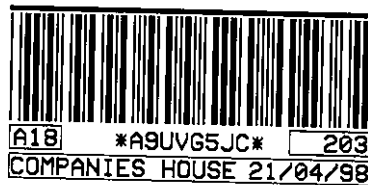


RAVEN OF BARNSLEY LIMITED

FINANCIAL STATEMENTS

**for the fifty-two weeks ended
31st August, 1997**



KIDSONS IMPEY

Chartered Accountants

HULL

RAVEN OF BARNSLEY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 1997

CONTENTS

	Pages
Directors' report	1 - 2
Statement of directors' responsibilities	3
Report of the auditors to the members	4
Profit and loss account	5
Balance sheet	6
Notes	7 - 13

The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix I
Profit and loss account	Appendix II

Directors

F. W. Wood (Chairman)
A. P. H. Thomas (Managing)
N. R. Carrick
G. R. Parton
Mrs. K. A. Ward
M. Hirst

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements of the company for the fifty-two weeks ended 31st August, 1997 ("the year").

Business review

The principal activity of the company continues to be the design, manufacture and distribution of workwear clothing.

The company has continued its development and extension of the range of manufactured products and all expenditure on this is absorbed as it is incurred.

The company's high volume commodity products are now imported, leaving the business to concentrate on its strengths in design, versatility and small-batch manufacturing flexibility.

The trading results for the year are shown in the profit and loss account on page 5.

The directors recommend the payment of a final dividend of £111,000 with £350 being transferred to reserves.

The company's future development will be in its current and similar products in which there appear to be opportunities.

Directors

The membership of the Board is shown above. All served on the Board for the whole of the financial year.

Messrs. G.R. Parton and M. Hirst retire by rotation and, being eligible, offer themselves for re-election.

Directors' shareholdings

None of the directors have any beneficial interest in the share capital of the company. The interests of Messrs. F. W. Wood and N. R. Carrick in the share capital of Cosalt plc, the ultimate parent company, are disclosed by that company.

The interests of the other directors in the ordinary share capital of Cosalt plc are as follows:

	At 31st August, 1997	At 2nd September, 1996
A. P. H. Thomas	1,667	1,245
G. R. Parton	2,839	2,417
Mrs. K. A. Ward	2,534	2,112
M. Hirst	522	387

These holdings include shares issued under the Cosalt plc Employees' Profit Sharing Scheme.

DIRECTORS' REPORT

(continued)

Directors' shareholdings (continued)

Mr. A. P. H. Thomas held options to purchase Cosalt plc ordinary shares under the various Cosalt plc Executive Share Option Schemes as follows:

At 2nd September, 1996	Granted during year	At 31st August, 1997	Exercise price	Dates from which exercisable	Expiry date
10,000	-	10,000	140p	15.12.97	14.12.04
-	2,750	2,750	219.50p	17.02.00*	16.02.04
-	<u>7,250</u>	<u>7,250</u>	219.50p	17.02.00*	16.02.07
10,000	10,000	20,000			
<u>10,000</u>	<u>10,000</u>	<u>20,000</u>			

* Performance criteria must be met before exercise permitted.

No options lapsed during the year.

The market price of Cosalt plc ordinary shares at 31st August, 1997 was 198.50p and the range during the year was 187.50p to 228.50p.

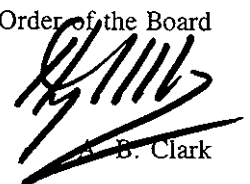
Fixed assets

The movements in tangible fixed assets are set out in note 8 to the financial statements. In note 15 additional information is provided on assets used by the company which are subject to lease and hire purchase agreements.

Auditors

The auditors, Messrs. Kidsons Impey, Chartered Accountants, have intimated their willingness to continue in office.

By Order of the Board



A. B. Clark
Secretary

Fish Dock Road,
Grimsby.

24th November, 1997.

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 at the end of the year, 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;
- * state whether applicable 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 assume 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 of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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 financial statements and to report our opinion to you.

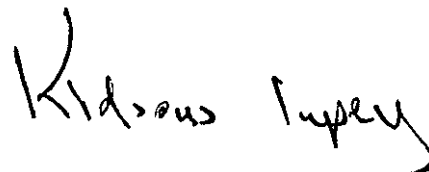
Basis of opinion

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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st August, 1997 and of its profit for the fifty-two weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



Kidsons Impey

Hull: 24th November, 1997.

Registered Auditors
Chartered Accountants

PROFIT AND LOSS ACCOUNT

FOR THE FIFTY-TWO WEEKS ENDED 31ST AUGUST, 1997

	Note	52 weeks ended 31st August, 1997 £	52 weeks ended 1st September, 1996 £
Turnover	2	4,218,307	4,293,733
Operating profit	3	176,366	167,570
Interest payable and similar charges	4	<u>16,095</u>	<u>30,308</u>
Profit on ordinary activities before taxation		160,271	137,262
Taxation on ordinary activities	6	<u>48,921</u>	<u>47,194</u>
Profit for the financial year		111,350	90,068
Dividend on non-equity shares	7	<u>4</u>	<u>4</u>
Profit attributable to equity shares		111,346	90,064
Dividend on equity shares	7	<u>110,996</u>	<u>89,996</u>
Transferred to reserves	14	<u>350</u>	<u>68</u>

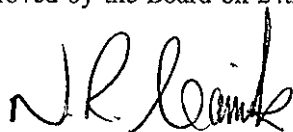
All operations are classed as continuing.

The company has no recognised gains or losses other than the profits for the years disclosed above; accordingly, a statement of recognised gains and losses has not been included in these financial statements.

BALANCE SHEET - 31ST AUGUST, 1997

	Note	31st August, 1997		1st September, 1996	
		£	£	£	£
Fixed assets					
Tangible fixed assets	8		70,482		84,439
Current assets					
Stocks	9	247,526		243,001	
Debtors	10	694,257		909,317	
Bank and cash balances		<u>287,419</u>		<u>393,988</u>	
		1,229,202		1,546,306	
Creditors					
Amounts falling due within one year	11	<u>1,070,001</u>		<u>1,389,265</u>	
Net current assets			<u>159,201</u>		<u>157,041</u>
Total assets less current liabilities			229,683		241,480
Creditors					
Amounts falling due after more than one year	11		<u>6,467</u>		<u>18,614</u>
Net assets			<u>223,216</u>		<u>222,866</u>
Capital and reserves					
Called up share capital	13		166,318		166,318
Profit and loss account	14		<u>56,898</u>		<u>56,548</u>
Shareholders' funds (including non-equity interests)	14		<u>223,216</u>		<u>222,866</u>

Approved by the Board on 24th November, 1997.



N. R. Carrick - Director

NOTES ON FINANCIAL STATEMENTS - 31ST AUGUST, 1997

1. Accounting policies**Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds it is a wholly owned subsidiary undertaking of a parent undertaking which publishes a consolidated cash flow statement.

Depreciation

Tangible fixed assets are depreciated on a straight line basis at annual rates which vary depending on the type of asset but which are generally:

Plant and machinery	5% - 20%
Motor vehicles	20% - 25%

Leased assets

Assets which are financed by leasing agreements transferring substantially all the risks and rewards of ownership (finance leases) are capitalised and depreciated over their useful lives. The liability to the leasing company is included in creditors. Leasing payments are treated as consisting of capital and interest elements and the interest element is charged to profit and loss account. References to finance leases include hire purchase transactions. All other payments under lease agreements are charged in full to profit and loss account.

Stocks

Stocks are stated at the lower of cost, including an appropriate proportion of production overheads, and net realisable value.

Deferred taxation

Provision is made on the liability method for deferred taxation, arising from the different treatment of certain items for taxation and accounting purposes, unless there is reasonable probability that such deferred taxation will not be payable in the foreseeable future.

Pension costs

Contributions to the group's pension schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' service lives.

2. Turnover

Turnover represents the goods and services, excluding value added tax, invoiced to customers arising from the principal activity of the design, manufacture and distribution of workwear clothing.

The whole of the turnover for both 1997 and 1996 arose within the United Kingdom.

NOTES ON FINANCIAL STATEMENTS - 31ST AUGUST, 1997

(continued)

3. Operating profit

Operating profit has been arrived at after charging/(crediting):

	1997 £	1996 £
Movement in stocks of finished goods and work in progress	(45,252)	25,122
Raw materials and consumables	2,110,263	2,163,675
Other external charges	208,526	202,689
Auditors' remuneration	3,000	3,000
Operating lease charges - plant	35,783	22,415
Staff costs (note 5)	1,679,274	1,658,556
Depreciation on owned assets	29,474	17,566
Depreciation on assets held under finance lease agreements	6,623	6,640
Other operating charges	<u>14,250</u>	<u>26,500</u>
	<u>4,041,941</u>	<u>4,126,163</u>

4. Interest payable and similar charges

	1997 £	1996 £
Capital charge by ultimate parent company	14,250	26,500
On finance leases	<u>1,845</u>	<u>3,808</u>
	<u>16,095</u>	<u>30,308</u>

5. Directors and employees

	1997 £	1996 £
Staff costs:		
Wages and salaries	1,543,061	1,528,887
Social security costs	107,794	103,627
Other pension costs	14,457	12,700
Employees' profit sharing scheme	<u>13,962</u>	<u>13,342</u>
	<u>1,679,274</u>	<u>1,658,556</u>

Emoluments of the directors of the company were:

	£	£
Remuneration for management	<u>111,627</u>	<u>110,235</u>

	Number	Number
The number of directors accruing benefits under defined benefit pension schemes in respect of qualifying services was:	6	6
The number of directors exercising share options in respect of Cosalt plc shares during the year was:	1	-
The number of directors granted share options in respect of Cosalt plc shares during the year was:	3	-

NOTES ON FINANCIAL STATEMENTS - 31ST AUGUST, 1997

(continued)

5. Directors and employees (continued)

	1997 Number	1996 Number
The average number of employees of the company during the year was:		
Management and administration	7	6
Production and sales staff	<u>193</u>	<u>198</u>
	200	204
	<u>==</u>	<u>==</u>

6. Taxation on ordinary activities

The taxation charge based on the profit on ordinary activities is:

	1997 £	1996 £
U.K. corporation tax payable at 32.16% (1996 - 33%)	50,500	45,000
Deferred taxation	<u>1,463</u>	<u>3,212</u>
	51,963	48,212
Adjustment in respect of prior years:		
Corporation tax	(3,552)	-
Deferred taxation	<u>510</u>	<u>(1,018)</u>
	48,921	47,194
	<u>==</u>	<u>==</u>

7. Dividends

	1997 £	1996 £
On Non-Equity shares:		
Voting Special Ordinary shares at 7%	4	4
	<u>==</u>	<u>==</u>
On Equity shares:		
Non-Voting Ordinary shares - proposed final	110,996	89,996
	<u>==</u>	<u>==</u>

NOTES ON FINANCIAL STATEMENTS - 31ST AUGUST, 1997

(continued)

8. Tangible fixed assets

	Plant and machinery £
Cost	
At 2nd September, 1996	322,788
Intra group transfers	37,394
Additions	2,110
Disposals	<u>(750)</u>
At 31st August, 1997	361,542
	<u><u> </u></u>
Depreciation	
At 2nd September, 1996	238,349
Intra group transfers	17,177
Charged to profit and loss account	36,097
Eliminated in respect of disposals	<u>(563)</u>
At 31st August, 1997	291,060
	<u><u> </u></u>
Net book values	
At 31st August, 1997	70,482
	<u><u> </u></u>
At 1st September, 1996	84,439
	<u><u> </u></u>

The following tangible fixed assets held under finance lease agreements are included above:

	1997 £	1996 £
Cost	107,269	107,269
Depreciation	<u>82,924</u>	<u>76,301</u>
Net book values	24,345	30,968
	<u><u> </u></u>	<u><u> </u></u>

9. Stocks

	1997 £	1996 £
Raw materials	115,290	156,017
Work in progress	31,396	20,836
Finished goods	<u>100,840</u>	<u>66,148</u>
	247,526	243,001
	<u><u> </u></u>	<u><u> </u></u>

NOTES ON FINANCIAL STATEMENTS - 31ST AUGUST, 1997

(continued)

10. Debtors

	1997 £	1996 £
Trade debtors	477,453	336,855
Amount due from ultimate parent company	703	230,028
Amounts due from fellow subsidiary undertakings	184,295	301,857
Deferred taxation (note 12)	1,600	3,573
Other debtors	1,169	4,865
Prepayments and accrued income	<u>29,037</u>	<u>32,139</u>
	<u>694,257</u>	<u>909,317</u>

11. Creditors

	1997 £	1996 £
Amounts falling due within one year:		
Trade creditors	521,837	652,972
Amounts owed to fellow subsidiary undertakings	933	228,837
Corporation tax	80,421	76,424
Other taxation	103,678	106,931
Social security	12,096	12,260
Other creditors	2,917	9,552
Accruals and deferred income	225,233	200,832
Dividends payable	111,000	90,000
Obligations under finance leases (note 15)	<u>11,886</u>	<u>11,457</u>
	<u>1,070,001</u>	<u>1,389,265</u>

Amounts falling due after more than one year:

Obligations under finance leases (note 15)	<u>6,467</u>	<u>18,614</u>
--	--------------	---------------

12. Deferred taxation

Debtors include deferred taxation comprising of:

	1997 £	1996 £
Delayed tax allowances	3,457	273
Other timing differences	<u>(1,857)</u>	<u>3,300</u>
	<u>1,600</u>	<u>3,573</u>

NOTES ON FINANCIAL STATEMENTS - 31ST AUGUST, 1997

(continued)

13. Called up share capital

	1997 £	1996 £
Authorised:		
Voting Special Ordinary shares of £1 each	1,000	1,000
Non-Voting Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
	501,000	501,000
Issued and fully paid:		
Voting Special Ordinary shares of £1 each	55	55
Non-Voting Ordinary shares of £1 each	<u>166,263</u>	<u>166,263</u>
	166,318	166,318

Voting Special Ordinary shareholders are entitled to vote at all general meetings of the company; to a fixed non-cumulative preference dividend of 7% net ranking in priority to other classes of shares and are entitled only to a return of capital in the event of a winding up of the company ranking in priority to other classes of shares.

14. Reserves

(a) Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	111,350	90,068
Dividends	<u>(111,000)</u>	<u>(90,000)</u>
Net addition to shareholders' funds	350	68
Opening shareholders' funds	<u>222,866</u>	<u>222,798</u>
Closing shareholders' funds	223,216	222,866

Shareholders' funds include the following non-equity interests:

Voting Special Ordinary shares of £1 each	55	55
---	----	----

Details of the rights attaching to these shares are shown in note 13.

(b) Profit and loss account

	£
Balance at 2nd September, 1996	56,548
Profit for the year, less dividends	<u>350</u>
Balance at 31st August, 1997	56,898

NOTES ON FINANCIAL STATEMENTS - 31ST AUGUST, 1997

(continued)

15. Leasing obligations

(a) Future commitments due under finance leases are:

	1997 £	1996 £
Within one year	12,936	13,439
Between two and five years	<u>6,467</u>	<u>19,402</u>
	19,403	32,841
Less: future finance charges	<u>1,050</u>	<u>2,770</u>
	18,353	30,071
	=====	=====
Shown in creditors (note 11) as:	£	£
Amounts falling due within one year	11,886	11,457
Amounts falling due after more than one year	<u>6,467</u>	<u>18,614</u>
	18,353	30,071
	=====	=====

(b) Annual commitments due under non-cancellable operating leases are:

	£	£
Plant leases expiring:		
Within one year	-	11,057
Between two and five years	<u>13,624</u>	<u>3,696</u>
	13,624	14,753
	=====	=====

16. Pension commitments

The company is part of the Cosalt plc group which operates several pension schemes, the major one being of the defined benefit type, and the assets of these schemes are held in separate trustee administered funds.

Contributions by the company which amounted to £14,457 (1996 £12,700) are based on pension costs across the group as a whole and are assessed in accordance with advice of a qualified actuary. Particulars of actuarial valuations of the group schemes are disclosed in the financial statements of Cosalt plc. The latest actuarial assessment of the major scheme was made at 1st January, 1997.

17. Related party transactions

The company has taken advantage of the exemption from disclosing related party transactions with other group companies as permitted by Financial Reporting Standard 8 as the consolidated financial statements in which the company is included are publicly available.

18. Ultimate parent company

The ultimate parent company is Cosalt plc, which is incorporated in England.