

RAVEN OF BARNSLEY LIMITED

FINANCIAL STATEMENTS

for the fifty-three weeks ended
3rd September, 1995

KIDSONS IMPEY

Chartered Accountants

HULL



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-three weeks ended 3rd September, 1995 ("the year").

BUSINESS REVIEW

The principal activity of the company continues to be the manufacture and sale of workwear.

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 has suffered from increasing competition during the year, resulting in a fall in profitability.

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 £89,000 with £542 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. With the exception of Mr. N. R. Carrick who was appointed to the Board subsequent to the year-end on 11th September, 1995, 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.

Mr. N. R. Carrick retires at the Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' SHAREHOLDINGS

None of the directors have any beneficial interest in the share capital of the company. The interest of Mr. F. W. Wood in the share capital of Cosalt plc, the ultimate parent company, is disclosed by that company.

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

	<u>At 3rd September, 1995</u>	<u>At 29th August, 1994</u>
A. P. H. Thomas	866	470
G. R. Parton	1,825	1,206
Mrs. K. A. Ward	1,520	901
M. Hirst	198	-

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 Cosalt plc Executive Share Option Scheme as follows:

At 29th August, 1994	Number of options Granted in year	At 3rd September, 1995	Exercise price	Date from which exercisable	Expiry date
-	10,000	10,000	140p	15.12.97	14.12.04

The market price of Cosalt plc ordinary shares at 3rd September, 1995 was 155p and the range during the year was 131p to 161p.

No options lapsed during the year.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the financial year to 3rd September, 1995, the company has maintained insurance cover for the directors and officers of the company as permitted by Section 310 of the Companies Act 1985.

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.

20th November, 1995.

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.

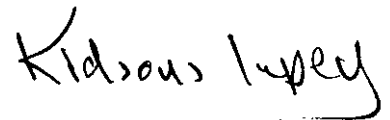
BASIS OF OPINION

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 3rd September, 1995 and of its profit for the fifty-three weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



Kidsons Impey

Hull: 20th November, 1995.

Registered Auditors
Chartered Accountants

PROFIT AND LOSS ACCOUNTFOR THE FIFTY-THREE WEEKS ENDED 3RD SEPTEMBER, 1995

	<u>Note</u>	<u>53 weeks ended 3rd September, 1995</u> £	<u>52 weeks ended 28th August, 1994</u> £
TURNOVER	2	3,609,750	3,673,300
OPERATING PROFIT	3	165,023	322,438
INTEREST PAYABLE AND SIMILAR CHARGES	4	<u>31,341</u>	<u>37,754</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		133,682	284,684
TAXATION ON ORDINARY ACTIVITIES	6	<u>44,140</u>	<u>95,491</u>
PROFIT FOR THE FINANCIAL YEAR		89,542	189,193
DIVIDEND ON NON-EQUITY SHARES	7	<u>4</u>	<u>4</u>
PROFIT ATTRIBUTABLE TO EQUITY SHARES		89,538	189,189
DIVIDEND ON EQUITY SHARES	7	<u>88,996</u>	<u>188,996</u>
TRANSFERRED TO RESERVES	14	<u>542</u>	<u>193</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.

BALANCE SHEET - 3RD SEPTEMBER, 1995

	<u>Note</u>	<u>3rd September,</u> <u>1995</u>	<u>28th August,</u> <u>1994</u>
		£	£
FIXED ASSETS			
Tangible fixed assets	8	105,618	99,287
CURRENT ASSETS			
Stocks	9	238,735	152,529
Debtors	10	931,866	982,997
Bank and cash balances		<u>61</u>	<u>65,564</u>
		1,170,662	1,201,090
CREDITORS			
Amounts falling due within one year	11	<u>1,026,653</u>	<u>1,068,750</u>
NET CURRENT ASSETS		<u>144,009</u>	<u>132,340</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		249,627	231,627
CREDITORS			
Amounts falling due after more than one year	11	<u>26,829</u>	<u>9,371</u>
NET ASSETS		<u>222,798</u>	<u>222,256</u>
CAPITAL AND RESERVES			
Called up share capital	13	166,318	166,318
Profit and loss account	14	<u>56,480</u>	<u>55,938</u>
SHAREHOLDERS' FUNDS (including non-equity interests)	14	<u>222,798</u>	<u>222,256</u>

Approved by the Board on 20th November, 1995.

F. W. Wood - Director



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

NOTES ON FINANCIAL STATEMENTS - 3RD SEPTEMBER, 1995

1. ACCOUNTING POLICIES

(a) 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.

(b) 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%

(c) 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.

(d) Stocks

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

(e) 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.

(f) 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 manufacture and sale of workwear.

The whole of the turnover for both 1995 and 1994 arose within the United Kingdom.

NOTES ON FINANCIAL STATEMENTS - 3RD SEPTEMBER, 1995

(CONTINUED)

3. OPERATING PROFIT

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

	<u>1995</u> £	<u>1994</u> £
Movement in stocks of finished goods and work in progress	(30,101)	82,742
Raw materials and consumables	1,592,053	1,436,577
Other external charges	211,918	218,942
Auditors' remuneration	3,000	3,300
Operating lease charges - plant	24,740	20,002
Staff costs (note 5)	1,568,312	1,491,645
Depreciation on owned assets	19,917	24,374
Depreciation on assets held under finance lease agreements	22,396	15,755
Other operating charges	<u>32,492</u>	<u>57,525</u>
	<u>3,444,727</u>	<u>3,350,862</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1995</u> £	<u>1994</u> £
Capital charge by ultimate parent company	27,300	33,900
On finance leases	<u>4,041</u>	<u>3,854</u>
	<u>31,341</u>	<u>37,754</u>

5. DIRECTORS AND EMPLOYEES

	<u>1995</u> £	<u>1994</u> £
Staff costs:		
Wages and salaries	1,448,434	1,381,510
Social security costs	98,327	103,190
Other pension costs	10,264	6,945
Employees' profit sharing scheme	<u>11,287</u>	<u>-</u>
	<u>1,568,312</u>	<u>1,491,645</u>

Emoluments of the directors of the company were:

	£	£
Remuneration for management	<u>94,684</u>	<u>81,612</u>

NOTES ON FINANCIAL STATEMENTS - 3RD SEPTEMBER, 1995(CONTINUED)

5. DIRECTORS AND EMPLOYEES (continued)

Emoluments of the directors (excluding pension contributions) were:

	<u>1995</u> £	<u>1994</u> £
Chairman	NIL	NIL
Highest paid director	34,045	41,660
Other directors:	<u>Number</u>	<u>Number</u>
Under £5,000	-	2
£10,001 - £15,000	1	-
£15,001 - £20,000	1	-
£25,001 - £30,000	1	-
£35,001 - £40,000	-	1
The average number of employees of the company during the year was:		
Management and administration	8	7
Production and sales staff	<u>200</u>	<u>198</u>
	208	205

6. TAXATION ON ORDINARY ACTIVITIES

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

	<u>1995</u> £	<u>1994</u> £
U.K. corporation tax payable at 33% (1994 - 33%)	43,000	100,128
Deferred taxation	<u>1,838</u>	<u>(5,103)</u>
	44,838	95,025
Adjustment in respect of prior years:		
Corporation tax	(1,689)	-
Deferred taxation	<u>991</u>	<u>466</u>
	44,140	95,491

7. DIVIDENDS

	<u>1995</u> £	<u>1994</u> £
On Non-Equity shares:		
Voting Special Ordinary shares at 7%	4	4
On Equity shares:		
Non-Voting Ordinary shares - proposed final	88,996	188,996

NOTES ON FINANCIAL STATEMENTS - 3RD SEPTEMBER, 1995

(CONTINUED)

8. TANGIBLE FIXED ASSETS

Plant and
machinery
£

COST

At 29th August, 1994

281,144

Additions

51,989

Disposals

(7,700)

At 3rd September, 1995

325,433

DEPRECIATION

At 29th August, 1994

181,857

Charged to profit and loss account

42,313

Eliminated in respect of disposals

(4,355)

At 3rd September, 1995

219,815

NET BOOK VALUES

At 3rd September, 1995

105,618

At 28th August, 1994

99,287

Assets costing approximately £143,000 (1994 £87,000) have been fully depreciated and are still in use.

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

	<u>1995</u> £	<u>1994</u> £
Cost	107,269	63,020
Depreciation	<u>69,661</u>	<u>47,265</u>
Net book values	<u>37,608</u>	<u>15,755</u>

9. STOCKS

	<u>1995</u> £	<u>1994</u> £
Raw materials	126,629	70,524
Work in progress	31,428	8,323
Finished goods	<u>80,678</u>	<u>73,682</u>
	<u>238,735</u>	<u>152,529</u>

NOTES ON FINANCIAL STATEMENTS - 3RD SEPTEMBER, 1995

(CONTINUED)

10. DEBTORS	<u>1995</u> £	<u>1994</u> £
Trade debtors	489,670	677,997
Amount due from ultimate parent company	230,028	235,960
Amounts due from fellow subsidiary undertakings	171,882	25,692
Deferred taxation (note 12)	5,766	8,595
Other debtors	1,179	-
Prepayments and accrued income	<u>33,341</u>	<u>34,753</u>
	931,866	982,997
	<hr/>	<hr/>
11. CREDITORS	<u>1995</u> £	<u>1994</u> £
Amounts falling due within one year:		
Bank overdraft	94,241	-
Trade creditors	258,106	245,880
Amount owed to fellow subsidiary undertaking	157,318	157,318
Corporation tax	112,985	164,128
Other taxation	96,155	96,357
Social security	14,742	11,096
Accruals and deferred income	184,312	187,566
Dividends payable	89,000	189,000
Obligations under finance leases (note 15)	<u>19,794</u>	<u>17,405</u>
	1,026,653	1,068,750
	<hr/>	<hr/>
Amounts falling due after more than one year:		
Obligations under finance leases (note 15)	<u>26,829</u>	<u>9,371</u>
	<hr/>	<hr/>
12. DEFERRED TAXATION		
Debtors include deferred taxation comprising of:		
	<u>1995</u> £	<u>1994</u> £
(Accelerated)/delayed tax allowances	(509)	1,658
Other timing differences	<u>6,275</u>	<u>6,937</u>
	5,766	8,595
	<hr/>	<hr/>

NOTES ON FINANCIAL STATEMENTS - 3RD SEPTEMBER, 1995

(CONTINUED)

13. CALLED UP SHARE CAPITAL	<u>1995</u>	<u>1994</u>
	£	£
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
	<u> </u>	<u> </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>
	166,318	166,318
	<u> </u>	<u> </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.

14. RESERVES

(a) Reconciliation of movements in shareholders' funds

	<u>1995</u>	<u>1994</u>
	£	£
Profit for the financial year	89,542	189,193
Dividends	<u>(89,000)</u>	<u>(189,000)</u>
Net addition to shareholders' funds	542	193
Opening shareholders' funds	<u>222,256</u>	<u>222,063</u>
Closing shareholders' funds	222,798	222,256
	<u> </u>	<u> </u>

Shareholders' funds include the following non-equity interests:

Voting Special Ordinary shares of £1 each	55	55
	<u> </u>	<u> </u>

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

(b) Profit and loss account

	£
Balance at 29th August, 1994	55,938
Profit for the year, less dividends	<u>542</u>
Balance at 3rd September, 1995	<u>56,480</u>

NOTES ON FINANCIAL STATEMENTS - 3RD SEPTEMBER, 1995(CONTINUED)

15. LEASING OBLIGATIONS

(a) Future commitments due under finance leases are:

	<u>1995</u>	<u>1994</u>
	£	£
Within one year	23,362	19,445
Between two and five years	<u>29,546</u>	<u>9,724</u>
	52,908	29,169
Less: future finance charges	<u>6,285</u>	<u>2,393</u>
	46,623	26,776
	<u> </u>	<u> </u>
Shown in creditors (note 11) as:	£	£
Amounts falling due within one year	19,794	17,405
Amounts falling due after more than one year	<u>26,829</u>	<u>9,371</u>
	46,623	26,776
	<u> </u>	<u> </u>

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

	<u>1995</u>	<u>1994</u>
	£	£
Plant leases expiring:		
Within one year	12,396	-
Between two and five years	<u> </u>	<u>15,098</u>
	12,396	15,098
	<u> </u>	<u> </u>

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 £10,264 (1994 £6,945) 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, 1994.

17. ULTIMATE PARENT COMPANY

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