**At 30 June 2008 £'000**
Cash at bank and in hand	2,737	2,271	188	**5,196**
Bank overdrafts	(2,591)	2,591	-	-
Net cash at bank and in hand	146	4,862	188	**5,196**
Loans due within one year	-	(22)	(19)	**(41)**
Loans due after more than one year	(106)	(51)	-	**(157)**
Net cash and loans	40	4,789	169	**4,998**
Leases repayable within one year	(45)	16	-	**(29)**
Leases repayable after one year	(39)	39	-	-
Net cash/(debt)	(44)	4,844	169	**4,969**

22 Analysis of changes in financing during the year

Group	**2008**		2007	
	Share capital £'000	**Loans & leases £'000**	Share capital £'000	Loans & leases £'000
Balance at beginning of year	**4,025**	**190**	4,025	2,771
Loans repaid – net	-	**73**	-	(2,451)
Leases repaid – net	-	**(55)**	-	(130)
Effect of foreign exchange rates	-	**19**	-	-
Balance at end of year	**4,025**	**227**	4,025	190

23 Retirement benefits

The Group operates a number of pension schemes throughout the world, being defined benefit and defined contribution in nature The assets of all pension schemes are held separately from those of Group companies in independently administered funds

The UK defined benefit scheme was closed to future accruals on 30 June 2006 On the same date, two UK defined contribution schemes were closed to future contributions With effect from 30 June 2007, existing members of closed schemes were offered membership of a new, defined contribution stakeholder plan, applicable to all UK employees

UK defined contribution pension schemes

The pension cost charge for the year is disclosed in 'Staff Costs' (note 8) The unpaid employers' contributions outstanding at the year-end, included in 'Accruals and deferred income' (note 17), are £40,345 (2007 £49,290)

23 Retirement benefits (continued)

UK (& Company) defined benefit pension scheme and other post-retirement benefits

Summary of FRS 17 deficits

	2008			2007		
	Gross deficit £'000	Related deferred tax asset £'000	Net deficit £'000	Gross Deficit £'000	Related deferred tax asset £'000	Net deficit £'000
Defined benefit pension scheme	11,968	(3,351)	8,617	7,015	(1,964)	5,051
Post-retirement medical benefits	544	(153)	391	632	(177)	455
Ex-gratia pensions	87	(24)	63	99	(28)	71
Total pension scheme liabilities	12,599	(3,528)	9,071	7,746	(2,169)	5,577

Based on the actuarial valuation methodology prescribed by FRS 17, a net deficit on the UK defined benefit pension scheme has been identified as follows

FRS 17 valuation of UK defined benefit pension scheme

The FRS17 valuation of the UK defined benefit pension scheme is undertaken by a qualified independent actuary based on assumptions provided by the Directors The assumptions provided by the Directors to the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice

Main assumptions:	*5 July 2008*	*30 June 2007*
Rate used to discount scheme liabilities	6 0% p a	5 7% p a
Expected return on scheme assets	7 1% p a	6 8% p a
Rate of future increase in salaries	n/a	n/a
Future revaluation of pensions in deferment	4 2% p a	3 4% p a
Rate of future increase of pensions in payment (5 0% LPI)	3 8% p a	3 1% p a
Rate of future increase of pensions in payment (2 5% LPI)	2 4% p a	2 0% p a
Proportion of employees opting for early retirement	nil	nil
Mortality (current pensioners)		
Actuarial tables used	PA92YOB	PA92YOB
Male life expectancy at age 65 (yrs)	19 8	19 7
Mortality (future pensioners currently aged 45)		
Actuarial tables used	PA92YOB	PA92YOB
Male life expectancy at age 65 (yrs)	21 0	21 0

The assumptions relating to mortality underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows

- Current pensioner aged 65 19 8 years (male)
- Future retiree upon reaching 65 21 0 years (male)

23 Retirement benefits (continued)

FRS 17 valuation of UK defined benefit pension scheme (continued)

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, are as follows

Fair value and expected return on assets·	Fair value at 5 July 2008 £'000	Long-term expected rate of return %	Fair value at 30 June 2007 £'000	Long-term expected rate of return %
Equities	20,838	9 0%	24,090	8 2%
Bonds	27,783	5 5%	27,660	5 5%
Property	4,809	7 8%	5,710	7 0%
Total market value of scheme assets	53,430		57,460	
Present value of scheme liabilities	(65,398)		(64,475)	
Deficit in the scheme	(11,968)		(7,015)	
Related deferred tax asset	3,351		1,964	
Net pension liability	(8,617)		(5,051)	

	2008	2007
Amount charged to operating profit:	**£'000**	£'000
Past service cost	-	58
Analysis of amounts credited to profit and loss interest charge (note 6):	**£'000**	£'000
Expected return on pension scheme assets	**3,750**	3,670
Interest on pension scheme liabilities	**(3,600)**	(3,300)
Net return	**150**	370
Analysis of amount recognised in Statement of Total Recognised Gains & Losses (STRGL):	**£'000**	£'000
Actual return less expected return on assets	**(5,130)**	770
Experience gains and losses arising on liabilities	**(438)**	(3,017)
Assumption changes regarding present value of liabilities	**(510)**	890
Actuarial (loss) recognised in STRGL	**(6,078)**	(1,357)
Movement in market value of scheme assets during the year	**£'000**	£'000
Market value of scheme assets at beginning of year	**57,460**	56,000
Movement in year		
Expected return	**3,750**	3,670
Actuarial (loss)/gain	**(5,130)**	770
Contributions by employer	**975**	1,030
Benefits paid	**(3,625)**	(4,010)
Market value of scheme assets at end of year	**53,430**	57,460

23 Retirement benefits (continued)

FRS 17 valuation of UK defined benefit pension scheme (continued)

Movement in present value of scheme liabilities during the year	**2008 £'000**	2007 £'000
Present value of scheme liabilities at beginning of the year	**64,475**	63,000
Movement in year		
Past service cost	**-**	58
Interest cost	**3,600**	3,300
Actuarial loss	**948**	2,127
Benefits paid	**(3,625)**	(4,010)
Present value of scheme liabilities at end of the year	**65,398**	64,475

History of experience gains and losses	2008 £'000	2007 £'000	2006 £'000	2005 £'000	2004 £'000
Actual return less expected return on assets	(5,130)	770	3,100	3,966	2,718
Percentage of scheme assets	*(10)%*	*1%*	*6%*	*8%*	*6%*
Experience gains and losses arising on liabilities	(438)	(3,017)	1,900	(900)	400
Percentage of present value of scheme liabilities	*(1)%*	*(5)%*	*3%*	*(1)%*	*1%*
Total amount recognised in STRGL	(6,078)	(1,357)	500	166	2,918
Percentage of present value of scheme liabilities	*(9)%*	*(2)%*	*1%*	*0%*	*5%*

Statutory triennial valuation of UK defined benefit scheme

The latest full actuarial valuation was carried out on 1 July 2007 and was updated for FRS 17 purposes to 5 July 2008 by a qualified independent actuary The major assumptions used in the 1 July 2007 full actuarial valuation were

Main assumptions:	
Rate of return on investments (pre-retirement)	5 7% p a
Rate of return on investments (in retirement)	5 7% p a
Pension increases	between 0 0% p a and 3 1% p a
Price inflation	3 4% p a
Market value of scheme's assets	£57 7m
Deficit in the scheme	£11 9m
Level of funding being the actuarial value of assets (using the defined accrued benefit method) expressed as a percentage of the benefits accrued to members, after allowing for future salary increases and after allowing for increases in pensions in payment	83%

Other UK post-retirement benefits

In addition to the defined benefit pension scheme, the Company provides unfunded post-retirement medical arrangements and unfunded ex-gratia pensions to a number of former employees These schemes are accounted for in accordance with FRS 17 The charge to the profit and loss account is disclosed in 'Net Interest (Receivable)/Payable' (note 6) and 'Staff Costs' (note 8) and the actuarial gains and losses are disclosed in the statement of total recognised gains and losses

At the year end, 27 (2007 30) pensioners had entitlement to unfunded post-retirement medical benefits The estimated liability in respect of these benefits is £544,000 (2007 £632,000) 74 (2007 75) pensioners had entitlement to ex-gratia pensions The estimated liability in respect of these benefits is £87,000 (2007 £99,000)

23 Retirement benefits (continued)

Overseas pension schemes

The aggregate pension cost charge for the year for overseas pension schemes is disclosed in 'Staff Costs' (note 8)

The principal overseas scheme with a defined benefit aspect is operated by Brintons Pty Limited The Company operated a defined benefit scheme until 1995 when the nature of the scheme changed to defined contribution (for new members) and defined contribution (with a defined benefit underpin) for existing members The total pension cost charge for the period was £13,000 (2007 £28,000) which forms part of the £133,000 charge shown in note 8

The last full actuarial valuation of the scheme on which the actuary (Aon Consulting, Sydney) has reported was as at 1 July 2008 This valuation has been interpreted on a set of assumptions consistent with those required under FRS17 It shows that the market value of the scheme's assets were £830,000 (2007 £1,650,000) and that after taking account of the present value of the scheme's liabilities, the scheme shows a liability of £19,000 (2007 surplus of £170,000)

Full FRS 17 disclosures for the scheme have not been disclosed because, in the opinion of the Directors, the amounts are not material

24 Capital commitments

	Group		Company	
	2008	2007	**2008**	2007
	£'000	£'000	**£'000**	£'000
Amounts contracted for but not provided in the accounts	-	24	-	24

25 Guarantees

The Company has guaranteed the bank overdrafts of a subsidiary undertaking to the extent of £1,169,000 (2007 £1,224,000), of which £nil was utilised at 5 July 2008 (2007 £nil)

26 Annual commitments under non-cancellable operating leases

Group	**2008**		2007	
	Land & buildings £'000	**Other £'000**	Land & buildings £'000	Other £'000
Expiring within one year	**-**	**28**	194	33
Expiring between two and five years	**273**	**194**	143	192
Expiring after five years	**157**	**-**	131	-
	430	**222**	468	225

Company	**2008**		2007	
	Land & buildings £'000	**Other £'000**	Land & buildings £'000	Other £'000
Expiring within one year	**-**	**26**	194	32
Expiring between two and five years	**103**	**93**	-	110
Expiring after five years	**-**	**-**	7	-
	103	**119**	201	142

27 Transactions with directors & other related party transactions

During the year, the Group entered into transactions, in the ordinary course of business and under normal trading conditions, with a related party Transactions entered into, and trading balances outstanding at 5 July 2008, are as follows

Group *Related party*	Sales to related party £	Purchases from related party £	Amounts owed from related party £	Amounts owed to related party £
Jules Brinton Limited				
2008	281	44,400	-	8,930
2007	3,524	31,200	-	2,800

Company *Related party*	Sales to related party £	Purchases from related party £	Amounts owed from related party £	Amounts owed to related party £
Jules Brinton Limited				
2008	281	11,200	-	8,930
2007	3,524	-	-	-

Jules Brinton Limited supplied consultancy services to the Group and purchased carpet from Brintons Limited Jules Brinton Limited is a company controlled by J B T Brinton, son of M A C Brinton