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LEDA WORKWEAR LIMITED

FINANCIAL STATEMENTS

**for the forty-three weeks ended
28 October 2001**



LEDA WORKWEAR LIMITED
FINANCIAL STATEMENTS
FOR THE FORTY-THREE WEEKS ENDED 28 OCTOBER 2001

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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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LEDA WORKWEAR LIMITED

Directors

F W Wood (Chairman)
A P H Thomas (Managing)
N R Carrick
P McDonald
K C Scates

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements of the company for the forty-three weeks ended 28 October 2001 ("the period").

Business review

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

The entire issued share capital of SEET Limited, the company's ultimate holding company, was acquired by Cosalt plc on 23 April 2001 and as a result of this the company's year end was changed to 31 October.

The stock and trade of the business was sold on the 30 November 2001 for a cash consideration there being no profit or loss on the sale and as a result the company considers itself dormant.

Directors

The membership of the Board is shown above. All served on the Board for the whole of the period with the exception of Messrs. Wood, Thomas and Carrick who were appointed on 23 May 2001. Mr P Baines resigned as a director on 30 November 2001.

Directors' shareholdings

None of the directors has 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 28 October 2001	At 31 December 2000 or at appointment
A P H Thomas	2,730	2,420
P McDonald	1,000	Nil
K Scates	10,000	Nil

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

LEDA WORKWEAR LIMITED
DIRECTORS' REPORT (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 31 Dec 2000 or at appointment	Granted during period	Exercised during period	Lapsed during period	At 28 Oct 2001	Exercise price (p)	Dates from which exercisable	Expiry date
7,250	-	-	-	7,250	219.5	17.02.00*	16.02.07
2,750	-	-	-	2,750	219.5	17.02.00*	16.02.04
10,000	-	-	-	10,000	232.5	23.12.00*	22.12.04
15,000	-	-	-	15,000	204.5	22.12.01*	21.12.05
7,800	-	-	-	7,800	179.5	28.04.03*	27.04.10
9,200	-	-	-	9,200	179.5	28.04.03*	27.04.07
-	17,000	-	-	17,000	222.5	26.04.04*	25.04.08
52,000	17,000	-	-	69,000			

* Performance criteria must be met before exercise permitted.

The market price of Cosalt plc ordinary shares at 28 October 2001 was 209p and the range during the period was 184p to 237.5p.

Fixed assets

The movement in tangible fixed assets are set out in note 8 to the financial statements. In note 16 to the financial statements additional information is provided on assets used by the company which are subject to lease and hire purchase agreements.

Auditors

The auditors, KPMG Audit Plc, have expressed their willingness to continue in office. In accordance with Section 384 of the Companies Act 1985, a resolution for their re-appointment will be proposed at the Annual General Meeting.

By order of the Board



A J Robson
Secretary

Fish Dock Road
GRIMSBY

28 January 2002

LEDA WORKWEAR LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the period, 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 have a 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
LEDA WORKWEAR LIMITED**

We have audited the financial statements on pages 5 to 14.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities as independent auditors are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit 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 28 October 2001, and of its loss for the forty-three weeks then ended, and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Leeds

28 January 2002

LEDA WORKWEAR LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE FORTY-THREE WEEKS ENDED 28 OCTOBER 2001

		43 weeks ended 28 October 2001	year ended 31 December 2000
	Note	£	£
Turnover	2	<u>385,131</u>	<u>475,450</u>
Operating loss	3	(55,648)	(4,298)
Interest payable and similar charges (net)	4	<u>4,850</u>	<u>7,589</u>
Loss on ordinary activities before taxation		(60,498)	(11,887)
Taxation on ordinary activities	6	<u>(16,684)</u>	<u>706</u>
Loss for the financial period	13	<u>(43,814)</u>	<u>(12,593)</u>

All operations are classed as continuing.

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

The notes on pages 7 to 14 form part of these financial statements.

LEDA WORKWEAR LIMITED

BALANCE SHEET – 28 OCTOBER 2001

	Note	28 October 2001		31 December 2000	
		£	£	£	£
Fixed assets					
Intangible assets – goodwill	7		47,335		51,696
Tangible fixed assets	8		5,946		11,641
Current assets					
Stocks	9	47,838		56,188	
Debtors	10	<u>101,314</u>		<u>102,954</u>	
		149,152		159,142	
Creditors					
Amounts falling due within one year	11	<u>269,113</u>		<u>242,407</u>	
Net current liabilities			(119,961)		(83,265)
Total assets less current liabilities			(66,680)		(19,928)
Creditors					
Amounts falling due after more than one year	11		<u>1,670</u>		<u>4,608</u>
Net liabilities			(68,350)		(24,536)
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		(68,450)		(24,636)
Equity shareholders' funds - adverse			(68,350)		(24,536)

Approved by the Board on 28 January 2002



N R Carrick - Director

The notes on pages 7 to 14 form part of these financial statements.

LEDA WORKWEAR LIMITED**NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001****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 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:

Plant and machinery	10 to 33 ¹ / ₃ %
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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. 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 defined benefit pension schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' service lives.

For defined contribution schemes all contributions are charged directly to the profit and loss account in the periods 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 period.

Goodwill

Goodwill represents the difference between the acquisition cost over the separate net assets of the business undertaking acquired.

The economic benefit of the goodwill arising has been estimated by the directors as being 5 years, and as such the goodwill will be charged to the profit and loss account over that period. The directors will undertake an annual revision of the period from which the economic benefit is derived.

LEDA WORKWEAR LIMITED

NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001

(continued)

2 Turnover

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

	2001 £	2000 £
United Kingdom	<u>385,131</u>	<u>475,450</u>

All turnover originated in the United Kingdom.

3 Operating profit

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

	2001 £	2000 £
Movement in stocks of finished goods and work in progress	8,350	(18,913)
Raw materials and consumables	252,478	321,752
Other external charges	34,568	57,246
Auditors' remuneration	3,400	5,700
Operating lease charges - property	8,803	10,319
- plant	1,318	1,678
Staff costs (note 5)	121,487	82,297
Depreciation on owned assets	2,824	816
Depreciation on assets held under hire purchase agreements	3,190	4,896
Amortisation of goodwill	<u>4,361</u>	<u>13,957</u>
	<u>440,779</u>	<u>479,748</u>

LEDA WORKWEAR LIMITED

NOTES ON FINANCIAL STATEMENTS - 28 OCTOBER 2001
(continued)

4 Interest payable and similar charges (net)	2001	2000
	£	£
Bank interest	3,292	5,875
On finance leases	<u>1,558</u>	<u>1,714</u>
	<u>4,850</u>	<u>7,589</u>

5 Directors and employees	2001	2000
	£	£
Staff costs:		
Wages and salaries	109,541	72,719
Social security costs	8,782	6,988
Other pension costs	<u>3,164</u>	<u>2,590</u>
	<u>121,487</u>	<u>82,297</u>

Emoluments of the directors of the company were:

Remuneration for management:	<u>41,255</u>	<u>46,302</u>
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Remuneration of the highest paid director for 2001 was £41,255 (2000: £46,302) including £3,164 (2000: £2,590) of pension contributions.

	Number	Number
The number of directors accruing benefits under defined benefit pension schemes in respect of qualifying service was:	3	-
The number of directors for whom retirement benefits are accruing under money purchase schemes amounted to:	1	1
The number of directors granted share options in respect of Cosalt plc shares during the period was:	3	-
The average number of employees of the company during the period was:		
Management and administration	1	1
Production and sales staff	<u>2</u>	<u>2</u>
	<u>3</u>	<u>3</u>

LEDA WORKWEAR LIMITED

NOTES ON FINANCIAL STATEMENTS - 28 OCTOBER 2001
(continued)

6	Taxation on ordinary activities	2001 £	2000 £
The taxation (credit)charge based on the profit on ordinary activities is:			
UK corporation tax (receivable)payable at 30% (2000 – 20.25%)		(15,250)	706
Deferred taxation		(957)	-
Adjustments in respect of prior years:			
Deferred taxation		<u>(477)</u>	<u>-</u>
		<u>(16,684)</u>	<u>706</u>
7	Intangible assets	Goodwill £	
Cost			
At 1 January 2001 and 28 October 2001		<u>69,808</u>	
Amortisation			
At 1 January 2001		18,112	
Charge for period		<u>4,361</u>	
At 28 October 2001		<u>22,473</u>	
Net book values			
At 28 October 2001		<u>47,335</u>	
At 31 December 2000		<u>51,696</u>	
8	Tangible fixed assets	Plant and machinery £	
Cost			
At 1 January 2001		20,243	
Additions		<u>319</u>	
At 28 October 2001		<u>20,562</u>	
Depreciation			
At 1 January 2001		8,602	
Charged to profit and loss account		<u>6,014</u>	
At 28 October 2001		<u>14,616</u>	
Net book values			
At 28 October 2001		<u>5,946</u>	
At 1 January 2001		<u>11,641</u>	

LEDA WORKWEAR LIMITED

NOTES ON FINANCIAL STATEMENTS - 28 OCTOBER 2001

(continued)

8 Tangible fixed assets (continued)

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

	2001 £	2000 £
Cost	14,032	14,032
Depreciation	<u>8,086</u>	<u>4,896</u>
Net book value	<u>5,946</u>	<u>9,136</u>

9 Stocks

	2001 £	2000 £
Finished goods	<u>47,838</u>	<u>56,188</u>

10 Debtors

	2001 £	2000 £
Amounts falling due within one year:		
Trade debtors	83,310	99,810
Group taxation relief recoverable	15,250	-
Deferred taxation (note 14)	1,434	-
Others debtors	-	231
Prepayments and accrued income	<u>1,320</u>	<u>2,913</u>
	<u>101,314</u>	<u>102,954</u>

LEDA WORKWEAR LIMITED

NOTES ON FINANCIAL STATEMENTS - 28 OCTOBER 2001
(continued)

11 Creditors	2001 £	2000 £
Amounts falling due within one year:		
Bank overdraft	80,632	72,027
Trade creditors	45,383	74,078
Amounts owed to fellow subsidiary undertakings	73,704	83,128
Corporation tax	109	706
Other taxation	10,915	4,570
Social security	564	-
Accruals and deferred income	54,139	3,500
Obligations under finance leases (note 15)	<u>3,667</u>	<u>4,398</u>
	<u>269,113</u>	<u>242,407</u>
Amounts falling due after more than one year:		
Obligations under finance leases (note 15)	<u>1,670</u>	<u>4,608</u>
12 Called up share capital	2001 £	2000 £
Authorised issued and fully paid : 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
13 Reserves	2001 £	2000 £
Reconciliation of movements in equity shareholders' funds		
Loss for the financial period	(43,814)	(12,593)
Opening equity shareholders' funds	<u>(24,536)</u>	<u>(11,943)</u>
Closing equity shareholders' funds	<u>(68,350)</u>	<u>(24,536)</u>
Profit and loss account	£	
Balance at 1 January 2001 – adverse	(24,636)	
Retained profit for the period	<u>(43,814)</u>	
Balance at 28 October 2001 – adverse	<u>(68,450)</u>	

LEDA WORKWEAR LIMITED

NOTES ON FINANCIAL STATEMENTS - 28 OCTOBER 2001
(continued)**14 Deferred taxation**

	£	
At 1 January 2001	-	
Credit to profit and loss account	(1,434)	
At 28 October 2001	(1,434)	
	2001	2000
	£	£
The deferred taxation debtor comprises:		
Accelerated tax allowances	<u>1,434</u>	<u>-</u>

15 Leasing obligations

	2001	2000
	£	£
Future commitments due under finance leases are:		
Within one year	5,191	8,179
Between two and five years	<u>2,369</u>	<u>4,608</u>
	7,560	12,787
Less: future finance charges	<u>2,223</u>	<u>3,781</u>
	<u>5,337</u>	<u>9,006</u>
Shown in creditors (note 11) as:		
Amounts falling due within one year	3,667	4,398
Amounts falling due after more than one year	<u>1,670</u>	<u>4,608</u>
	<u>5,337</u>	<u>9,006</u>

LEDA WORKWEAR LIMITED**NOTES ON FINANCIAL STATEMENTS - 28 OCTOBER 2001**
(continued)**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. The assets of the defined benefit scheme are held in separate trustee administered funds. This scheme was closed to new entrants on 25 July 2000 and replaced by a defined contribution scheme.

A new pension cost accounting standard, Financial Reporting Standard 17 (FRS17), was issued in November 2000 and although full compliance is not mandatory for the company until the year ending October 2003, prior to this, transitional disclosure rules apply.

Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement Benefits' the scheme will be accounted for by the company when the accounting standard is fully adopted by the company as if the scheme was a defined contribution scheme.

The FRS 17 transitional disclosures for the scheme are shown in the consolidated accounts of Cosalt plc, the ultimate parent company.

During the period the company made contributions amounting to £3,164 (2000: £2,590) to a money purchase scheme. The pensions cost charged in the financial statements reflects the contributions payable by the company during the period in accordance with SSAP24.

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

18 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.

19 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.