

BANNER GROUP LIMITED

Company number: SC019146

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

MAZARS NEVILLE RUSSELL
Chartered Accountants
24 Bevis Marks
LONDON EC3A 7NR

[Handwritten signature]



BANNER GROUP LIMITED

DIRECTORS: P.McDonald
K C Scates

SECRETARY: P McDonald

REGISTERED OFFICE: 50 Lothian Road,
Festival Square
Edinburgh
EH3 9WJ

AUDITORS: Mazars Neville Russell
24 Bevis Marks
London
EC3A 7NR

BANKERS: Barclays Bank Plc
Pall Mall Corporate Banking Group
PO Box No 15162
50 Pall Mall
London
SW1A 1QB

CONTENTS	Page
Directors' Report	1-2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6-9

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2000.

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 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; and
- * state whether applicable accounting standards have been followed, subject to any material departure 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 maintaining 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 and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of a holding company. The company's results for the year ended 31 December 2000 are shown in the attached financial statements.

DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 December 2000 (1999:£Nil).

DIRECTORS

The directors set out below have held office during the whole of the period from 1 January 2000 to the date of this report, unless otherwise stated.

P.McDonald
K C Scates

SHARE INTERESTS

None of the directors have any interest in the shares of the company.

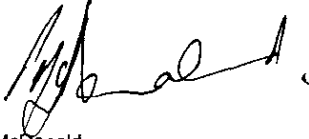
The interests of the directors who are also directors of the ultimate holding company, SEET plc, are shown in that company's report.

DIRECTORS' REPORT (continued)

AUDITORS

Mazars Neville Russell have signified their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

Approved by the Board on 12th April 2001

A handwritten signature in black ink, appearing to read 'P. McDonald', written over a horizontal line.

P. McDonald

Secretary

BANNER GROUP LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared on accordance with the accounting policies set out on pages 6.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. Our responsibilities, as independent auditors, are established 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. 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.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

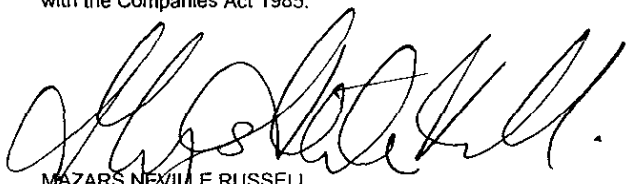
Basis of opinion

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 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors

London

Date: 12th April 2001

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2000

		2000	1999
	Notes	£	£
TURNOVER		-	-
Change in stocks of finished goods and work in progress		<u>-</u>	<u>-</u>
		-	-
Raw materials and consumables		-	-
Other external charges		<u>-</u>	<u>-</u>
		-	-
Staff costs		-	-
Depreciation		-	-
Trading (expenses)/income	(3,470)	-	4,394
Other operating income		<u>-</u>	<u>-</u>
		(3,470)	4,394
OPERATING (LOSS)/PROFIT	2	(3,470)	4,394
Interest receivable	3	<u>-</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,470)	4,394
Tax on (loss)/profit on ordinary activities	4	(0)	(673)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(3,470)	3,721
Dividends		<u>-</u>	<u>-</u>
RETAINED (LOSS)/PROFIT FOR THE PERIOD	9,10	<u>(3,470)</u>	<u>3,721</u>

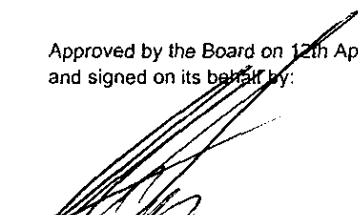
There are no recognised gains or losses other than the profit for the year.

The results for the year shown above are all derived from continuing operations.

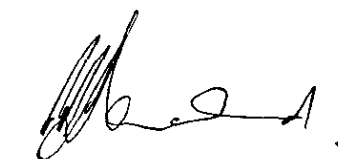
BALANCE SHEET as at 31 December 2000

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS					
Investments	5		654,853		654,853
CURRENT ASSETS					
Debtors	6	686,418		686,655	
Cash at bank and in hand		<u>16,755</u>		<u>20,960</u>	
		703,173		707,615	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>509,310</u>		<u>510,282</u>	
NET CURRENT ASSETS			<u>193,863</u>		<u>197,333</u>
NET ASSETS			<u>848,716</u>		<u>852,186</u>
CAPITAL AND RESERVES					
Called up share capital	8		115,804		115,804
Profit and loss account	9		<u>732,912</u>		<u>736,382</u>
SHAREHOLDERS' FUNDS	10		<u>848,716</u>		<u>852,186</u>

Approved by the Board on 12th April 2001.
and signed on its behalf by:



A. C. Scales
Director



P McDonald
Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2000

1 ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards.

(a) Accounting convention

The accounts have been prepared under the historical cost convention.

(b) Consolidation

Consolidated accounts have not been prepared for the company as it is a wholly owned subsidiary of an EC company which prepares group accounts.

(c) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

(d) Cash flow statement

The company is exempt from the requirement to produce a cash flow statement as it is a wholly-owned subsidiary of an EC company that prepares a cash flow statement.

2 OPERATING PROFIT/(LOSS)

	2000 £	1999 £
Operating profit/(loss) is stated after charging		
Auditors remuneration	3,465	4,510
	<u> </u>	<u> </u>

3 INTEREST RECEIVABLE

	2000 £	1999 £
Short term deposit	-	-
	<u> </u>	<u> </u>

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2000 £	1999 £
UK corporation tax at 0% (1999: 20.25%)	0	673
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2000(continued)

5	INVESTMENTS	Shares in subsidiary undertaking £
	At 1 January 2000 and 31 December 2000	654,853
	Net book value	<u>654,853</u>
	At 1 January 2000 and 31 December 2000	<u>654,853</u>

The company has investments in the following subsidiary companies, all registered in England and Wales, and owns 100% of the issued share capital in these companies:

Banner Limited
 Beau Brummel Limited
 Glory Years Limited
 Pegasus Leisurewear Limited
 Superleague Sports Limited
 Leda Workwear Limited

6	DEBTORS:	2000 £	1999 £
	Trade debtors	-	-
	Amounts owed by group undertakings	686,366	686,615
	Other debtors	<u>52</u>	<u>40</u>
		686,418	686,655
		<u>686,418</u>	<u>686,655</u>
7	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2000 £	1999 £
	Amounts owed to group undertakings	492,469	493,333
	Accruals and deferred income	2,550	2,160
	Other creditors	14,291	14,116
	Corporation tax	<u>-</u>	<u>673</u>
		509,310	510,282
		<u>509,310</u>	<u>510,282</u>

BANNER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2000 (cont)

8	CALLED UP SHARE CAPITAL	2000	1999
		£	£
	Authorised		
	Ordinary shares of £1 each	166,000	166,000
	Preference shares of £1 each	<u>4,000</u>	<u>4,000</u>
		170,000	170,000
		<u><u> </u></u>	<u><u> </u></u>
	Allotted and fully paid		
	Ordinary shares of £1 each	111,804	111,804
	Preference shares of £1 each	<u>4,000</u>	<u>4,000</u>
		115,804	115,804
		<u><u> </u></u>	<u><u> </u></u>

No dividend has been paid on the cumulative preference shares, the arrears amount to £960.

The preference shares confer on the holders thereof, the right to receive a fixed cumulative preferential dividend at the rate of 6% per annum (now 4.2% plus tax credit) calculated up to 31 March and 30 September in each year, and the right in a winding up to repayment of the capital paid up, together, with any arrears of the said dividend calculated to the date of repayment. Such rights both as regards dividend and capital shall be in priority to any payment to the holders of any other class of shares, although the holders of the preference shares shall have no further right to participate in the profits or assets of the company.

The preference shares shall not entitle the holders thereof to attend or vote at any general meeting unless either:

- (i) at the date of the notice convening the general meeting, the preference dividend is twelve months in arrears from the payment date of any half yearly instalment, or
- (ii) the business of the meeting includes the consideration of any Resolution modifying any of the special rights and privileges attached to the preference shares in which case they shall only be entitled to vote on any such Resolution.

9 PROFIT AND LOSS ACCOUNT

	£
At 1 January 2000	736,382
Profit for the year	(<u>3,470</u>)
At 31 December 2000	<u><u>732,912</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2000 (continued)

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
(Loss)/Profit for the financial year	(3,470)	3,721
Net (decrease)/increase to shareholders' funds	(3,470)	3,721
Opening shareholders' funds	<u>852,186</u>	<u>848,465</u>
Closing shareholders' funds	<u>848,716</u>	<u>852,186</u>

11 CONTINGENT LIABILITIES

The company has entered into a cross guarantee dated 4 September 1997 in respect of all group borrowings with other group companies. The total amount of this liability at 31 December 2000 is £3,171,333 (1999: £2,860,925).

Additionally the company has also given a cross guarantee to HSBC Bank Plc in respect of facilities provided to subsidiaries of Banner Group Limited.

12 ULTIMATE HOLDING COMPANY

The directors regard SEET plc, registered in Scotland, as the company's ultimate holding company.

13 RELATED PARTIES

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 from disclosing transactions with other group companies or with related parties in which the group has an investment.

BANNER GROUP LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2000

	Year to '31 December 2000		Year to '31 December 1999	
	£	£	£	£
TURNOVER				
COST OF SALES				
Opening stock	-	-	-	-
Goods Purchased	-	-	-	-
Outwork purchased	-	-	-	-
Direct wages	-	-	-	-
Direct employment costs	-	-	-	-
Closing stock	-	-	-	-
DISTRIBUTION COSTS				
Advertising, gifts and entertainment	-	-	-	-
Travelling	-	-	-	-
Bad debts	-	-	(9,778)	-
Carriages	-	-	-	-
Packaging	-	-	-	-
Discounts allowed	-	-	-	-
Commission	-	-	-	-
Consultancy	-	-	-	-
	(0)		(9,778)	
ADMINISTRATION EXPENSES				
Administration salaries and wages	-	-	-	-
Stationary, postage and telephone	-	-	-	-
Audit and accountancy	3,465		4,510	
Motor expenses	-	-	-	-
Bank charges	5		7	
Directors' pension contributions	-	-	-	-
Directors' emoluments	-	-	-	-
General expenses	-	-	-	-
Depreciation	-	-	-	-
Repairs and renewals	-	-	-	-
Rent and rates	-	-	-	-
Insurance	-	-	-	-
Heat and lighting	-	-	-	-
Computer maintenance	-	-	-	-
Professional and legal	-	-	-	-
Management charge	-	-	864	-
	3,470		5,381	
	(3,470)		4,397	
OTHER OPERATING INCOME				
Investment income	-	-	-	-
Profit on sale of fixed assets	-	-	-	-
OPERATING PROFIT/(LOSS)	(3,470)		4,397	
PROFIT/(LOSS) BEFORE INTEREST	(3,470)		4,397	
Interest payable	-		(3)	
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	(3,470)		4,394	