

North Safety Products Limited (formerly James North & Son Limited)

Registered number 205423

DIRECTORS

R Mann FCA	(Resigned 2 October 1998)
RPA Coles MA LLB (Cantab)	(Resigned 2 October 1998)
CP Bonsey	(Resigned October 1998)
R Peterson	(Appointed 2 October 1998)
D Myers	(Appointed 2 October 1998)
T Hudson	(Appointed 1 January 1999)
P Fredericks	(Appointed 1 January 1999/Resigned 16 April 1999)

SECRETARY

RPA Coles MA LLB (Cantab)	(Resigned 2 October 1998)
D Myers	(Appointed 2 October 1998)

AUDITORS

Ernst & Young
100 Barbirolli Square
Manchester
M2 3EY

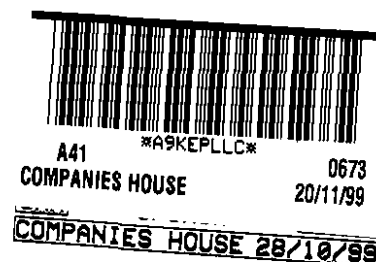
BANKERS

Barclays Bank Plc
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REGISTERED OFFICE

Unit 2
Fifth Avenue
Tameside Park
Dukinfield
SK16 4PP

ERNST & YOUNG



North Safety Products Limited (formerly James North & Son Limited)

Registered number 205423

The directors present their report and accounts for the period ended 31 December 1998.

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company continues to be the manufacture and marketing of protective clothing and safety equipment.

During the period the company acquired the business and assets and assumed the liabilities of creditors and liabilities due to the bank of Seibe Gorman & Company Limited. The transfer of the assets and liabilities was at net book value. North Safety Products Limited has subsequently taken over the assembly and marketing of breathing apparatus under the license of the Seibe Gorman brand name.

On 2 October 1998, North Safety Products Limited was sold to Norcross Safety Products LLC.

CHANGE OF NAME

On 3 July 1998 the company changed its name from James North & Sons Limited to North Safety Products Limited.

RESULTS AND DIVIDENDS

	<i>31 December 1998 £000's</i>	<i>4 April 1998 £000's</i>
Loss after taxation	8,258	2,944

The loss in the period 31 December 1998 arose largely from reducing fixed assets and stocks down to bring the accounting basis in line with that of its new parent company, Norcross Safety Products LLC.

The directors do not recommend the payment of a dividend (April 1998: nil).

RESEARCH AND DEVELOPMENT

The company invests in product innovation and improvement at a level designed to enable it to retain and enhance its market position.

EVENTS SINCE THE BALANCE SHEET DATE

The company announced a plan for the transfer to a joint venture facility in China the manufacturing of dipped glove products and for the outsourcing of clothing and other manufactured products. Additionally, the company announced that its breathing apparatus business will be sold as a going concern. Going forward the company will act as a distributor. The estimated restructuring costs are £2,900,000.

YEAR 2000

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting in widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in event that there is a failure by other parties to remedy their own year 2000 issues.

The company is actively ensuring that all of its systems are compliant. It is also corresponding with all suppliers and customers to ensure they are ensuring compliance.

North Safety Products Limited (formerly James North & Son Limited)

Registered number 205423

YEAR 2000 (continued)

Much of the cost of implementing the action plans will be subsumed into the recurring activities of the departments involved. The total costs of modifications to our computer hardware and software is estimated at £100,000, of which about 60,000 is new equipment that will be capitalised and the remainder will be expensed as incurred. Of this £100,000 total, expenditure of £5,000 has been incurred during the period and the remaining £95,000 will be incurred in 1999.

IMPLEMENTATION OF THE EURO

The directors have taken steps to ensure that the implementation of the euro is considered. The directors do not anticipate that the implementation will have a significant impact on the company.

DIRECTORS AND THEIR INTERESTS

The directors of the company at the date of this report, together with the changes during the period under review, are listed below.

R Mann (resigned 2 October 1998)
R P A Coles (resigned 2 October 1998)
C P Bonsey (resigned 2 October 1998)
R Peterson (appointed 2 October 1998)
D Myers (appointed 2 October 1998)
T N Hudson (appointed 1 January 1999)
P G Fredricks (appointed 1 January 1999/resigned 16 April 1999)

R Peterson and D Myers are directors of the ultimate holding company, Norcross Safety Products LLC.

EMPLOYEES

It is company policy to ensure continued employment where possible to employees who become temporarily or permanently disabled. The company also recognises the need to provide information on matters of concern to employees, and to satisfy that need, the company provides employees with published financial and economic information through its consultative procedures.

POTENTIAL AND CHARITABLE CONTRIBUTIONS

The company made no political or charitable contributions during the period.

By order of the Board



Date:

22.10.99

North Safety Products Limited (formerly James North & Son Limited)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 to 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.

North Safety Products Limited (formerly James North & Son Limited)

REPORT OF THE AUDITORS

to the members of North Safety Products Limited

We have audited the accounts on pages 7 to 20, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9 and 10.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 31 December 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst + Young

Ernst & Young
Registered Auditor
Manchester

Date: *22 October 1999*

North Safety Products Limited (formerly James North & Son Limited)

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 1998

	Notes	Before exceptional charges £000's	Exceptional charges (note 4) £000's	After exceptional charges £000's	Year ended 4 April 1998 £000's
TURNOVER	2	5,727	-	5,727	8,314
Cost of sales		(5,585)	(3,824)	(9,409)	(8,022)
GROSS (LOSS)/PROFIT		142	(3,824)	(3,682)	292
Distribution costs		(164)	-	(164)	(286)
Administrative costs		(1,613)	(660)	(2,273)	(4,146)
OPERATING LOSS	3	(1,635)	(4,484)	(6,119)	(4,140)
Profit on disposal of investments		-	100	100	-
Fundamental restructuring costs		-	(1,041)	(1,041)	-
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(1,635)	(5,425)	(7,060)	(4,140)
Other interest receivable	8	4	-	4	5
Interest payable and similar charges	9	(278)	-	(278)	(397)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,909)	(5,425)	(7,334)	(4,532)
Tax (expense)/benefit on loss on ordinary activities	10	304	(1,228)	(924)	1,588
LOSS FOR THE FINANCIAL PERIOD		(1,605)	(6,653)	(8,258)	(2,944)
Retained deficit brought forward		(3,857)	-	(3,857)	(913)
RETAINED DEFICIT CARRIED FORWARD		(5,462)	(6,653)	(12,115)	(3,857)

All of the results for the period and the prior year were derived from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The above results represent the company's total recognised gains and losses in both financial periods.

North Safety Products Limited (formerly James North & Son Limited)


BALANCE SHEET

as at 31 December 1998

		31 December Notes 1998 £000's	4 April 1998 £000's
FIXED ASSETS			
Intangible assets	11	-	154
Tangible assets	12	2,363	2,698
Investments	13	-	89
		<u>2,363</u>	<u>2,941</u>
CURRENT ASSETS			
Stocks	14	1,882	1,958
Debtors	15	2,138	6,315
Cash at bank and in hand		741	144
		<u>4,761</u>	<u>8,417</u>
CREDITORS: amounts falling due within one year	16	(4,168)	(12,003)
NET CURRENT ASSETS/(LIABILITIES)		<u>593</u>	<u>(3,586)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,956</u>	<u>(645)</u>
CREDITORS: amounts falling due after more than one year	17	(2,064)	(101)
Provisions for liabilities and charges	18	-	(304)
NET ASSETS/(LIABILITIES)		<u>892</u>	<u>(1,050)</u>
CAPITAL AND RESERVES			
Called up share capital	19,20	11,698	1,498
Share premium account	20	1,309	1,309
Profit and loss account	20	(12,115)	(3,857)
Shareholders' funds		<u>892</u>	<u>(1,050)</u>

These financial statements were approved by the board of directors on behalf by:

and were signed on its



Directors

NOTES TO THE ACCOUNTS

as at 31 December 1998

1. ACCOUNTING POLICIES

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

Basis of preparation

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

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group financial statements and to deliver them to the Registrar of Companies.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Norcross Safety Products LLC and its cash flows are included within the consolidated cash flow statement of that company.

Depreciation

Depreciation is provided to write off the cost, less the estimated residual value of tangible and intangible fixed assets by equal instalments over their estimated useful economic lives as follows:

<i>Tangible assets</i>	<i>31 December 1998</i>	<i>4 April 1998</i>
Freehold buildings	2 ½% of straight line	2½% straight line
Leasehold property	life of lease	life of lease
Plant and machinery	14.3% of straight line	6.67% straight line
Fixtures and fittings	20% of straight line	6.67 % straight line
Computer equipment	33 ⅓ % of straight line	14.29% straight line

During the period the depreciation rates were changed to be consistent with the estimated useful lives of the new parent company's assets. The effect of this change resulted in an additional charge of £898,000.

No depreciation is provided on freehold land.

Intangible assets

Computer software and design	16.67% to 33 ⅓ straight line	16.67% straight line
Development costs	33 ⅓% straight line	20% to 33 ⅓% straight line

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

NOTES TO THE ACCOUNTS

as at 31 December 1998

1. ACCOUNTING POLICIES (*CONTINUED*)

Pension costs

Pension costs charged to the profit and loss in the period represents a charge from the previous parent company, Siebe plc to reflect the regular pension cost. Any adjustments for surplus or deficiency on the Siebe plc Pension Scheme are reflected in the Siebe plc accounts.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Research and development expenditure

Expenditure on research and development is written off against profits in the year in which it is incurred.

Development expenditure is written off as incurred except where it is material and is separately identifiable with a project on which revenues will be earned in future accounting periods. In such cases, the expenditure is deferred and amortised having regard to production levels achieved and to the ultimate commercial viability of the project.

Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The credit for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

North Safety Products Limited (formerly James North & Son Limited)

NOTES TO THE ACCOUNTS

as at 31 December 1998

2. TURNOVER

	<i>Period ended 31 December 1998 £000's</i>	<i>Year ended 4 April 1998 £000's</i>
United Kingdom	3,238	5,238
Europe	1,988	2,881
USA	14	19
South America	8	2
Australia and East Asia	33	35
Africa and others	446	139
	<u>5,727</u>	<u>8,314</u>

All turnover and trading profits are derived from the sale of protective clothing and safety equipment. Included in the above amounts are revenues arising following the acquisition of the assets of Siebe Gorman Limited. It is not practical to split out all operating costs associated with the Siebe Gorman activities; however revenues relating to Siebe Gorman activities from the date of the acquisition to 31 December were £378,000.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<i>Period ended 31 December 1998 £000's</i>	<i>Year ended 4 April 1998 £000's</i>
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Loss on ordinary activities before taxation is stated after charging

Ordinary operating items:

Auditors' remuneration:		
Audit	21	22
Other services	7	-
Depreciation and other amounts written off tangible and intangible fixed assets:		
Owned	326	307
Leased	14	28
Hire of plant and machinery - rentals payable under operating leases	12	25
Hire of other assets - operating leases	28	259
Research and development expenditure	19	135
Exchange gains	(113)	(20)
(Profit)/Loss on sale of fixed assets	(4)	26

North Safety Products Limited (formerly James North & Son Limited)

NOTES TO THE ACCOUNTS

as at 31 December 1998

4. EXCEPTIONAL ITEMS

During the current period, the company incurred several exceptional charges relating to the restructuring of the business and the acquisition of the company by Norcross Safety Products LLC. The company removed a significant portion of its stock following a review by management. This resulted in a charge for obsolete stock of £2,926,000 in current year which is recorded in cost of sales.

Also the depreciation rates were changed to be consistent with the estimated useful lives of the new parent company. The effect of this change resulted in an additional charge of £898,000 included in cost of sales.

During the current period, the company reviewed the net realisable value of intangibles. As a result, the value was written down by £660,000 to its net realisable value.

During the current period the company sold its fixed asset investments realising a profit of £100,000.

The company restructured its business in the current period by consolidating existing facilities and discontinuing the manufacture of certain product lines resulting in a current year restructuring charge of £1,041,000.

The company has become unable to utilise the tax recoverable amounts recorded in prior periods, thus these amounts were written off resulting in a charge of £1,228,000.

Included in administrative expenses in the prior year ended 4 April 1998, are restructuring costs of £2,077,000.

5. ACQUISITION

On 22 August 1999 the company acquired certain assets, liabilities and the business of Siebe Gorman and Company Limited for net book value. The effects of this acquisition on the accounts was as follows:

	<i>Book Value of Assets Acquired £</i>	<i>Fair Value of Assets Acquired £</i>
Tangible assets	473	473
Intangible assets	487	487
Cash, less overdrafts	(1,865)	(1,865)
Stocks	1,688	1,688
Debtors	134	134
Other assets	151	151
Accruals	(22)	(22)
Group creditors	(848)	(848)
Finance, leases	(198)	(198)
Total net assets acquired	-	-

6. REMUNERATION OF DIRECTORS

	<i>Period ended 31 December 1998 £000's</i>	<i>Year ended 4 April 1998 £000's</i>
Directors emoluments	-	8
Amounts receivable under long term incentive schemes	-	-
	-	8

North Safety Products Limited (formerly James North & Son Limited)

NOTES TO THE ACCOUNTS

as at 31 December 1998

7. STAFF NUMBER AND COSTS

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	<i>31 December 1998</i>	<i>4 April 1998</i>
Management	7	11
Administration	16	11
Production and sales	130	143
	<u>153</u>	<u>165</u>

The aggregate payroll costs of these persons were as follows:

	<i>Period ended 31 December 1998 £000's</i>	<i>Year ended 4 April 1998 £000's</i>
Wages and salaries	1,261	2,534
Social Security costs	158	174
Other pension costs (see note 21)	86	-
	<u>1,505</u>	<u>2,708</u>

8. OTHER INTEREST RECEIVABLE

	<i>Period ended 31 December 1998 £000's</i>	<i>Year ended 4 April 1998 £000's</i>
Bank interest	4	5

9. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>Period ended 31 December 1998 £000's</i>	<i>Year ended 4 April 1998 £000's</i>
On bank loans and overdrafts	253	363
Finance charges payable in respect of finance leases	25	34
	<u>278</u>	<u>397</u>

Of the above amount £38 (1997: £Nil) was payable to group undertakings

North Safety Products Limited (formerly James North & Son Limited)

NOTES TO THE ACCOUNTS

as at 31 December 1998

10. TAXATION

	<i>Period ended 31 December 1998 £</i>	<i>Year ended 4 April 1998 £</i>
UK corporation tax credit at 31%	-	(1,228)
Adjustment relating to earlier years	1,228	(10)
Deferred taxation	(304)	(350)
	<u>924</u>	<u>(1,588)</u>

There is no tax effect for the fundamental restructuring charges or the profit on the disposal of investments.

11. INTANGIBLE FIXED ASSETS

	<i>Development costs £000's</i>
COST	
At beginning of period	1,280
Additions	79
Transfers from Siebe Gorman	1,211
Write off of intangibles	(2,396)
At end of period	<u>174</u>
AMORTISATION	
At beginning of period	1,126
Transfers from Siebe Gorman	724
Charged in period	60
Write off of intangibles	(1,736)
At end of period	<u>174</u>
NET BOOK VALUE	
At 31 December 1998	-
At 5 April 1998	<u>154</u>

Intangible fixed assets represent costs incurred in development new products and related manufacturing processes as well as the development of improved computer systems within the company. Such costs are amortised over the period expected to benefit from the developments.

North Safety Products Limited (formerly James North & Son Limited)

NOTES TO THE ACCOUNTS

as at 31 December 1998

12. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i>	<i>Leasehold land and buildings</i>	<i>Plant and machinery motor vehicles fixtures and fittings tools and equipment</i>	<i>Total</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
COST				
At beginning of period	75	160	5,738	5,973
Additions	-	10	722	732
Transfers in from Siebe Gorman	-	-	3,764	3,764
Disposals	-	-	(364)	(364)
At end of period	75	170	9,860	10,105
DEPRECIATION				
At beginning of period	23	-	3,252	3,275
Charge for period	32	5	1,201	1,238
Transfers in from Siebe Gorman	-	-	3,291	3,291
On disposal	-	-	(62)	(62)
At end of period	55	5	7,682	7,742
NET BOOK VALUE				
31 December 1998	20	165	2,178	2,363
At 5 April 1998	52	160	2,486	2,698

Included in the total net book value of plant and machinery and motor vehicles is £51,158 in respect of assets held under finance leases. Depreciation for the period on these assets was £14,000.

North Safety Products Limited (formerly James North & Son Limited)

NOTES TO THE ACCOUNTS

as at 31 December 1998

13. FIXED ASSET INVESTMENTS

	<i>Shares in subsidiary undertakings £000's</i>
COST	
At 4 April 1998	139
PROVISIONS	
At beginning and end of period	(50)
Disposals	(89)
NET BOOK VALUE	
At 31 December 1998	-
At 4 April 1998	89

At 4 April 1998, the companies in which the company owned shares were as follows:

	<i>Country of registration or incorporation</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
SUBSIDIARY UNDERTAKINGS			
James North Textiles Limited	England & Wales	Textiles	100
Siebe Protec Limited	England & Wales	Dormant	100

The company disposed of these interests on 19 August 1998 to Siebe plc for £189,000.

14. STOCKS

	<i>31 December 1998 £000's</i>	<i>4 April 1998 £000's</i>
Raw materials and consumables	909	755
Work in progress	194	70
Finished goods and goods for resale	779	1,133
	1,882	1,958

15. DEBTORS

	<i>31 December 1998</i>	<i>4 April 1998</i>
Trade debtors	1,526	725
Amounts owed by group undertakings	410	3,989
Other debtors	77	306
Prepayments and accrued income	125	67
Taxation recoverable	-	1,228
	2,138	6,315

North Safety Products Limited (formerly James North & Son Limited)

NOTES TO THE ACCOUNTS

as at 31 December 1998

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>31 December 1998</i>	<i>4 April 1998</i>
Bank loans and overdrafts	-	3,094
Obligations under finance leases and hire purchase contracts	65	63
Trade creditors	1,171	1,966
Amounts owed to parent and fellow subsidiary undertakings	2,228	6,404
Other creditors including taxation and social security:		
Other taxes and social security	80	71
Accruals and deferred income	624	405
	<u>4,168</u>	<u>12,003</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<i>31 December 1998</i>	<i>4 April 1998</i>
Group loan	1,862	-
Obligations under finance leases and hire purchase contracts	202	101
	<u>2,064</u>	<u>101</u>

The maturity of obligations under finance leases and hire purchase contracts net of finance charges is as follows:

	<i>31 December 1998 £000's</i>	<i>4 April 1998 £000's</i>
Within one year	65	63
In second to fifth years	202	101
	<u>267</u>	<u>164</u>

The finance lease obligations are secured on the assets to which they relate.

North Safety Products Limited (formerly James North & Son Limited)

NOTES TO THE ACCOUNTS

as at 31 December 1998

18. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation £</i>
At beginning of period	304
Credit for the period in the profit and loss account	(304)
At end of period	-

The amounts provided for deferred taxation which represents the full potential liability at 31%, are set out below:

	<i>31 December 1998 £000's</i>	<i>4 April 1998 £000's</i>
Difference between accumulated depreciation and amortisation and capital allowances	-	219
Other timing differences	-	85
	-	304

19. CALLED UP SHARE CAPITAL

	<i>31 December 1998 £000's</i>	<i>4 April 1998 £000's</i>
AUTHORISED		
Ordinary shares of £0.20 each	12,000	2,000
ALLOTTED CALLED UP AND FULLY PAID		
Ordinary shares of £0.20 each	11,698	1,498

During the period the company authorised 50,000,000 new shares with a value of £10,000,000 and issued 51,000,000 shares to Siebe plc.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Profit (loss) account £</i>	<i>Total shareholder funds £</i>
At April 1997	1,498	1,309	(913)	1,894
Loss for the year	-	-	(2,944)	(2,944)
At 4 April 1998	1,498	1,309	(3,857)	(1,050)
Share capital increase	10,200	-	-	10,200
Loss for the period	-	-	(8,258)	(8,258)
At 31 December 1998	11,698	1,309	(12,115)	892

North Safety Products Limited (formerly James North & Son Limited)

NOTES TO THE ACCOUNTS

as at 31 December 1998

21. COMMITMENTS

a) There were no capital commitments at the end of the financial period for which no provision has been made (1997: £nil).

b) Annual commitments under noncancellable operating leases are as follows:

	31 December 1998		4 April 1998
	Land and buildings	Other	Land and buildings
	£	£	£
Operating leases which expire:			
In one year	-	-	-
In the second to fifth years inclusive	355	93	394
	<u>355</u>	<u>93</u>	<u>394</u>

22. PENSION SCHEME

The majority of employees are members of the Siebe Pension Scheme which is a funded, defined benefit scheme. Siebe plc is responsible for making contributions to the scheme, and it levies a charge to the company. The pension cost to Siebe plc has been assessed in accordance with the advice of professionally qualified actuaries, the latest valuation being on 6 April 1996. Full details of the scheme are disclosed in the financial statements of Siebe plc.

The amount provided by the company as a charge from Siebe plc in respect of pension contributions in the period amounted to £96,000 (1997: £104,000).

An amount of £ Nil (4 April 1998: £980,000) is included in amounts owed to parent and fellow subsidiary undertakings in respect of pension contributions not yet paid to Siebe plc.

This plan was effective through 5 April 1999 at which time North Safety Products Limited ceased participation in the Siebe Pension Scheme and established its own pension scheme for its employees the benefits of which are broadly similar to those under the Siebe Pension scheme.

23. RELATED PARTY DISCLOSURES

As the company is a wholly owned subsidiary of Norcross Safety Products LLC, the company has taken advantage of certain exemptions contained within Financial Reporting Standard No 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements in which this company is included can be obtained from the address given in note 23.

There were no other related party transactions.

24. ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER

The whole of the issued share capital is owned by North Safety Products LLC., a company incorporated in the United States and registered in the United States. The company is located at 2211 York Road, Suite 215, Oak Brook, Illinois, 60523-2371.

The largest and smallest group in which the results of North Safety Products Limited are consolidated is the group that is headed by Norcross Safety Products LLC.

North Safety Products Limited (formerly James North & Son Limited)

NOTES TO THE ACCOUNTS

as at 31 December 1998

25. POST BALANCE SHEET EVENTS

The company announced a plan for the transfer to a joint venture facility in China of the manufacturing of dipped glove products and for the outsourcing of clothing and other manufactured products. Additionally, the company announced that its breathing apparatus business will be sold as a going concern. Going forward the company will act as a distributor. The estimated restructuring costs are £2,900,000.