

Company Number: 1479040

**EMLYN CANVAS AND CORDAGE
COMPANY LIMITED**

FINANCIAL STATEMENTS

31 December 1998



C O N T E N T S

	Page
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
AUDITORS' REPORT	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5-6
NOTES TO THE FINANCIAL STATEMENTS	7-11

EMLYN CANVAS AND CORDAGE COMPANY LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 1998.

1 PRINCIPAL ACTIVITY

The principal activity of the company is the production of trade canvas goods.

2 DIRECTORS AND INTERESTS IN SHARES

The directors at 31 December 1998, together with their interests, as defined by the Companies Act 1985, in shares of the company at that date and at the beginning of the year were as follows:

	£1 ordinary 1998	£1 ordinary 1997
J A Attwooll	-	-
N P Attwooll	-	-
P H Attwooll	-	-
Mrs S G Attwooll	-	-

The directors interests in the shares of the ultimate parent company John Attwooll & Company (Tents) Limited are shown in that company's financial statements.

3 YEAR 2000

The directors are aware of the Year 2000 issue and acknowledge that it is their responsibility to analyse the impact of the Year 2000 issue on the business and to develop plans to mitigate the effects identified by this analysis.

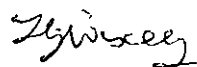
The directors have made the necessary changes to minimise the impact on the business. The directors have concluded that no further costs are likely to be incurred in this respect.

4 AUDITORS

Hazlewoods have expressed their willingness to continue in office.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



T G WIXEY

Secretary
22 September 1999

EMLYN CANVAS AND CORDAGE COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 financial statements 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.

AUDITORS' REPORT

To the shareholders of

EMLYN CANVAS AND CORDAGE COMPANY LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements are free from material mis-statement, 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


HAZEL WOODS

Gloucester

Registered Auditors

22 September 1999

EMLYN CANVAS AND CORDAGE COMPANY LIMITED**PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 1998

	Note	1998	1997
TURNOVER		489,686	667,797
Cost of sales		(306,204)	(480,374)
		<hr/>	<hr/>
GROSS PROFIT		183,482	187,423
Net operating expenses	2	(90,289)	(163,296)
		<hr/>	<hr/>
OPERATING PROFIT	3	93,193	24,127
Interest receivable		62,767	49,994
Interest payable		(254)	(1,017)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		155,706	73,104
Tax on profit on ordinary activities	4	(20,468)	(30,387)
		<hr/>	<hr/>
RETAINED PROFIT FOR YEAR		£ 135,238	£ 42,717
		<hr/>	<hr/>

There were no recognised gains or losses other than the profit for the year as shown above.

All activities of the company are continuing activities, there were no acquisitions in the year.

The only movement in Shareholders' Funds was in respect of the retained profit for the year as shown above.

EMLYN CANVAS AND CORDAGE COMPANY LIMITED

BALANCE SHEET

31 December 1998

	Note	1998	1997
FIXED ASSETS			
Tangible assets	5	102,813	98,660
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks		51,345	45,673
Debtors	6	934,101	796,259
Cash at bank and in hand		17,104	50,554
		<hr/>	<hr/>
		1,002,550	892,486
CREDITORS			
due within one year	7	(101,296)	(127,164)
		<hr/>	<hr/>
NET CURRENT ASSETS		901,254	765,322
		<hr/>	<hr/>
TOTAL ASSETS LESS			
CURRENT LIABILITIES		1,004,067	863,982
		<hr/>	<hr/>
PROVISIONS FOR LIABILITIES			
AND CHARGES	8	(8,258)	(3,411)
		<hr/>	<hr/>
		£ 995,809	£ 860,571
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	9	200	200
Other reserves	10	6,494	6,494
Profit and loss account	10	989,115	853,877
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		£ 995,809	£ 860,571
		<hr/>	<hr/>

The balance sheet is continued on page 6.

EMLYN CANVAS AND CORDAGE COMPANY LIMITED

BALANCE SHEET (Continued)

31 December 1998

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Approved by the board on 22 September 1999.


P H ATTWOOLL - Director

EMLYN CANVAS AND CORDAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1998

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies.

Turnover

Turnover represents the amounts, excluding value added tax, receivable during the year for goods and services supplied.

Depreciation

Depreciation is calculated to write off the cost or valuation less estimated residual value of tangible assets over their estimated useful lives at the following rates:

Leasehold property	2% of cost per annum
Plant and machinery	15% of written down value
Motor vehicles	25% of written down value

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred Taxation

Provision is made for deferred taxation using the liability method (calculated at the rate at which it is estimated that tax will be payable) in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements, to the extent that those differences will give rise to tax liabilities in the foreseeable future.

Operating Leases

The cost of and income from operating leases is charged and credited to the profit and loss account on a straight line basis over the lease term.

Pension Costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the scheme rules.

Cash Flow Statement

The company has not presented a cash flow statement on the grounds that the company qualifies as a small company within the meaning of Financial Reporting Standard Number 1 and hence is exempt from the requirements thereof. The directors are of the opinion that the costs of preparing such a statement would outweigh the benefits to the company.

EMLYN CANVAS AND CORDAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1998

1 ACCOUNTING POLICIES (Continued)

Hire Purchase and Finance Leases

Assets acquired under hire purchase and finance leases are recorded in the balance sheet as *tangible fixed assets at their equivalent value*. The corresponding liability is included under creditors due within or after one year. The interest element is charged to the profit and loss account and represents a constant proportion of the balance of capital repayments outstanding.

2 NET OPERATING EXPENSES	1998	1997
Administrative expenses	90,691	164,081
Other operating income	(402)	(785)
	<hr/>	<hr/>
	£ 90,289	£ 163,296
	<hr/>	<hr/>

3 OPERATING PROFIT

Operating profit is stated after charging:	£	£
Depreciation of fixed assets	7,207	11,042
Auditors' remuneration	2,000	2,000
Directors' remuneration	-	47,000
	<hr/>	<hr/>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for taxation comprises:

Corporation tax at 21% (1997: 31%)	33,000	31,000
Deferred taxation	4,847	(613)
Overprovision in previous years	(17,379)	-
	<hr/>	<hr/>
	£ 20,468	£ 30,387
	<hr/>	<hr/>

EMLYN CANVAS AND CORDAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1998

5 TANGIBLE FIXED ASSETS

	Leasehold property	Plant & machinery	Motor vehicles	Total
Cost				
At 1 January 1998	75,027	77,252	38,366	190,645
Additions	-	6,404	9,700	16,104
Disposals	-	-	(9,487)	(9,487)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	75,027	83,656	38,579	197,262
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 1998	10,716	56,121	25,148	91,985
Charge for year	893	3,185	3,129	7,207
Disposals	-	-	(4,743)	(4,743)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	11,609	59,306	23,534	94,449
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 1998	£ 63,418	£ 24,350	£ 15,045	£ 102,813
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	£ 64,311	£ 21,131	£ 13,218	£ 98,660
	<hr/>	<hr/>	<hr/>	<hr/>

Net book values £Nil (1997: £4,744) in respect of assets held under finance lease and hire purchase contracts.

6 DEBTORS	1998	1997
Trade debtors	84,960	122,568
Group undertakings	846,157	664,217
Prepayments and accrued income	2,984	3,106
Other debtors	-	6,368
	<hr/>	<hr/>
	£ 934,101	£ 796,259
	<hr/>	<hr/>

EMLYN CANVAS AND CORDAGE COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 1998

7	CREDITORS - due within one year	1998	1997
	Other creditors:		
	Trade creditors	21,237	20,387
	Group undertakings	-	1,186
	Accruals and deferred income	3,927	55,965
	Taxation and social security	12,915	16,391
	Corporation tax	33,000	31,000
	Other creditors	2,017	2,235
	Directors' accounts	28,200	-
		<hr/>	<hr/>
	Total creditors due within one year	£ 101,296	£ 127,164
		<hr/>	<hr/>
8	PROVISIONS FOR LIABILITIES AND CHARGES		
	Deferred taxation:		
	Balance at beginning of year	3,411	4,024
	Transfer from profit and loss account	4,847	(613)
		<hr/>	<hr/>
	Balance at end of year	£ 8,258	£ 3,411
		<hr/>	<hr/>
	The deferred taxation provision comprises:		
	Capital allowances in excess of corresponding charge for depreciation	£ 8,258	£ 3,411
		<hr/>	<hr/>
9	SHARE CAPITAL		
	Authorised:		
	10,000 ordinary shares of £1 each	£ 10,000	£ 10,000
		<hr/>	<hr/>
	Allotted and fully paid:		
	200 ordinary shares of £1 each	£ 200	£ 200
		<hr/>	<hr/>

EMLYN CANVAS AND CORDAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1998

10 RESERVES	Profit & loss account	Capital reserve	Total
At beginning of year	853,877	6,494	860,371
Transfer from profit and loss account in year	135,238	-	135,238
	<hr/>	<hr/>	<hr/>
At end of year	£ 989,115	£ 6,494	£ 995,609
	<hr/>	<hr/>	<hr/>

11 TRANSACTIONS WITH RELATED PARTIES

The company paid management charges to its parent company of £15,000.

The company transferred a motor vehicle to its parent company during the year. The vehicle was sold at open market value.

12 PARENT COMPANY

The ultimate parent company of the only group of which the company is a member is John Attwooll & Company (Tents) Limited which is registered in England and Wales.

13 CONTROL OF COMPANY

The company is controlled by Messrs P H Attwooll, S G Attwooll, J A Attwooll, N P Attwooll and H J Attwooll.