

RAVEN OF BARNSELEY LIMITED

FINANCIAL STATEMENTS

for the fifty-two weeks ended
30 August 1998

KIDSONS IMPEY

Chartered Accountants

HULL



RAVEN OF BARNSLEY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 AUGUST 1998

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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

RAVEN OF BARNSELEY LIMITED

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 30 August 1998 ("the year").

Business review

The principal activity of the company continued 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.

Margins improved significantly during the year as production was refined to manufacture more efficiently a wide variety of styles and sizes in small batches.

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 £315,000 with £724 being transferred to reserves.

As part of a group restructuring, the trading operations of the company were transferred to Cosalt Workwear Limited (formerly Jenbro Limited), a fellow subsidiary undertaking, with effect from the start of business on 31 August 1998.

Directors

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

Mr. A.P.H. Thomas and Mrs. K.A. Ward 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 30 August 1998	At 1 September 1997
A.P.H. Thomas	1,765	1,667
G.R. Parton	3,247	2,839
Mrs. K.A. Ward	2,942	2,534
M. Hirst	783	522

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

RAVEN OF BARNSELEY LIMITED

DIRECTORS' REPORT

(continued)

Directors' shareholdings (continued)

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

At 1 September 1997	Granted during year	Exercised during year	At 30 August 1998	Exercise price	Market price at date of exercise	Dates from which exercisable	Expiry date
10,000	-	10,000	-	140p	250p		
2,750	-	-	2,750	219.50p		17.02.00*	16.02.04
7,250	-	-	7,250	219.50p		17.02.00*	16.02.07
<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>232.50p</u>		<u>23.12.00*</u>	<u>22.12.04</u>
<u>20,000</u>	<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 30 August 1998 was 197.50p and the range during the year was 196.50p to 277.50p.

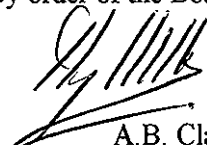
Fixed assets

The movements in tangible fixed assets are set out in note 9 to the financial statements. In note 17 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.

23 November 1998.

RAVEN OF BARNSLEY 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 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.

RAVEN OF BARNSELEY LIMITED**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.

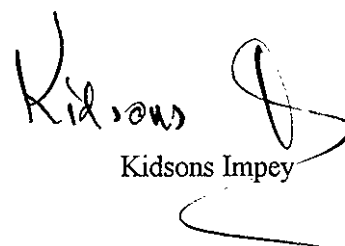
Basis of opinion

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 as at 30 August 1998 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: 23 November 1998.

Registered Auditors
Chartered Accountants

RAVEN OF BARNSLEY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE FIFTY-TWO WEEKS ENDED 30 AUGUST 1998

	Note	52 weeks ended 30 August 1998 £	52 weeks ended 31 August 1997 £
Turnover	2	<u>4,911,726</u>	<u>4,218,307</u>
Operating profit before exceptional item	3	501,437	176,366
Exceptional item	4	<u>26,433</u>	<u>-</u>
Operating profit after exceptional item		475,004	176,366
Interest payable and similar charges	5	<u>15,164</u>	<u>16,095</u>
Profit on ordinary activities before taxation		459,840	160,271
Taxation on ordinary activities	7	<u>144,116</u>	<u>48,921</u>
Profit for the financial year		315,724	111,350
Dividend on non-equity shares	8	<u>4</u>	<u>4</u>
Profit attributable to equity shares		315,720	111,346
Dividend on equity shares	8	<u>314,996</u>	<u>110,996</u>
Transferred to reserves	16	<u>724</u>	<u>350</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.

The notes on pages 7 to 13 form part of these financial statements.

RAVEN OF BARNSELEY LIMITED
BALANCE SHEET - 30 AUGUST 1998

	Note	30 August 1998		31 August 1997	
		£	£	£	£
Fixed assets					
Tangible fixed assets	9		71,310		70,482
Current assets					
Stocks	10	340,603		247,526	
Debtors	11	997,473		694,257	
Bank and cash balances		<u>320,663</u>		<u>287,419</u>	
		1,658,739		1,229,202	
Creditors					
Amounts falling due within one year	12	<u>1,468,251</u>		<u>1,070,001</u>	
Net current assets			<u>190,488</u>		<u>159,201</u>
Total assets less current liabilities			261,798		229,683
Creditors					
Amounts falling due after more than one year	12	11,425		6,467	
Provisions for liabilities and charges	13	<u>26,433</u>	<u>37,858</u>	-	<u>6,467</u>
Net assets			<u>223,940</u>		<u>223,216</u>
Capital and reserves					
Called up share capital	15		166,318		166,318
Profit and loss account	16		<u>57,622</u>		<u>56,898</u>
Shareholders' funds (including non-equity interests)	16		<u>223,940</u>		<u>223,216</u>

Approved by the Board on 23 November 1998.


N.R. Carrick - Director

The notes on pages 7 to 13 form part of these financial statements.

RAVEN OF BARNSELEY LIMITED

NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

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 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.

RAVEN OF BARNSELEY LIMITED

NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

(continued)

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 1998 and 1997 arose within the United Kingdom.

3 Operating profit before exceptional item

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

	1998 £	1997 £
Movement in stocks of finished goods and work in progress	(69,491)	(45,252)
Raw materials and consumables	2,556,499	2,110,263
Other external charges	257,763	208,526
Auditors' remuneration	3,650	3,000
Operating lease charges - plant	17,910	35,783
Staff costs (note 6)	1,609,581	1,679,274
Depreciation on owned assets	2,200	29,474
Depreciation on assets held under finance lease agreements	18,727	6,623
Other operating charges	<u>13,450</u>	<u>14,250</u>
	<u>4,410,289</u>	<u>4,041,941</u>

4 Exceptional item

	1998 £	1997 £
Reorganisation costs	<u>26,433</u>	-

5 Interest payable and similar charges

	1998 £	1997 £
Capital charge by ultimate parent company	13,450	14,250
On finance leases	<u>1,714</u>	<u>1,845</u>
	<u>15,164</u>	<u>16,095</u>

6 Directors and employees

	1998 £	1997 £
Staff costs:		
Wages and salaries	1,475,082	1,543,061
Social security costs	103,770	107,794
Other pension costs	14,393	14,457
Employees' profit sharing scheme	<u>16,336</u>	<u>13,962</u>
	<u>1,609,581</u>	<u>1,679,274</u>

RAVEN OF BARNSELY LIMITED

NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

(continued)

6 Directors and employees (continued)

	1998 £	1997 £
Remuneration for management	<u>111,997</u>	<u>111,627</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	1
The number of directors granted share options in respect of Cosalt plc shares during the year was:	3	3
	Number	Number
The average number of employees of the company during the year was:		
Management and administration	5	7
Production and sales staff	<u>176</u>	<u>193</u>
	<u>181</u>	<u>200</u>

7 Taxation on ordinary activities

	1998 £	1997 £
The taxation charge based on the profit on ordinary activities is:		
U.K. Corporation tax payable at 31% (1997 32.16%)	154,000	50,500
Deferred taxation	<u>(9,884)</u>	<u>1,463</u>
	144,116	51,963
Adjustments in respect of prior years:		
Corporation tax	-	(3,552)
Deferred taxation	<u>-</u>	<u>510</u>
	<u>144,116</u>	<u>48,921</u>

8 Dividends

	1998 £	1997 £
On Non-Equity shares:		
Voting Special Ordinary shares at 7%	<u>4</u>	<u>4</u>
On Equity shares:		
Non-Voting Ordinary shares - proposed final	<u>314,996</u>	<u>110,996</u>

RAVEN OF BARNSLEY LIMITED

NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

(continued)

9 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 September 1997	361,542
Additions	21,755
Disposals	(147,659)
At 30 August 1998	<u>235,638</u>
Depreciation	
At 1 September 1997	291,060
Charged to profit and loss account	20,927
Eliminated in respect of disposals	(147,659)
At 30 August 1998	<u>164,328</u>
Net book values	
At 30 August 1998	<u>71,310</u>
At 31 August 1997	<u>70,482</u>

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

	1998 £	1997 £
Cost	109,013	107,269
Depreciation	<u>88,101</u>	<u>82,924</u>
Net book values	<u>20,912</u>	<u>24,345</u>

10 Stocks

	1998 £	1997 £
Raw materials	138,876	115,290
Work in progress	34,743	31,396
Finished goods	<u>166,984</u>	<u>100,840</u>
	<u>340,603</u>	<u>247,526</u>

RAVEN OF BARNSELEY LIMITED

NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

(continued)

11 Debtors

	1998	1997
	£	£
Trade debtors	459,875	477,453
Amount due from ultimate parent company	-	703
Amounts due from fellow subsidiary undertakings	498,436	184,295
Deferred taxation (note 14)	11,484	1,600
Other debtors	300	1,169
Prepayments and accrued income	<u>27,378</u>	<u>29,037</u>
	<u>997,473</u>	<u>694,257</u>

12 Creditors

	1998	1997
	£	£
Amounts falling due within one year:		
Trade creditors	641,126	521,837
Amount owed to ultimate parent company	79,262	-
Amounts owed to fellow subsidiary undertakings	-	933
Corporation tax	151,524	80,421
Other taxation	21,690	103,678
Social security	16,795	12,096
Other creditors	3,541	2,917
Accruals and deferred income	230,196	225,233
Dividends payable	315,000	111,000
Obligations under finance leases (note 17)	<u>9,117</u>	<u>11,886</u>
	<u>1,468,251</u>	<u>1,070,001</u>
Amounts falling due after more than one year:		
Obligations under finance leases (note 17)	<u>11,425</u>	<u>6,467</u>

13 Provisions for liabilities and charges

	1998	1997
	£	£
Provisions for reorganisation	<u>26,433</u>	<u>-</u>

14 Deferred taxation

	1998	1997
	£	£
Debtors include deferred taxation comprising of:		
(Accelerated)/delayed tax allowances	(801)	3,457
Other timing differences	<u>12,285</u>	<u>(1,857)</u>
	<u>11,484</u>	<u>1,600</u>

RAVEN OF BARNSELEY LIMITED

NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

(continued)

15 Called up share capital

	1998 £	1997 £
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>
	<u>501,000</u>	<u>501,000</u>
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>
	<u>166,318</u>	<u>166,318</u>

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.

16 Reserves

	1998 £	1997 £
Reconciliation of movements in shareholders' funds		
Profit for the financial year	315,724	111,350
Dividends	<u>(315,000)</u>	<u>(111,000)</u>
Net addition to shareholders' funds	724	350
Opening shareholders' funds	<u>223,216</u>	<u>222,866</u>
Closing shareholders' funds	<u>223,940</u>	<u>223,216</u>

Shareholders' funds include the following non-equity interests:

Voting Special Ordinary shares of £1 each	<u>55</u>	<u>55</u>
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Details of the rights attaching to these shares are shown in note 15.

Profit and loss account	£
Balance at 1 September 1997	56,898
Profit for the year, less dividends	<u>724</u>
Balance at 30 August 1998	<u>57,622</u>

RAVEN OF BARNSELY LIMITED

NOTES ON FINANCIAL STATEMENTS - 30 AUGUST 1998

(continued)

17	Leasing obligations		
		1998	1997
	Future commitments due under finance leases are:	£	£
	Within one year	10,246	12,936
	Between two and five years	<u>13,220</u>	<u>6,467</u>
		23,466	19,403
	Less: future finance charges	<u>2,924</u>	<u>1,050</u>
		<u>20,542</u>	<u>18,353</u>
	Shown in creditors (note 12) as:		
	Amounts falling due within one year	9,117	11,886
	Amounts falling due after more than one year	<u>11,425</u>	<u>6,467</u>
		<u>20,542</u>	<u>18,353</u>
	Annual commitments due under non-cancellable operating leases are:		
	Plant leases expiring:		
	Within one year	12,854	-
	Between two and five years	<u>4,469</u>	<u>13,624</u>
		<u>17,323</u>	<u>13,624</u>

18 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 £14,393 (1997 £14,457) 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 1 January, 1997.

19 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.

20 Ultimate parent company

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