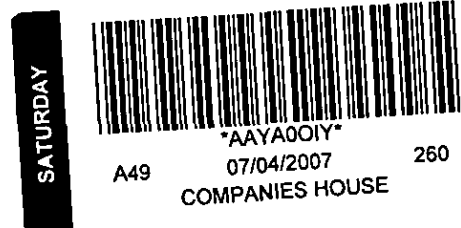


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BANNER LIMITED
FINANCIAL STATEMENTS
for the fifty-two weeks ended
29 October 2006



BANNER LIMITED
FINANCIAL STATEMENTS
FOR THE FIFTY-TWO WEEKS ENDED 29 OCTOBER 2006

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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BANNER LIMITED

Directors

P A Jonsson (Chairman)
 N R Carrick
 F W Wood
 G Hocking
 I T Parrott
 G R Parton
 H G Wilder
 N Plenderleith

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the fifty-two weeks ended 29 October 2006 ("the year")

1 Review of the Business

The company continued to trade in the design, manufacture and distribution of clothing

The operating performance during the year has seen a marginal improvement on the previous financial year

Turnover decreased from £19,843,206 (continuing operations) in the fifty-two weeks ended 30 October 2005 to £19,111,790 in the fifty-two weeks ended 29 October 2006

Gross profit was £7,410,453 (38.8%) in 2006 against £8,428,410 (40.7%) in 2005 (including discontinued activities). Net operating expenses were £7,593,275 compared with £8,828,892 in the prior year

The loss for the financial year amounted to £165,090 (2005: £267,242)

Balance sheet

Due to the loss for the year, the balance sheet shows a decrease in shareholders' funds to £107,957

Principal risks

The most significant risks to the company's profitability are

- Increased costs of raw materials
- Movements in foreign exchange rates for imported products
- Reduced demand from the company's main markets

The board has strategies to manage these risks and remains confident of the continued success of the company

Key Performance Indicators (KPIs)

Management monitor the performance of the operations compared to budget and forecast

KPIs monitored on a daily basis are

- Sales volume and value
- Quality
- Order intake

BANNER LIMITED

DIRECTORS' REPORT (continued)

KPIs monitored monthly/weekly are the above plus

- Profit and cash generation
- Health and safety rate (accidents per 100 employees)

Future prospects

The directors are confident about the long-term prospects for the company, which is well established and focussed on specialist markets, where quality and service have an intrinsic value

Careful investment continues to be made where necessary to support or improve the company's operating efficiency. The new management team which was put in place in May 2006 has reappraised its activities and has now set in train a number of improvements. These improvements include better overseas procurement and logistics, a more proactive sales approach, better internal planning and teamwork, giving an altogether more active customer focussed operation.

Better financial results are expected to be achieved as a result of these initiatives in the coming year and beyond.

2 Dividends

The directors do not propose a dividend in respect of the current year (2005 £nil)

3 Directors

The membership of the Board is shown above. All served on the Board for the whole of the financial year with the exception of P A Jonsson, who was appointed on 29 August 2006. P A Scates resigned as a director on 31 May 2006.

None of the directors have any beneficial interest in the share capital of the company. The interests of Messrs F W Wood, N R Carrick and P A Jonsson 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 29 October 2006	At 30 October 2005
H G Wilder	Nil	Nil
G Hocking	Nil	Nil
I T Parrott	Nil	Nil
G R Parton	3,902	3,902

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

The market price of Cosalt plc ordinary shares at 29 October 2006 was 276 0p and the range during the year was 236 0p to 323 0p.

4 Employees

Details of employees and their remuneration are shown in note 5 to the financial statements.

It is the policy of the company to employ disabled persons wherever circumstances permit and provide normal opportunities for their training, promotion and career development.

The company considers it important that employees are well informed on all aspects of its affairs as far as the needs of communication and financial confidentiality will allow.

BANNER LIMITED**DIRECTORS' REPORT**
(continued)**5 Tangible Fixed Assets**

Movements in tangible fixed assets are shown in note 9 to the financial statements. In note 17 to the financial statements, additional information is provided on assets used by the company which are subject to lease agreements.

6 Payments to Suppliers

For all trade creditors it is the company's policy to agree the terms of payment at the start of business with that supplier. The company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The number of days' purchases outstanding at the end of the year was 46 days (2005: 57 days).

7 Political and Charitable Donations

During the year the company made charitable donations of £551 (2005: £1,859). No political donations were made.

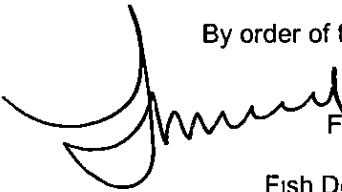
8 Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

9. Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



F W Wood
Director
Fish Dock Road
GRIMSBY

4 April 2007

BANNER LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

REPORT OF THE INDEPENDENT AUDITORS, KPMG AUDIT PLC TO THE MEMBERS OF BANNER LIMITED

We have audited the financial statements of Banner Limited for the fifty-two week period ended 29 October 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 October 2006 and of its loss for the fifty-two weeks then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Leeds

4 April 2007

BANNER LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE FIFTY-TWO WEEKS ENDED 29 OCTOBER 2006

	Note	52 weeks ended 29 October 2006 £	52 weeks ended 30 October 2005 £
Turnover			
Continuing operations	2	19,111,790	19,843,206
Discontinued operations		<u>-</u>	<u>873,642</u>
		19,111,790	20,716,848
Operating profit/(loss)	3		
Continuing operations			
(including exceptional costs of £95,250)		419,086	235,318
Discontinued operations		<u>-</u>	<u>(21,555)</u>
		419,086	213,763
Interest payable and similar charges (net)	4	<u>601,908</u>	<u>614,245</u>
Loss on ordinary activities before taxation		(182,822)	(400,482)
Taxation on loss on ordinary activities	6	<u>(17,732)</u>	<u>(133,240)</u>
Loss for the financial year	16	<u>(165,090)</u>	<u>(267,242)</u>

The company has no recognised gains or losses other than the losses 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 8 to 16 form part of these financial statements

BANNER LIMITED
BALANCE SHEET – 29 OCTOBER 2006

	Note	29 October 2006		30 October 2005	
		£	£	£	£
Fixed assets					
Intangible assets – goodwill	8		46,720		61,095
Tangible fixed assets	9		1,185,018		941,465
Investments	10		<u>14</u>		<u>14</u>
			1,231,752		1,002,574
Current assets					
Stocks	11	3,925,371		4,174,892	
Debtors	12	4,306,181		3,854,055	
Bank and cash balances		<u>631,370</u>		<u>152,912</u>	
		8,862,922		8,181,859	
Creditors					
Amounts falling due within one year	13	<u>9,810,954</u>		<u>8,147,987</u>	
Net current assets			(948,032)		<u>33,872</u>
Total assets less current liabilities			283,720		1,036,446
Creditors					
Provision for liabilities and charges	14		(175,763)		(763,399)
Net assets			<u>107,957</u>		<u>273,047</u>
Capital and reserves					
Called up share capital	15		500,000		500,000
Profit and loss account	16		(392,043)		(226,953)
Equity shareholders' funds	16		<u>107,957</u>		<u>273,047</u>

Approved by the Board on 4 April 2007

N R Carrick - Director



The notes on pages 8 to 16 form part of these financial statements

BANNER LIMITED**NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006****1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

In these financial statements the following new standards have been adopted for the first time

FRS 21 'Events after the balance sheet date',
The presentation requirements of FRS 25 'Financial instruments presentation and disclosure', and
FRS 28 'Corresponding amounts'

The recognition and measurement requirements of FRS 17 'Retirement benefits' have also been adopted, previously only the transitional disclosures of that standard have been followed. There is no impact on the financial statements

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption

FRS 21 superseded SSAP17, under the new standard final dividends receivable and payable are recognised only in the period in which they are declared in the annual general meeting and therefore become a liability, whereas under SSAP17 dividends were accrued for when proposed. This has resulted in no change to any of the previously reported figures

FRS 28 has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985

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 that 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

Freehold buildings	2%
Leasehold buildings	over term of lease
Plant and machinery	10 to 33 3%

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 the profit and loss account. All other payments under lease agreements are charged in full to the 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

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19

BANNER LIMITED**NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006****1 Accounting policies (continued)****Pension costs**

The Company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 Retirement Benefits, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

For defined contribution schemes all contributions are charged directly to the profit and loss account in the years in which they are payable.

Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at approximate rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences arising are included in the profit and loss account for the year.

Goodwill

Goodwill has arisen following the acquisitions of the trade name of Johnscraft Ltd.

The economic benefit of the goodwill arising has been estimated by the directors as being 10 years and as such the goodwill has been taken to the profit and loss account over that year.

The carrying value of goodwill is reviewed as necessary for impairment and written down if impairment is identified.

2 Turnover

Turnover represents the goods and services, excluding value added tax, invoiced to customers. The principal activity of the company is the design, manufacture and distribution of clothing, and the geographical analysis of turnover by destination is as follows:

	2006 £	2005 £
United Kingdom	18,524,689	19,946,059
Overseas	<u>587,101</u>	<u>770,789</u>
	<u>19,111,790</u>	<u>20,716,848</u>

All turnover originated in the United Kingdom.

3 Operating profit

Operating profit has been arrived at after charging:

	2006 £	2005 £
Movement in stocks of finished goods and work in progress	555,889	122,677
Raw materials and consumables	10,694,123	11,182,373
Other external charges	2,829,649	3,299,095
Auditors' remuneration	19,400	21,933
Operating lease charges - property	264,828	414,704
- plant	20,108	63,206
Staff costs (note 5)	3,357,070	4,189,981
Depreciation on owned assets	240,412	152,968
Amortisation of goodwill	14,375	14,375
Other operating income	-	-
Other operating charges	<u>601,600</u>	<u>612,750</u>
Sub total	18,597,454	20,074,062
Exceptional costs	30,500	144,023
Redundancy costs (note 5)	64,750	285,000
	<u>18,692,704</u>	<u>20,503,085</u>

Exceptional costs relate to reorganisation and restructuring.

BANNER LIMITED**NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006**
(continued)**4 Interest payable and similar charges (net)**

	2006	2005
	£	£
Bank interest	308	1,495
Capital charge by parent company	601,600	612,750
On finance leases and hire purchase agreements	<u>-</u>	<u>-</u>
	601,908	614,245
Interest received	<u>-</u>	<u>-</u>
	<u>601,908</u>	<u>614,245</u>

5 Directors and employees

	2006	2005
	£	£
Staff costs		
Wages and salaries	2,959,483	3,976,846
Social security costs	283,413	334,096
Other pension costs	<u>178,924</u>	<u>164,039</u>
	<u>3,421,820</u>	<u>4,474,981</u>

Emoluments of the directors of the company were

Remuneration for management	<u>549,395</u>	<u>395,147</u>
-----------------------------	----------------	----------------

Remuneration of the highest paid director for 2006 was £108,651 (2005 £95,114) including £5,556 (2005 £9,539) of pension contributions

	Number	Number
The number of directors accruing benefits under defined benefit pension schemes in respect of qualifying service was	5	5
The number of directors granted share options in respect of Cosalt plc shares during the year was	2	2
The average number of employees of the company during the year was		
Management and administration	96	94
Production and sales staff	<u>57</u>	<u>135</u>
	<u>153</u>	<u>229</u>

BANNER LIMITED

NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006
(continued)

6 Taxation on ordinary activities	2006	2005
	£	£
The taxation credit based on the loss on ordinary activities is		
UK Corporation tax at 30% (2005 30%)	(57,500)	(127,750)
Deferred taxation	<u>2,325</u>	<u>21,796</u>
	(55,175)	(105,954)
Adjustments in respect of prior years		
Corporation tax	38,088	1,767
Deferred taxation	<u>(645)</u>	<u>(29,053)</u>
	<u>(17,732)</u>	<u>(133,240)</u>

Factors affecting the current tax credit

The tax assessed on the loss on ordinary activities for the year is higher (2005 lower) than the standard rate of corporation tax in the UK of 30% (2005 30%)

The differences are reconciled below

	2006	2005
	£	£
Loss on ordinary activities before tax	<u>(182,822)</u>	<u>(400,482)</u>
Tax at current UK Corporation tax rate of 30% (2005 30%)	(54,846)	(120,145)
Effects of		
Expenses not deductible for tax purposes		
Goodwill amortisation	4,313	4,313
Other	20,715	9,878
Timing differences between capital allowances and depreciation	(38,965)	(20,146)
Short term timing differences	11,283	(1,650)
Adjustments to tax charge in respect of previous periods	<u>38,088</u>	<u>1,767</u>
Current tax credit for year	<u>(19,412)</u>	<u>(125,983)</u>

7 Dividends

	2006	2005
	£	£
Final dividend paid in respect of the prior year but not recognised as liabilities in that year	<u>—</u>	<u>—</u>

BANNER LIMITED

NOTES ON FINANCIAL STATEMENTS – 29 OCTOBER 2006

(continued)

8 Intangible assets - goodwill

	Goodwill £
Cost	
At 30 October 2005	143,753
Disposal	—
At 29 October 2006	<u>143,753</u>
Amortisation	
At 30 October 2005	82,658
Amount charged to profit and loss account	14,375
Disposal	—
At 29 October 2006	<u>97,033</u>
Net book value	
At 29 October 2006	<u>46,720</u>
At 30 October 2005	<u>61,095</u>

Goodwill arising on the acquisition of trading assets and liabilities of the Johnscraft business is being amortised over 10 years. In the opinion of the directors this represents a prudent estimate of the year over which the group will derive economic benefit of the assets acquired.

Negative goodwill arising on the acquisition of trading assets and liabilities of the Banner and Beau Brummel divisions of Baird Textile Holdings plc has been fully amortised.

9 Tangible fixed assets

	Short term leasehold property £	Plant and machinery £	Total £
Cost			
At 30 October 2005	350,041	2,055,225	2,405,266
Additions	—	573,394	573,394
Disposals	—	<u>(268,986)</u>	<u>(268,986)</u>
At 29 October 2006	<u>350,041</u>	<u>2,359,633</u>	<u>2,709,674</u>
Depreciation			
At 30 October 2005	176,493	1,287,308	1,463,801
Charged to profit and loss account	21,307	219,105	240,412
Eliminated in respect of disposals	—	<u>(179,557)</u>	<u>(179,557)</u>
At 29 October 2006	<u>197,800</u>	<u>1,326,856</u>	<u>1,524,656</u>

BANNER LIMITED

NOTES ON FINANCIAL STATEMENTS - 29 OCTOBER 2006
(continued)

9 Tangible fixed assets (continued)

	Short term leasehold property £	Plant and machinery £	Total £
Net book values			
At 29 October 2006	<u>152,241</u>	<u>1,032,777</u>	<u>1,185,018</u>
At 30 October 2005	<u>173,548</u>	<u>767,917</u>	<u>941,465</u>

Assets costing £596,662 (2005 £415,145) have been fully depreciated and are still in use

The following tangible fixed assets held under finance lease are included in plant and machinery above

	2006 £	2005 £
Cost	-	-
Depreciation	<u>-</u>	<u>-</u>
Net book value	<u>-</u>	<u>-</u>

10 Investments

	2006 £	2005 £
Shares in subsidiary undertakings		
Cost and net book value	<u>14</u>	<u>14</u>

The company has a 100% holding in Boy Brummel Limited and Johnscraft Limited both of which are registered in England and Wales. The company also has a 100% holding in Banner (Far East) Limited, a company registered in Hong Kong. None of the above companies traded during the year.

11 Stocks

	2006 £	2005 £
Raw materials	606,668	300,300
Work in progress	125,175	539,208
Finished goods	<u>3,193,528</u>	<u>3,335,384</u>
	<u>3,925,371</u>	<u>4,174,892</u>

12 Debtors

	2006 £	2005 £
Amounts falling due within one year		
Trade debtors	2,973,216	2,609,403
Amount owed by ultimate holding company	253,142	251,681
Amounts due from fellow subsidiary undertakings	145,538	60,000
Group taxation relief recoverable	184,000	188,191
Deferred taxation	77,873	79,553
Other debtors	177,959	159,475
Prepayments and accrued income	<u>494,453</u>	<u>505,752</u>
	<u>4,306,181</u>	<u>3,854,055</u>

BANNER LIMITED

NOTES ON FINANCIAL STATEMENTS - 29 OCTOBER 2006
(continued)

12 Debtors (continued)

	2006 £	2005 £
The deferred taxation debtor comprises		
Accelerated tax allowances	27,809	25,708
Other short term timing differences	<u>50,064</u>	<u>53,845</u>
	<u>77,873</u>	<u>79,553</u>

13 Creditors

	2006 £	2005 £
Amounts falling due within one year		
Bank overdraft	1,473,287	1,474,685
Trade creditors	1,611,455	1,474,086
Amounts owed to ultimate holding company	1,559,281	59,281
Amounts owed to fellow subsidiary undertakings	4,697,156	4,702,578
Corporation tax	100,138	-
Other taxation	10,838	33,015
Social security	11,398	21,955
Other creditors	123,779	182,355
Accruals and deferred income	<u>223,622</u>	<u>200,032</u>
	<u>9,810,954</u>	<u>8,147,987</u>

14 Provisions for liabilities and charges

	Reorganisation provision £	Dilapidations provision £	Warranty provision £	Total £
At 30 October 2005	443,317	112,350	207,732	763,399
Charged to profit and loss account	-	7,367	82,904	90,271
Provision utilised	(438,136)	(7,367)	(114,873)	(560,376)
Released to profit and loss account	<u>(5,181)</u>	<u>(112,350)</u>	<u>-</u>	<u>(117,531)</u>
At 29 October 2006	<u>-</u>	<u>-</u>	<u>175,763</u>	<u>175,763</u>

15 Called up share capital

	2006 £	2005 £
Authorised, issued and fully paid 500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

BANNER LIMITED
NOTES ON FINANCIAL STATEMENTS - 29 OCTOBER 2006
 (continued)

16 Reserves	2006	2005
	£	£
Reconciliation of movements in equity shareholders' funds		
Loss for the financial year	(165,090)	(267,242)
Dividends	<u>-</u>	<u>-</u>
Net reduction in equity shareholders' funds	(165,090)	(267,242)
Opening equity shareholders' funds	<u>273,047</u>	<u>540,289</u>
Closing equity shareholders' funds	<u>107,957</u>	<u>273,047</u>
Profit and loss account	£	
Balance at 30 October 2005	(226,953)	
Loss for the financial year	<u>(165,090)</u>	
Balance at 29 October 2006	<u>(392,043)</u>	
17 Leasing obligations	2006	2005
	£	£
Annual commitments due under non-cancellable operating leases are		
Property leases which expire		
Within one year	52	9,420
Between two and five years	15,000	15,000
Beyond five years	<u>285,000</u>	<u>285,000</u>
	<u>300,052</u>	<u>309,420</u>
Plant and vehicles leases which expire		
Within one year	9,837	12,626
Between two and five years	16,937	44,385
Beyond five years	<u>-</u>	<u>-</u>
	<u>26,774</u>	<u>57,011</u>

BANNER LIMITED**NOTES ON FINANCIAL STATEMENTS - 29 OCTOBER 2006**

(continued)

18 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 No 8 as the consolidated financial statements in which the company is included are publicly available

19 Future financial support

The financial statements have been prepared under the going concern basis, the validity of which is dependent upon the continued financial support by the ultimate parent company

The directors, having consulted with the directors of the ultimate parent company, believe that this financial support will continue for the foreseeable future

Should the ultimate parent company be unable to continue its financial support, certain adjustments would be necessary to these financial statements

20 Ultimate parent company

The company is a subsidiary undertaking of Cosalt plc, which is the ultimate parent company, incorporated in England. The consolidated accounts of this company are available to the public and may be obtained from Fish Dock Road, Grimsby DN31 3NW