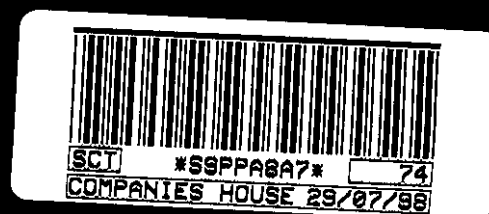


Annual Report and Accounts 1997

SEET plc



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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to the action you should take, you should consult immediately your stockbroker, solicitor, accountant, bank manager, or other independent professional adviser authorised under the Financial Services Act 1986.

If you have sold or transferred all of your shares in SEET plc you should immediately send or hand this document, including the proxy form included on page 42 on this report, to the purchaser or transferee or to the stockbroker, bank manager, solicitor, accountant or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

PROPOSED AUTHORISED SHARE CAPITAL INCREASE, AUTHORITY TO ALLOT SHARES, DISAPPLICATION OF PRE-EMPTION RIGHTS AND PROPOSED CHANGE TO ARTICLES OF ASSOCIATION

The Report and Accounts includes details in the Notice of the Annual General Meeting on Page 2 and the Directors' Report on Page 7 relating to the above-mentioned matters which require your attention.

Directors and Advisers

Directors	J N Stevenson, BSc (Executive Chairman) J H M Mackenzie, MA (Non-Executive President) K C Scates, (Managing Director - Schoolwear & Clothing Division) R Russell BSc, (Managing Director - Specialist & Protective Clothing Division) P McDonald, F.C.C.A. F.C.I.S. (Finance Director)
Company Secretary	Burness, Solicitors
Bankers	Barclays Bank plc 50 Pall Mall P.O. Box 15162 LONDON SW1A 1QB HSBC Trade Services Westminster House 11 Portland Street MANCHESTER M60 1PX
Auditors	Neville Russell 24 Bevis Marks LONDON EC3A 7NR
Solicitors	Burness 50 Lothian Road Festival Square EDINBURGH EH3 9WJ
Brokers	Ellis & Partners Ltd Talisman House 16 The Courtyard East Park Crawley SUSSEX RH10 6AS
Registrars and Transfer Office	IRG plc Balfour House 390-398 High Road Ilford ESSEX IG1 1NQ
London Office	43 Portland Place LONDON W1N 3AG
Administrative Office	Banner House Greg Street Reddish STOCKPORT SK5 7BT
Registered Office	50 Lothian Road Festival Square EDINBURGH EH3 9BY
Registered in Scotland number	46267

Notice of Meeting

SEET PLC - registered no: 46267

Notice is hereby given that the **thirtieth annual general meeting** of **SEET plc** will be held at 50 Lothian Road, Festival Square, EDINBURGH EH3 9WJ on Wednesday 29 July 1998 at 9.30am for the following purposes:-

1. To receive and consider the report of the directors and auditors and statement of accounts of the company in respect of the period ended 31st December 1997.
2. To re-elect Mr. K.C. Scates, a director retiring under the provisions of Article 89 of the company's Articles of Association, as a director.
3. To re-elect Mr. R. Russell, a director retiring under the provisions of Article 89 of the company's Articles of Association, as a director.
4. To re-elect Mr. P. McDonald, a director retiring under the provisions of Article 89 of the company's Articles of Association, as a director.
5. To re-elect as a director Mr. J.H.M. Mackenzie, special notice having been given, pursuant to Sections 293 and 379 of the Companies Act 1985 of the intention to propose the following resolution as an ordinary resolution:-

"That Mr. J.H.M. Mackenzie, a director retiring by rotation, who attained the age of 70 years on 29th August 1995 be re-elected a director of the company."

6. To reappoint Neville Russell, Chartered Accountants as auditors and to authorise the directors to determine their remuneration.

As special business

To consider and, if thought fit, to pass the following resolutions, resolutions (7) and (8) to be proposed as ordinary resolutions and resolutions (9), (10) and (11) to be proposed as special resolutions:-

7. That the authorised share capital of the company be increased to £7,000,000 by the creation of an additional 15,000,000 ordinary shares of 20p each to rank *pari passu* in all respects with the existing ordinary shares of 20p each in the capital of the company.

8. Pursuant to Article 17 of the Articles of Association of the company and in substitution for all existing authorities to like effect, the directors of the company be and they are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 ("the Act") to exercise all powers of the Company to allot relevant securities (as defined in sub-section (2) of the section) up to an aggregate nominal amount, if resolution 7 above is passed of £1,177,317 and, if resolution 7 is not passed, of £468,046.80 provided that this authority shall expire on the fifth anniversary of the passing of this resolution unless previously renewed, varied or revoked by the company in general meeting, provided that the company may before such expiry make an offer or arrangement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

9. That pursuant to Article 18 of the Articles of Association of the company the directors of the company be and they are empowered pursuant to Section 95 of the Companies Act 1985 ("the Act") to allot equity securities (as defined in Section 94 (2) of the Act) of the company for cash as if Section 89 (1) of the Act did not apply to such allotment provided that this power shall be limited:-

- (1) to the allotment of equity securities in connection with a rights issue or open offer in favour of shareholders where the equity securities attributable to the interest of all shareholders are proportionate (as nearly as may be) to the respective number of shares held by them notwithstanding that by reason of such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange, the equity securities to be issued are not offered to all such shareholders in proportion to the number of ordinary shares held by each of them; and

- (2) to the allotment (otherwise pursuant to subparagraph (a) above) for cash to any person or persons of equity securities up to an aggregate maximum nominal amount of £176,597

And such authority shall expire on the earlier of 15 months from the passing of this resolution

Notice of Meeting

continued

or the date of the next Annual General Meeting of the company unless previously renewed, varied or reduced by the company in general meeting and provided that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

10. That the company be and is hereby authorised to purchase for cancellation its own ordinary shares by way of market purchase, provided that:-

- (a) The maximum number of ordinary shares hereby authorised to be acquired is 1,800,000 ordinary shares of 20p each (being approximately 10.19% of the issued share capital as at 31st December 1997);
- (b) The maximum price which may be paid for such shares is 105% of the average of the middle market quotations derived from the Daily Official List of The London Stock Exchange for the 5 business days preceding the date of purchase and the minimum price is 20p per share being the nominal value thereof, in both cases exclusive of expenses; and
- (c) The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the company.

11. That Article 85 (a) of the company's Articles of Association be deleted and the undernoted be adopted as a new Article 85 (a):-

"The Directors (other than any Director who shall for the time being hold an executive office or employment under the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as directors such sum not exceeding £60,000 per annum as the Directors may from time to time determine or such larger sum as the Company in general meeting shall from time to time determine and such remuneration shall be divided among them in such proportion and manner as they may agree or, failing agreement, equally."

By Order of the Board

Burness
Secretaries



Registered Office

50 Lothian Road, Festival Square, Edinburgh EH3 9BY

Date: 1 June 1998

Note

A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, to vote on their behalf. A form of proxy must be lodged with the company's Registrars no later than 48 hours before the meeting or adjourned meeting. A proxy need not be a member of the company.

In order to attend and vote at this meeting (and for the purpose of enabling the company to determine a number of votes they may cast) members must be entered on the company's Register of Members at 9.30am on 27 July 1998. Should the meeting be adjourned to a time not more than 48 hours after the specified time applicable to the original meeting that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the votes they may cast) at the adjourned meeting. Should the meeting be adjourned for a longer period then, to be so entitled, members must be entered on the company's Register of Members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the company gives notice of the adjourned meeting, the time specified in that Notice.

A copy of the existing Articles of Association together with a copy of the Articles of Association incorporating the proposed amendment will be available for inspection at the registered office of the company from the date of this notice until the conclusion of the Annual General Meeting and at the place of the meeting for at least 15 minutes prior to the meeting and during the meeting. Further copies of the existing Articles of Association and the amended Articles of Association will be available for inspection during the same period at the company's London office at 43 Portland Place, London, W1N 3AG and at the Administrative office at Banner House, Greg Street, Reddish, Stockport, SK5 7BT.

Chairman's Statement

Building for the future

The year 1997 was one of significant change for our company inasmuch as we have restructured the group and laid the foundation for the future development and growth of the business in two niche market sectors - schoolwear & clothing and specialist & protective clothing.

The Schoolwear & Clothing Division was strengthened by the acquisition in September 1997 of the Banner Division of Baird Textile Holdings Limited, ("Banner"), which complements the existing schoolwear operation of Distinctive Clothing Co. Limited, ("Distinctive").

Ballyclare Special Products Limited, ("BSP") was also acquired last September and this enabled us to establish a presence in the specialist & protective clothing market. The traditional BSP product range of corporate workwear and clothing for the fire services has been subsequently extended to cater for the additional domestic and overseas markets, which include the police, public utilities and military sectors.

At the same time, we disposed of the weaving business of Peter MacArthur & Co. Limited, the Board having recognised that this business was not complementary to the niche markets which will now form the core part of the group's operations.

Results

The financial year end was changed to 31 December 1997, and during the eight month trading period from 1 May to 31 December 1997 the group produced an operating profit on ordinary activities of £31,507 and earnings per share of 0.32p before exceptional costs of £679,258, compared with a loss of £123,339 and loss per share of (2.46p) for the previous full financial year ended 30 April 1997. In view of the change in emphasis of the business, these figures are not comparable.

The trading results were in line with expectations, taking into account the timing of the Banner acquisition, which was made at the end of the schoolwear season. As a consequence we did not have the benefit of the trading profits for the 1997 "Back to School" season although this was partially compensated for by the fact that we were able to

acquire the Banner assets at a discount. Distinctive made a significant profit contribution, but because of the changed accounting period the results are not directly comparable with the previous year.

Ballyclare, which is not a seasonal business, made a good post acquisition profit.

The results for the period have been affected by the costs, (outlined above) of the major restructuring operation which your Board recognised as being necessary to transform the group and return it to profitability. The effect of the rebuilding has produced a balance sheet considerably strengthened from that at 30 April 1997, thus providing a sound basis on which the group can be developed. Similarly, the balance sheet of Banner Limited, one of the main trading subsidiaries has been strengthened by increasing its share capital after the year end.

Personnel

Following the group's restructuring, I am pleased to welcome to the Board three executive directors who will play a major part in our development and growth. Ken Scates joined the Board as Managing Director of the schoolwear & clothing division, Richard Russell as Managing Director of the specialist & protective clothing division and Peter McDonald as SEET Finance Director.

David Meddings resigned as a director in February to pursue other business interests and we wish him every success for the future.

A tremendous amount of effort was put into rebuilding the group during the period by your restructured board, strengthened management team and enlarged work force. People are the key to the success of any business and I am pleased that the efforts of the team are being rewarded with an early turnaround in the performance of the group and an improvement in profitability.

The Board is committed to fostering a relationship with employees, thereby aligning their interests with the growth potential of the group. A number of our employees already own shares in the Company and the Board wishes to extend this involvement and will be seeking shareholders' approval to introduce a savings related share option scheme to develop further this relationship.

Chairman's Statement

continued

Dividend

The board considers it inappropriate to recommend a dividend at the present time.

Outlook

We are in a new trading year and I am delighted to report that the results for the first quarter are ahead of budget.

We are committed to a policy of organic growth but continue to look for suitable acquisitions to complement our existing operations. We now seek to reward the patience of our shareholders with an increase in profitability and sustained improvement in the value of their investment.

A handwritten signature in black ink, appearing to read 'J. Neil Stevenson', with a long horizontal flourish extending to the right.

J. Neil Stevenson
Chairman - 1 June 1998

Board of Directors

James Neil Stevenson (aged 52)

Chairman, appointed in October 1995 he has 30 years experience in the textile industry. He was Chief Executive of Langholm Dyeing Company Limited for some 22 years and he became a director of Leeds Group plc in 1990 after it acquired Langholm Dyeing Company Limited. He has also been a non-executive director of The Edinburgh Woollen Mill Limited.

John Hugh Munro Mackenzie (aged 72)

Non executive director and President, is the founder of SEET and was chairman until 1996 when he resigned this position and became a non executive director. He is a barrister by profession and was previously a director of Grampian Holdings plc and was a founder and Chief Executive of London and Northern Group plc.

Kenneth Colin Scates (aged 54)

Appointed September 1997, Managing Director of the Schoolwear and Children's Clothing Division. He has 30 years experience in the clothing division, previously employed by subsidiaries of the William Baird Group for over 20 years and was Managing Director of Banner Limited for 14 years. He has an in-depth knowledge of sales, marketing and sourcing, (particularly from the Far East). Prior to joining the William Baird Group, Ken was Sales Director of Ladybird Limited, a subsidiary of Coats Paton plc. He is currently President of the National Childrenswear Association of Great Britain and Northern Ireland, having served for five years as Chairman and for thirteen years on the Management Council.

Richard Russell (aged 39)

Appointed September 1997, Managing Director of the specialist and protective clothing division, is a qualified engineer in production management. Richard has spent his whole career in the textile industry and has held senior positions at both Coats Viyella plc and Courtaulds plc. He held the position of divisional manufacturing director of PUC Group Limited before leading the management buy-out of BSP in 1995, which became a subsidiary of SEET plc in September 1997.

Peter McDonald (aged 58)

Appointed September 1997 as Group Finance Director, is a Certified Accountant and Chartered Secretary with 26 years experience in the clothing industry. He was previously employed by subsidiaries of the William Baird Group for over 24 years and was Finance Director of Banner Limited for 14 years. He has played a key role in the development of Banner, being responsible for the financial management of the business and the development of its information systems. Prior to joining the William Baird Group, Peter was Joint Secretary of a GUS subsidiary.

Directors' report

The directors present their report and the financial statements for the 8 month period ended 31 December 1997.

Principal activities and business review

The principal activities of the group during the year were the design, manufacture and distribution of clothing and protective clothing. A review of the business of the group and its future prospects may be found in the Chairman's Statement on page 4. Details of the group's segmental report are shown in note 2 to the accounts.

Future developments

The directors consider that 1998 will be a period of consolidation and organic growth. However, further acquisition opportunities will be considered where the directors believe them to be appropriate to the continuing expansion of the group's operations.

Dividends

No interim dividend was paid and the directors do not propose to pay a final dividend.

Directors

The names of the directors who have held office during the whole of the period from 1 May 1997 to the date of the report, unless otherwise stated, are detailed below.

In accordance with the company's Articles of Association, J H M Mackenzie retires by rotation and offers himself for re-election.

Messrs Scates, Russell and McDonald, who were appointed during the year, retire and offer themselves for re-election.

Each of these directors have a rolling service contract which require 12 months notice of termination to be given by either party.

Set out below are the interests of the Directors and their immediate families in the share capital of the company.

	1 June 1998	31 December 1997	1 May 1997 or date of later appointment
Beneficial			
J N Stevenson	4,133,133	4,133,133	1,305,200
J H M Mackenzie	2,629,699	2,629,699	658,510
K C Scates appointed 5 September 1997	530,760	504,760	2,080
R Russell appointed 5 September 1997	116,000	100,000	-
P McDonald appointed 5 September 1997	155,000	130,000	1,000
D W Meddings resigned 25.2.98	N/A	339,666	2,000
A M Bottomley resigned 5.9.97	N/A	N/A	1,001,000
Non-beneficial			
J H M Mackenzie	470,500	470,500	320,500

N/A = not applicable

On 26 February 1998 options over 95,238 Ordinary shares were granted to each of Messrs Scates, Russell and McDonald. The exercise price is 31.5p per share. The earliest date the options are exercisable is 26 February 2001 and the expiry date is 26 February 2008.

Included in Mr J H M Mackenzie's non-beneficial shareholding are 470,500 shares (1 May 1997: 320,500 shares) held as trustee for his charitable trust in which neither he nor his family has any beneficial interest. A group of private companies, of which Mr J H M Mackenzie is a director and shareholder, holds 908,488 shares (1 May 1997: 495,240 shares) which are included in his beneficial holding.

Mr J N Stevenson's holding is registered in the name of Ashleybank Investments Limited, a private company of which Mr J N Stevenson is a shareholder and director.

Directors' report

continued

None of the present directors had a material interest in any contracts with the company other than their service contracts.

Mr J H M Mackenzie receives a pension from the company of £23,333 per annum.

Substantial shareholdings

The directors have been informed that on 1 June 1998 Mr A M Bottomley held 1,001,000 shares (5.67 per cent). As far as they are aware, there were no other holdings in the shares of the company at that date in excess of 3 per cent of the issued share capital apart from directors' holdings.

Corporate governance

Introduction

The company complied throughout the accounting period with many of the provisions of the Code of Best Practice ("the Code") of the Cadbury Committee on financial aspects of corporate governance. However, because of the size of the group it does not comply with the following paragraphs of the code - "1.3", "2.2" (non-executive directors) and "4.3" (audit committee). Your directors have given careful consideration to those aspects of the code with which your company does not comply and the reasons for non-compliance are explained in the relevant section of this report.

Non-executive directors

The composition of the Board does not include sufficient independent non-executive directors as defined by the Code. However, the Board have concluded that the current position best suits the efficient and proper operation of the business in its present circumstances.

Internal financial control

The directors are responsible for the company's system of internal financial control. Any such system can provide a reasonable but not absolute assurance of the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial control.

The group's day to day control is undertaken by the properly constituted boards of its operating subsidiaries all of which report directly to a member

of the board of the company. In addition one or more board members are also directors of each operating subsidiary so as to provide a clear line of communication between the company and its subsidiaries and to facilitate the monitoring and control process.

The system of internal financial control includes a detailed formal budgeting process for all group activities which culminates in the production of an annual budget for the group which is approved by the Board. Actual performance is monitored against budget monthly by the Board and the Board meets on a regular basis to discuss and agree policies and procedures relating to financial and strategic matters. As part of this process the main business risks are identified and consequently plans developed to address any financial implications. Revised forecasts are from time to time prepared for review by the Board during the year. Any significant Treasury and Investment matters are reviewed in detail by the Board. The group has defined procedures for the appraisal review and control of capital expenditure, including approval limits and required rates of return.

The directors confirm that they have reviewed the effectiveness of the system of internal control.

Going concern

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue operations for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts.

Audit committee

Since the whole Board takes responsibility for the appointment of, and receiving reports from, the auditors which are reviewed and acted upon by the whole of the Board, a separate committee is not economically justified.

Executive directors' salaries

The directors have given full consideration to sections (A) and (B) of the Best Practice Provisions appended to the Stock Exchange listing rules but do not currently comply with these sections as the composition of the Board does not include sufficient non-executive directors as defined by the rules relating to corporate governance.

Directors' report

continued

The basic salary of executive directors (excluding the Chairman) is determined by the Chairman in conjunction with the non-executive member of the Board with reference to appropriate advice from external and financial advisers. The basic salary of the chairman is determined by the other members of the board again with appropriate advice being taken from external and financial advisers. No basic salary is paid to the non-executive director but he is paid a fee for each board meeting attended. Salaries are reviewed annually or when a change of responsibility occurs and details of the directors' remuneration is shown in note 12 on page 27 of these accounts.

Policy and practice on payment of creditors

In view of the diversity in the supply base of the various operating subsidiaries, the group does not have a standard or code which deals specifically with payment of creditors. Operating companies within the group are responsible for agreeing terms with suppliers along with other terms and conditions of supply contracts and payments are made in accordance with these arrangements.

The number of creditor days calculated for the 8 month period ended 31 December 1997 is 71 days (year ended 30 April 1997: 104 days).

Increase in authorised share capital

The directors consider that the current authorised share capital is insufficient to allow the directors to take advantage of future acquisition opportunities which may arise and to issue shares under the proposed 1998 employee share option scheme. It is proposed to increase the authorised share capital to £7,000,000 by the creation of an additional 15,000,000 ordinary shares of 20p each to rank *pari passu* in all respects with the existing ordinary shares, representing an approximate 75 per cent increase in the authorised share capital.

Authority to allot shares and disapply pre-emption rights

The directors also seek:

- (1) authority to allot up to 5,886,585 ordinary shares (if members approve the increase in authorised share capital, pursuant to resolution 7 to be

proposed at the AGM), representing approximately 33 per cent of the current issued share capital, or 2,340,234 ordinary shares if the increase in authorised share capital is not approved, representing approximately 13.25 per cent of the current allotted share capital. This authority will expire five years from the passing of resolution 8 at the AGM unless previously renewed, varied or revoked by the company in general meeting under this authority the directors may issue shares as part or full consideration for an acquisition which whilst perceived as adding value to the group is below the level of consideration and asset value requiring the approval of shareholders in general meeting.

- (2) a disapplication of the statutory pre-emption rights contained in the Companies Act 1985 to enable them to allot unissued share capital to:
 - (a) facilitate a rights issue; and
 - (b) take advantage of opportunities as they arise and to retain flexibility. The share capital to which this resolution relates represents 5 per cent of the current issued share capital of the company.

Such disapplication will expire on the earlier of the date which is 15 months from the passing of resolution 9 at the AGM and the date of the next AGM of the company.

The disapplication provisions contained in resolution 9 are in accordance with guidelines issued by the Association of British Insurers.

Purchase by the Company of its own shares

It has been the Company's practice for several years to take powers, as permitted by the Companies Act 1985, to purchase, in the market, a limited number of its own shares. The power of a company to make such purchases must have been approved by its members in general meeting, must be renewed at least once every eighteen months and must be permitted by appropriate provisions in its Articles of Association. Any shares so purchased are cancelled. Your Board believes that SEET plc should have the

Directors' report

continued

Purchase by the Company of its own shares continued

ability to take advantage of this facility. It is therefore seeking your approval, by resolution number 10, to exercise this power up to a maximum aggregate of 1,800,000 ordinary shares, representing approximately 10.19 per cent of the present allotted ordinary share capital. The terms of the proposed authority provide that any purchases may be made only at a price of not less than 20p (being the nominal value of an ordinary share) and not more than five per cent above the average of the middle market quotations as derived from the London Stock Exchange Daily Official List for the five business days before any such purchase is made. The authority will enable purchases to be made only in the market and it is your Board's intention that renewal of the authority will be sought at subsequent annual general meetings.

Your Board has no immediate plans to exercise this authority, and will do so only when it is satisfied that it is in the best interests of shareholders as a whole, for example to increase the net assets per share. The figures referred to in the proposed authority should not be construed as an indication that the company will purchase ordinary shares at any particular price, if indeed at all, or to imply any opinion on the part of the Board as to the market value at any time of your company's ordinary shares. An immediate announcement would be made by the Company upon any purchase being made and full details would be set out in the next annual report and accounts.

It is your Board's intention that any purchases or ordinary shares made by the company should not interfere with dividend policy decisions and that the purchase price for any ordinary shares should be met from distributable profits, rather than funded through a new issue of shares.

Any purchase of Ordinary shares by the Company pursuant to these proposals would be made through the London Stock Exchange. As a result, any shareholder who sold his Ordinary shares, even if those shares were subsequently acquired by the company, would not be subject to different tax considerations from those normally applying to a sale of shares in the market.

Shareholders who are in doubt about the tax implications of sales of their shares should consult their own professional advisers.

Articles of association

The directors consider that the present provisions of Article 85(a) which deal with the remuneration of non-executive directors do not adequately reflect modern practice and may prevent the company from attracting potential non-executive directors of sufficient calibre and standing. It is therefore proposed that Article 85(a) be amended so as to enable non-executive directors to be paid fees for services from a pool not exceeding £60,000 or such larger sum as the company may from time to time determine in general meeting.

Recommendation

The directors consider the increase in authorised share capital, the authorisation for the directors to allot shares, the disapplication of pre-emption provisions, the own share purchase resolution and the proposed amendment to the Article of Association to be in the best interests of the company and the members as a whole. The directors, therefore, unanimously recommend that members vote in favour of resolutions 7,8,9,10 and 11 as the directors intend to do so in respect of their own shareholdings which together amount to 8,035,092 Ordinary shares, representing approximately 45 per cent of the issued share capital of the company.

The proxy form on page 42 should be completed and returned in accordance with the instructions given on the form so as to be received not later than 48 hours before the meeting, completion and return of the form of proxy will not prevent you from attending the meeting should you so wish.

Company status

The close Company provisions of the Income and Corporation Taxes Act 1988 did not apply to the Company during the year and no change in this status has since occurred.

Year 2000

The impact of the Year 2000 on computer software has been widely publicised. At the heart of the problem is the six digit convention used by many

Directors' report

continued

computers and electronic systems to store dates. Using this convention the year is referred to by the last two digits only, without any reference to the century. Computer systems, including microchips embedded in equipment, which use this convention may fail or give incorrect results when using standard logic to process dates after 1999.

A programme to address the impact of the Year 2000 date change has been launched across the group during the early part of 1998 following the restructuring of the group towards the end of 1997. The programme's objective is to ensure that the date change does not give rise to disruption and material economic loss to the group. The scope of the programme includes not only the group's own operations but also equipment installed by the group at customers' sites and the Year 2000 readiness of key customers and suppliers.

Some of the group's critical applications software which is not currently compliant is in any event in the course of being upgraded for business reasons and at the same time will be made Year 2000 compliant. Nonetheless, the Year 2000 programme will give rise to additional costs which will generate little economic return to the group. Prior to the completion of testing of the full inventory of equipment, costs cannot easily be quantified, but it is estimated that they will amount to around £50,000 for the group as a whole and the majority of this cost will be incurred in 1998.

Charitable donations

During the period the group made charitable donations of £300.

Auditors

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.

By Order of the Board



Burness

Secretaries - 1 June 1998

Profile of SEET plc operating companies



BALLYCLARE SPECIAL PRODUCTS



There has been a manufacturing site in Ballyclare, Northern Ireland for over 30 years. The traditional site was built to service the basic workwear type of product particularly the laundry and garment rental industry. Over the years the factory has changed dramatically with the addition of a new, purpose built cutting room and warehouse. The upstairs of the factory has also been extended to improve the office facilities. The site is in a rural location with the workforce mainly coming from the town and the surrounding district of Larne. The majority of the workforce have been employed at the factory for many years.

Fifteen years ago when the company was part of the P.U.C. Group (practical uniform company) it entered into new markets and started to develop corporate clothing particularly for the post office and petrochemical companies.

The last 10 years have seen a total switch of product base to high value added products servicing niche markets.

These markets can be summarised as follows:-

- fire fighting suits
- high visibility waterproofs
- flame resistant coveralls
- specialist military wear

In 1996 the company embarked on an export programme and has been successful in obtaining new business outside the UK. Last year the business was acquired by SEET and exports accounted for 35% of the turnover. The company continues to develop new markets both in the U.K. and overseas. Turnover has increased substantially between 1994 and 1997. The new markets which the company now serves, include local authorities, fire brigades, public utilities, police and specialist requirements of the ministry of defence.

More recently the company has entered into stock and distribution contracts with H.M. Prison Service and Cambridgeshire Fire and Rescue Service.

Profile of SEET plc operating companies



The Banner and Beau Brummel schoolwear operations were originally two separate businesses which can trace their origins back to the latter part of the 19th Century. They were brought together in the 1980's by William Baird PLC to form one schoolwear division.

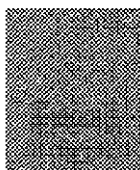
The Banner operation is based in Stockport, Cheshire whilst the Beau Brummel business is located in Seaham in County Durham.

This schoolwear business forms the backbone of the Banner Group business, manufacturing and supplying a comprehensive range of schoolwear products including Blazers, Blouses, Shirts, Trousers, Skirts and Shorts. This range is complemented by the school sportswear range, which caters for the sportswear needs of most school sport activities. Whilst this market is well established there are, nevertheless, fashion trends and product innovations within the market and Banner prides itself on being at the

forefront of these developments. The schoolwear merchandise is marketed under the "Banner" and "Beau Brummel" brand names to specialist retailers. The company also manufactures and supplies customers' own label merchandise to many High Street Store groups which include John Lewis and Debenhams.

The Banner Group has a team of talented designers and merchandisers who produce a variety of excellent designs for Childrenswear, Menswear and Ladieswear, all of which are available throughout the U.K. via independent retail shops and department stores.

In addition, the Banner design and merchandise team are using the latest Computer Aided Design Technology when working with a number of major clothing retailers. They design, source and manufacture garments to the highest standards which are sold under the customer's own label.



Beau Brummel
QUALITY SCHOOLWEAR

Profile of SEET plc operating companies



Distinctive Clothing Co Ltd, a subsidiary of SEET for nearly two years, has been associated for over 50 years with the production of high quality childrenswear. From their Newcastle upon Tyne factory, a wide range of school outerwear and classic fashionwear is manufactured and dispatched to all parts of the United Kingdom and to a developing export market.

The Schoolwear range comprises boys' and girls' blazers, jackets, suits, trousers, top coats and rainwear. Fabrics cover the complete spectrum from pure new wool to teflon treated easycare synthetics. Sizes begin with the youngest pupils and have to cover the largest adult dimensions. A 'specials' service is also available. The longstanding relationships which the company has built up over many years attest to the care and service offered by its experienced team.

Through the company's fashion division, garments with the Distinctive label now grace some of the finest stores, including Harrods, the John Lewis Partnership, Selfridges, Dior and El Corte Ingles. In the USA, Distinctive is synonymous with high quality in such companies as Saks and Neiman Marcus. Boys' and youths' suits, jackets and trousers are complemented each season by its exclusive range of girls' coats, designed by its in-house team and made from the finest fabrics.

After a successful 1997, Distinctive is looking for further growth in its fashion ranges, particularly in the export market. Distinctive is also looking to achieve steady growth in its core home market of schoolwear.

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 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; 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.

Auditors' report

to the shareholders of SEET plc

We have audited the accounts set out on pages 17 to 41 which have been prepared following the accounting policies set out on page 20 and 21.

Respective responsibilities of directors and auditors

As described on page 15, the directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 31 December 1997 and of the loss of the group for the year then ended so far as concerns the members of the holding company and have been properly prepared in accordance with the Companies Act 1985.


Neville Russell

Chartered Accountants
and Registered Auditors
London

1 June 1998

Report on corporate governance

to SEET plc

In addition to our audit of the accounts, we have reviewed the directors' statement on page 8 concerning the company's compliance with the paragraphs of the Cadbury Code of Best Practice specified for our review by the London Stock Exchange and their adoption of the going concern basis in preparing the accounts. The objective of our review is to draw attention to non-compliance with Listing Rules 12.43(j) and 12.43 (v).

We carried out our review in accordance with guidance issued by the Auditing Practices Board. That guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the company's system of internal financial control or its corporate governance procedures nor on the ability of the company to continue in operational existence.

Opinion

With respect to the directors' statements on internal financial control and going concern on page 8 in our opinion the directors have provided the disclosures required by the Listing Rules referred to above and such statements are not inconsistent with the information of which we are aware from our audit work on the accounts.

Based on enquiry of certain directors and officers of the company, and examination of relevant documents, in our opinion, the directors' statement on page 8 appropriately reflects the company's compliance with the other aspects of the Code specified for our review by Listing Rule 12.43 (j).


Neville Russell

Chartered Accountants
and Registered Auditors
London

1 June 1998

Consolidated profit and loss account

for the 8 month period ended 31 December 1997

	Notes	8 month period ended 31 December 1997			Year ended 30 April 1997
		Before exceptionals £	exceptionals £	After exceptionals £	£
Turnover					
Continuing operations		2,434,250	-	2,434,250	2,588,108
Acquisitions		6,296,303	-	6,296,303	-
		8,730,553	-	8,730,553	2,588,108
Discontinued operations		1,640,986	-	1,640,986	4,469,387
	2	10,371,539	-	10,371,539	7,057,495
Net operating costs	5	(10,164,948)	(262,048)	(10,426,996)	(7,038,431)
Goodwill		(24,732)	-	(24,732)	(57,740)
Operating Profit/(Loss)		181,859	(262,048)	(80,189)	(38,676)
Continuing operations		160,346	(262,048)	(101,702)	(207,440)
Acquisitions		(100,556)	-	(100,556)	-
Discontinued operations		122,069	-	122,069	168,764
Loss on disposal of discontinued operations	7	-	(334,210)	(334,210)	-
Provision for disposal of fixed assets	7	-	(83,000)	(83,000)	-
Other interest receivable and similar income		34,014	-	34,014	46,769
Profit/(Loss) on ordinary activities before interest		215,873	(679,258)	(463,385)	8,093
Interest payable	8	(168,886)	-	(168,886)	(102,203)
Profit/(Loss) on ordinary activities before taxation	6	46,987	(679,258)	(632,271)	(94,110)
Taxation on loss on ordinary activities	9	(14,762)	-	(14,762)	(29,229)
Profit/(Loss) on ordinary activities after taxation		32,225	(679,258)	(647,033)	(123,339)
Minority interest - non-equity	10	(718)	-	(718)	-
Profit/(Loss) on ordinary activities attributable to the members of SEET plc		31,507	(679,258)	(647,751)	(123,339)
Retained loss for the financial period		31,507	(679,258)	(647,751)	£(123,339)
Loss per share	13			(6.66)p	(2.46)p
Earnings per share before exceptionals	13	0.32p			

There were no recognised gains or losses other than the loss for the current period and prior year.

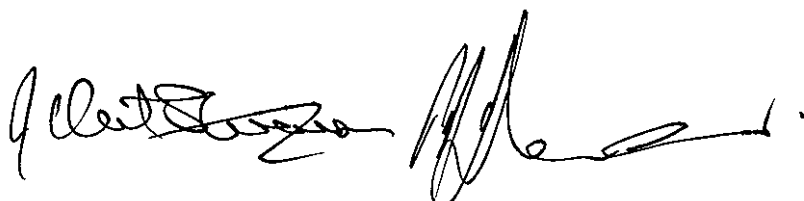
There is no material difference between the result for the current period and prior year and those prepared on an unmodified historical cost basis.

Consolidated balance sheet

as at 31 December 1997

	Notes	31 December 1997		30 April 1997	
		£	£	£	£
Assets employed					
Fixed assets					
Goodwill	14		1,917,107		1,241,788
Negative goodwill	14		(1,085,279)		-
Tangible assets	15		1,941,041		728,426
Investments	16		9,731		-
			2,782,600		1,970,214
Current assets					
Stocks and work in progress	17	5,975,744		2,113,694	
Debtors	18	3,621,868		1,830,358	
Cash at bank and in hand		532,806		638,799	
		10,130,418		4,582,851	
Creditors: amounts falling due within one year	19	(5,195,611)		(2,310,552)	
Net current assets			4,934,807		2,272,299
Total assets less current liabilities			7,717,407		4,242,513
Creditors: amounts falling due after more than one year	20		(1,893,870)		(1,092,903)
Provision for liabilities and charges	22		(17,143)		(10,890)
			£5,806,394		£3,138,720
Financed by:					
Capital and reserves					
Called up share capital	23		3,531,955		1,002,566
Share premium account	24		1,520,310		753,484
Capital reserve	24		-		40,790
Revaluation reserve	24		-		44,486
Profit and loss account	25		694,129		1,297,394
Minority interests - non-equity	10		60,000		-
Shareholders' funds	26		£5,806,394		£3,138,720

The financial statements on pages 17 to 41 were approved by the board on 1 June 1998 and signed on its behalf by:



J. Neil Stevenson
Chairman

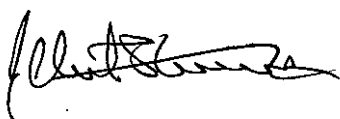
P. McDonald
Finance Director

Company balance sheet

as at 31 December 1997

	Notes	31 December 1997		30 April 1997	
		£	£	£	£
Assets employed					
Fixed assets					
Tangible assets	15		7,338		4,176
Investments - subsidiary undertakings	16		4,880,525		3,221,250
			4,887,863		3,225,426
Current assets					
Debtors	18	6,468,217		711,050	
Cash at bank and in hand		69,437		636,688	
		6,537,654		1,347,738	
Creditors: amounts falling due within one year	19	(2,093,008)		(548,948)	
Net current assets			4,444,646		798,790
Total assets less current liabilities			9,332,509		4,024,216
Creditors: amounts falling due after more than one year	20		(2,921,220)		(917,500)
			£6,411,289		£3,106,716
Financed by:					
Capital and reserves					
Called up share capital	23		3,531,955		1,002,566
Share premium account	24		1,520,310		753,484
Profit and loss account	25		1,359,024		1,350,666
Shareholders' funds			£6,411,289		£3,106,716

The financial statements on pages 19 to 41 were approved by the Board on 1 June 1998 and signed on its behalf by



J. Neil Stevenson
Chairman



P. McDonald
Finance Director

Notes to the financial statements

for the 8 month period ended 31 December 1997

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 as modified by the revaluation of certain assets.

(b) Turnover

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods to customers.

(c) Basis of consolidation and goodwill

The group financial statements consolidate the financial statements of the Company and its subsidiary undertakings made up to 31 December 1997.

The profits and losses of subsidiary undertakings are consolidated from the date of acquisition and up to the date of disposal. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised, as goodwill or negative goodwill, and amortised through the profit and loss account in equal instalments over their estimated useful lives which are estimated to be:

Goodwill	7 years
Negative goodwill	3 years

The estimated useful life of the goodwill on the acquisition of Ballyclare Special Products Limited is considered to be 7 years, the directors have revised their estimate of the useful life of the goodwill arising on the acquisition of Marmair Holdings Limited and Distinctive Clothing Company Limited from 20 years to 7 years.

The negative goodwill arising on the acquisition of Banner and Beau Brummel has been amortised over the estimated period of economic benefit of 3 years.

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the Company is not presented as part of these financial statements. The parent Company's profit for the financial period was £8,358 (year ended 30 April 1997: £755,015).

(d) Depreciation of tangible fixed assets

No depreciation is provided on freehold land. Provision for depreciation, mainly on a straight line basis, is charged to write off all other tangible fixed assets over their anticipated lives which are estimated to be:

Freehold buildings	50 years
Leasehold land and buildings	over the term of the lease
Plant and machinery	3 to 10 years

Government grants are credited to the profit and loss account at rates corresponding to the depreciation of the relevant fixed asset.

(e) Stocks and work in progress

These are valued at the lower of cost and net realisable value. Cost of work in progress and finished goods includes materials, direct labour and production overheads. Net realisable value is based on estimated selling price less distribution costs.

(f) Foreign currencies

Assets, liabilities and costs in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for:

- trading transactions settled against forward contracts; and
- monetary assets and liabilities translated at exchange rates applicable at the balance sheet date.

Differences arising on the translation of such items are dealt with in the profit and loss account.

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

(g) Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

(h) Deferred taxation

Deferred taxation is accounted for on the liability method in respect of all timing differences, except where they are not expected to reverse in the foreseeable future.

(i) Pension funding

The group operates a defined benefits pension scheme, the contributions to which are based on independent periodic actuarial calculations and are charged to the profit and loss account accordingly. The scheme is fully funded by payments to an insurance company.

The group also operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

2 Segmental report

Classes of Business	Manufacture and supply of specialist/protective clothing		Manufacture and supply schoolwear/clothing		Other		Total	
	8 months ended 31 December 1997 £	Year ended 30 April 1997 £	8 months ended 31 December 1997 £	Year ended 30 April 1997 £	8 months ended 31 December 1997 £	Year ended 30 April 1997 £	8 months ended 31 December 1997 £	Year ended 30 April 1997 £
Turnover								
Total sales	2,041,361	-	6,699,192	2,588,108	1,640,986	4,469,387	10,381,539	7,057,495
Inter-segment sales	(10,000)	(-)	(-)	(-)	(-)	(-)	(10,000)	(-)
Sales to third parties	2,031,361	-	6,699,192	2,588,108	1,640,986	4,469,387	10,371,539	7,057,495
Profit/(loss) before taxation	132,810	-	156,416	176,774	(921,497)	(270,884)	(632,271)	(94,110)
Net assets								
Segment net assets	952,700	-	1,190,852	1,157,384	8,212,733	5,278,583	10,356,285	6,435,967
Unallocated assets							(4,549,891)	(3,297,247)
Total net assets							5,806,394	3,138,720

	8 month period ended 31 December 1997 £	Year ended 30 April 1997 £
--	---	--

The turnover all originates in the United Kingdom and a geographical analysis of turnover by destination is as follows:

United Kingdom	8,302,806	4,092,322
Rest of the European Union	520,049	1,396,457
Rest of the World	1,548,684	1,568,716
	£10,371,539	£7,057,495

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

3 Acquisition of subsidiary undertakings

Banner acquisition

On 5 September 1997, the group acquired certain assets and liabilities and the business of the Banner division of Baird Textile Holdings Limited, a subsidiary of William Baird plc. The business now operates through the company's wholly-owned subsidiary, Banner Limited. The divisions were acquired for a cash consideration of £4,081,000. The acquisition has been accounted for by the acquisition method of accounting. The amount of negative goodwill arising after charging applicable acquisition costs was £1,220,939 (Cash Flow Statement note E) and has been capitalised and amortised over the period of estimated economic benefit.

The profit of the division for the period from the beginning of their accounting period up to the date of acquisition and for their previous financial years was as follows:

	£
1 January 1997 to date of acquisition	516,000
Financial year ended 31 Dec. 1996	42,000

The loss after taxation before exceptional items of Banner Limited for the period from the date of acquisition to the balance sheet date included in the consolidated accounts was £334,837.

Ballyclare acquisition

On 5 September 1997, the Company acquired the entire share capital, except the Redeemable Cumulative Preference shares of £1 each, of Ballyclare Special Products Limited, for a cash consideration of £964,258 and the issue of 785,807 Ordinary shares of 20p each at issue price. The consideration also included deferred consideration, up to a maximum of £300,000, to be satisfied by the issue of loan notes or, at the vendors option, cash. The total consideration is anticipated to be £1,500,000. The acquisition has been accounted for by the acquisition method of

accounting. The amount of goodwill arising after charging applicable acquisition costs was £800,871 (Cash Flow Statement Note E) and has been amortised over its estimated useful life.

The profit of Ballyclare Special Products Limited for the period from the beginning of its accounting period up to the date of acquisition and for its previous financial year was as follows:

	£
1 January 1997 to date of acquisition	98,899
Financial year ended 31 Dec. 1996	107,305

The profit after taxation before exceptional items of the Company for the period from the date of acquisition to the balance sheet date included in the consolidated accounts was £60,144.

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

3 Acquisition of subsidiary undertakings continued

The table below explains the adjustment made to the book values of the major categories of assets and liabilities acquired in arriving at fair values:

	Banner Cost	Fair Value Adjustments £	Total Banner £	Ballyclare Book Values £	Total £
Fixed assets					
Tangible assets	581,285	343,715	925,000	550,391	1,475,391
Current assets					
Stock	2,697,715	1,156,285	3,854,000	1,302,339	5,156,339
Debtors	4,795,000	-	4,795,000	1,017,344	5,812,344
Total assets	8,074,000	1,500,000	9,574,000	2,870,074	12,444,074
Liabilities					
Bank loans and overdraft	-	-	-	458,670	458,670
Trade creditors	3,377,000	-	3,377,000	1,314,343	4,691,343
Other creditors	616,000	-	616,000	210,831	826,831
Minority interest	-	-	-	60,000	60,000
Total liabilities	3,993,000	-	3,993,000	2,043,844	6,036,844
Net assets	£4,081,000	£1,500,000	£5,581,000	£826,230	£6,407,230

4 Disposal of business

On the 5 September 1997 the group's subsidiary company, Banner Group Limited (formerly Peter MacArthur & Co Limited), disposed of its business and assets, other than cash and trade debtors. The total consideration received was the aggregate of the net book value of the tangible fixed assets of the company and the value of the stock less £375,000. The total consideration, based on this formula, is £1,055,307 payable by £750,000 in cash and £305,307 in Bank Guaranteed Loan notes. £300,000 of the loan notes are redeemable within one year from completion and the remainder 15 months from completion. The loan notes bear interest at a rate of 1.5% above the banks base rate.

The capital reserve of £40,790 primarily arising on consolidation has been transferred to the loss on disposal in the year.

The profit after tax for the period from the beginning of its accounting period up to the date of disposal and for its previous financial year was as follows:

	£
1 May 1997 to date of disposal	135,498
Financial year ended 30 April 1997	(246,228)

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

5 Net operating costs

	8 month period ended 31 December 1997		Year ended 30 April 1997
	Before exceptionals £	exceptionals £	After exceptionals £
Changes in stocks of finished goods and work-in-progress	4,182,620	-	4,182,620
	4,182,620	-	4,182,620
Other operating income	28,681	-	28,681
	4,211,301	-	4,211,301
Raw materials and consumables	(9,196,322)	-	(9,196,322)
Other external charges	(1,636,195)	-	(1,636,195)
Trading expenses	(3,543,732)	(262,048)	(3,805,780)
	£(10,164,948)	£(262,048)	£(10,426,996)
			£(7,038,431)

6 Profit/(Loss) on ordinary activities before taxation

The (loss)/profit on ordinary activities before taxation is stated after charging/(crediting):

	8 month period ended 31 December 1997 £	Year ended 30 April 1997 £
Staff costs (note 11)	1,888,000	2,212,957
Depreciation	122,865	76,660
Directors' emoluments (note 12)	319,272	199,867
Group auditors:		
- audit	45,250	35,000
- non-audit services	3,341	91,028
Subsidiary auditors:		
- audit	16,150	-
- non-audit services	16,764	-
Operating lease rentals	9,284	30,000
Profit on sale of fixed assets	(3,231)	(2,050)

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

7 Exceptional items

	8 month period ended 31 December 1997 £	Year ended 30 April 1997 £
Continuing activities		
Pension contributions in respect of Banner directors	187,500	-
Revenue costs incurred in acquisition of business	43,130	-
Costs incurred in acquisitions not completed	31,418	-
	262,048	-
 Provision for disposal of fixed assets and redundancies	 83,000	 -
Discontinued operations		
Loss on disposal of manufacturing of woollen and worsted cloth business (note 4)	334,210	-

The provision for the disposal of fixed assets and redundancy costs of £83,000 relates to the closure of the warehousing operation at Leeds, as part of the rationalisation of the group following the acquisitions and disposal during the period. The cost of £43,130 relates to the non-recurring expenditure incurred during the acquisition of the businesses. The cost of £31,418 relates to an acquisition which was aborted as on evaluation it was felt that it would not contribute to the growth of the group.

8 Interest payable and similar charges

	8 month period ended 31 December 1997 £	Year ended 30 April 1997 £
Bank overdrafts, bank loans and other loans: repayable within five years	£168,886	£102,203

9 Taxation on loss on ordinary activities

	8 month period ended 31 December 1997 £	Year ended 30 April 1997 £
Corporation tax payable at 33.5%	(90,915)	(27,649)
Transfer to deferred taxation	-	(3,190)
Overprovision in respect of previous years	-	1,610
Deferred tax asset	76,153	-
	£(14,762)	£(29,229)

An asset has been recognised for those timing differences which are expected to crystallise in the foreseeable future.

10 Minority interest

Included in the share capital of Ballyclare Special Products Limited are 60,000 £1 non-equity Redeemable Cumulative Preference shares held by a third party which are eligible to receive a fixed cumulative preference dividend on the nominal amount of each of the preference shares. The shares are redeemable at the option of the shareholder at their nominal value plus any premium paid on subscription.

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

11 Staff costs

	8 month period ended 31 December 1997 Number	Year ended 30 April 1997 Number
The average weekly number of employees (including directors) during the period was:		
Production	195	161
Distribution	33	6
Administration	38	29
	266	196
Staff costs comprise the following:		
	£	£
Wages and salaries	1,717,666	2,066,337
Social security costs	130,755	138,506
Other pension costs	39,579	8,114
	£1,888,000	£2,212,957

12 Directors' remuneration

The remuneration of the directors who served during the period is detailed below:

	Salary £	Benefits £	Fees £	Pension Contributions £	8 month period ended 31 December 1997 Total £	Year ended 30 April 1997 Total £
J H M Mackenzie	-	-	21,972	-	21,972	42,026
J N Stevenson	10,000	-	-	-	10,000	14,500
K C Scates	23,654	1,465	-	78,295	103,414	-
R Russell	21,590	1,269	-	2,496	25,355	-
P McDonald	17,346	1,181	-	57,197	75,724	-
D W Meddings	41,000	14,521	-	-	55,521	62,415
A M Bottomley	23,058	4,228	-	-	27,286	80,926
	136,648	22,664	21,972	137,988	319,272	199,867

The fees paid to J H M Mackenzie include an amount of £17,500 in respect of a pension paid by the company.

The pension contributions for K C Scates and P McDonald include contributions relating to a commitment in connection with the underfunding of pension arrangements referred to in the rights issue circular distributed to shareholders on 13 August 1997.

Further information on directors' remuneration is detailed in the directors' report on page 8.

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

13 Loss per share

The calculation is based on the loss attributable to the members of the Company after taxation and minority interests of £647,751 (year ended 30 April 1997 loss: £123,339) on the weighted average of the 20p Ordinary shares in issue during the period of 9,721,680 (30 April 1997: 5,012,829).

The (loss)/earnings per share before exceptional items is based on earnings of £31,507.

14 Intangible fixed assets

Group	Negative Goodwill £	Goodwill £	Total £
Cost			
At 1 May 1997	-	1,299,528	1,299,528
Additions at cost	(1,220,939)	800,871	(420,068)
Adjustment to deferred consideration	-		
34,			

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

15 Tangible fixed assets

Group	Freehold Properties £	Short-term leasehold property £	Plant, machinery, equipment and vehicles £	Total £
Cost				
At 1 May 1997	507,525	1,850	1,625,168	2,134,543
Additions at cost	-	-	117,744	117,744
Eliminated on disposal	(160,000)	-	(1,082,002)	(1,242,002)
Disposals at cost	-	-	(62,150)	(62,150)
Acquisitions - Subsidiaries	633,358	343,716	645,141	1,622,215
At 31 December 1997	980,883	345,566	1,243,901	2,570,350
Depreciation				
At 1 May 1997	38,687	1,850	1,365,580	1,406,117
Eliminated on disposal	(5,706)	-	(982,257)	(987,963)
Disposals	-	-	(58,534)	(58,534)
Acquisitions - subsidiaries	12,400	2,765	131,659	146,824
Charge for the period	8,402	7,912	106,551	122,865
At 31 December 1997	53,783	12,527	562,999	629,309
Net book values				
At 31 December 1997	£927,100	£333,039	£680,902	£1,941,041
At 30 April 1997	£468,838	-	£259,588	£728,426
Cost or valuation of group tangible fixed assets at 31 December 1997 was made up as follows:				
Valuation in 1991	365,000	-	-	365,000
Valuation in 1994	350,000	-	-	350,000
Cost	265,883	345,566	1,243,901	1,855,350
	£980,883	£345,566	£1,243,901	£2,570,350

If the land and buildings had not been revalued they would have been included at the following amounts:

	8 months ended 31 December 1997 £	Year ended 30 April 1997 £
Historical cost	£185,655	£265,655
Aggregate depreciation	£99,136	£110,081
Net book values	£86,519	£155,574

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

15 Tangible fixed assets continued

The net book value and related depreciation charge for the period in respect of assets held under finance leases and hire purchase contracts are as follows:

	Net book values		Depreciation	
	31 December 1997 £	30 April 1997 £	31 December 1997 £	30 April 1997 £
Motor vehicles	£27,512	£18,388	£6,878	£19,877
Plant and machinery	£29,152	-	£7,288	-

Company	Short-term leasehold property £	Plant, machinery, equipment and vehicles £	Total £
Cost			
At 1 May 1997	1,850	69,577	71,427
Additions	-	4,919	4,919
Disposals	-	(41,703)	(41,703)
At 31 December 1997	1,850	32,793	34,643
Depreciation			
At 1 May 1997	1,850	65,401	67,251
Elimination on disposals	-	813	813
Charge for the period	-	(40,759)	(40,759)
At 31 December 1997	1,850	25,455	27,305
Net book values			
At 31 December 1997	-	£7,338	£7,338
At 30 April 1997	-	£4,176	£4,176

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

16 Fixed asset investments

	Group Associated Undertakings £	Company Shares in Subsidiary undertakings £
Cost		
At 1 May 1997	-	3,320,715
Movement in period - acquisition of subsidiary undertakings	9,731	1,659,275
At 31 December 1997	£9,731	£4,979,990
Provisions		
At 1 May 1997	-	99,465
At 31 December 1997	-	£99,465
Net book values		
At 31 December 1997	£9,731	£4,880,525
At 30 April 1997	-	£3,221,250

The above investments are unlisted.

The groups investment in associated undertakings represents 50% shareholdings in Probanimpex SRL and Carom Trade SRL both of which are incorporated and operate in Romania. Both companies source and manufacture clothing.

Principal subsidiary undertakings:

Banner Group Limited is registered and operates principally in Scotland. Its business was the production of apparel fabrics and accessories. SEET plc owns 100% of both the Ordinary shares and the Preference shares.

Banner Group Limited wholly owns 100% of the Ordinary shares of Banner Limited, which is registered and operates principally in England and Wales and manufactures and distributes clothing. The authorised issued and fully paid up share capital of Banner Limited has been increased to £500,000 after the period end.

Ballyclare Special Products Limited, which is registered and operates principally in England and Wales, manufactures protective clothing. SEET plc owns 100% of the Ordinary issued shares and all of the Preference shares except for 60,000 Cumulative Redeemable Preference shares.

Marmair Holdings Limited, which, in turn, wholly owns Distinctive Clothing Company Limited, the trading company. These companies are registered in England and manufacture children's clothing. SEET plc owns 100% of the Ordinary shares, 'A' Ordinary shares, Preference shares and Cumulative Redeemable Preference shares.

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

17 Stocks and work in progress

	31 December 1997 £	30 April 1997 £
Raw materials and consumables	1,521,539	844,873
Work in progress	721,438	510,039
Finished goods	3,732,767	758,782
	£5,975,744	£2,113,694

18 Debtors

	Group		Company	
	31 December 1997 £	30 April 1997 £	31 December 1997 £	30 April 1997 £
Amounts falling due within one year:				
Trade debtors	2,774,550	1,573,664	-	-
Dividend receivable from subsidiary company	-	-	49,997	235,273
Other amounts owed by subsidiary undertakings	-	-	284,817	294,395
Other debtors	454,965	134,824	396,038	90,976
Prepayments and accrued income	392,353	121,870	9,078	90,406
	3,621,868	1,830,358	739,930	711,050
Amounts falling due after one year:				
Amount owed by subsidiary undertakings	-	-	5,728,287	-
	£3,621,868	£1,830,358	£6,468,217	£711,050

19 Creditors: amounts falling due within one year

	Group		Company	
	31 December 1997 £	30 April 1997 £	31 December 1997 £	30 April 1997 £
Bank loans and overdrafts	1,011,456	784,567	1,560,536	162,825
Trade creditors	2,670,322	689,646	-	-
Amounts owed to subsidiary undertakings	-	-	46,193	46,193
Corporation tax payable	33,873	8,000	-	-
Other taxation and social security payable	312,229	53,623	6,603	3,000
Other creditors	151,654	48,335	5,216	7,208
Accruals and deferred income	716,077	418,381	174,460	21,722
Deferred consideration (Note 30)	300,000	308,000	300,000	308,000
	£5,195,611	£2,310,552	£2,093,008	£548,948

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

20 Creditors: amounts falling due after more than one year

	Group		Company	
	31 December 1997 £	30 April 1997 £	31 December 1997 £	30 April 1997 £
Bank loan	1,631,000	817,500	1,631,000	692,500
Bank guarantee loan notes	215,000	225,000	215,000	225,000
Amounts owed to subsidiary undertakings	-	-	1,075,220	-
Trade creditors	41,798	42,680	-	-
Deferred credit for government grants	6,072	7,723	-	-
	£1,893,870	£1,092,903	£2,921,220	£917,500

Included above are the following:

	Group		Company	
	31 December 1997 £	30 April 1997 £	31 December 1997 £	30 April 1997 £
Amounts repayable otherwise than by instalments within five years	215,000	225,000	215,000	225,000
Amounts repayable by instalments:				
Repayable within five years	1,631,000	551,112	1,631,000	440,000
Repayable after five years	-	266,388	-	252,500
	£1,846,000	£1,042,500	£1,846,000	£917,500

Facility agreements dated 12 August 1997 between the group and its principal bankers were entered into to guarantee the loan notes issued by the company in connection with the acquisition of the Marmair Holdings Limited and any loan notes issued by the company under the Ballyclare Special Products Limited agreement and to provide a term loan of £2 million repayable over 5 years with the first instalment payable in May 1998 and an overdraft facility. Interest is payable at a rate of 1.25% above the banks' base rate in respect of the loan notes and 1.4% above LIBOR for the term loan. The facility is secured by guarantees and debentures from each of the principal subsidiary undertakings and bonds and floating charges from the company and Banner Group Limited over the whole of their property and legal charges from Banner Limited and Ballyclare Special Products Limited.

A subsidiary undertaking also entered into a facility agreement on 12 August 1997 with another bank to provide credit facilities in respect of documentary letters of credit, bills of exchange, overdraft, duty deferment, and foreign exchange facilities. Charges are made on a transaction basis. The facility is secured by guarantees from the company and Banner Group Limited and by a fixed and floating charge over the whole of the property of the subsidiary undertaking.

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

21 Creditors: amounts falling due after more than one year

Analysis of debt maturity as at 31 December 1997

	Group Bank loans and overdrafts £	Company Bank loans and overdrafts £
Amounts payable:		
In one year or less or on demand	1,011,456	1,560,536
Between one and two years	369,000	369,000
Between two and five years	1,477,000	1,477,000
	£2,857,456	£3,406,536

22 Provisions for liabilities and charges

	31 December 1997 £	30 April 1997 £
Deferred taxation:		
At 1 May 1997	10,890	-
On acquisition of new subsidiary undertaking	6,253	7,700
Transfer from profit and loss account	-	3,190
	£17,143	£10,890
Potential amounts of deferred tax are as follows:		
Provided above in respect of:		
Timing differences	17,143	10,890
	£17,143	£10,890
Not provided above in respect of:		
Accelerated capital allowances	-	15,131
Property revaluation	52,500	52,693

There are expenses of management of approximately £787,743 in the Company which are available to be carried forward for tax purposes against future profits.

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

23 Share capital

	31 December 1997 £	30 April 1997 £
Authorised:		
20,000,000 Ordinary shares of 20p each (30 April 1997: 10,000,000)	£4,000,000	£2,000,000
Allotted, called up and fully paid:		
17,659,766 Ordinary shares of 20p each (30 April 1997: 5,012,829)	£3,531,955	£1,002,566

The authorised share capital was increase to £4,000,000 by the creation of an additional ten million ordinary shares of 20p each on the 4 September 1997.

The Company allotted 10,861,130 Ordinary shares of 20p each at 30p per share by way of a rights issue of 13 for 6 in order to fund the acquisition of the assets of the Banner division of Baird Textile Holdings Limited and provide additional working capital. Such shares rank pari passu with the existing Ordinary shares.

The Company allotted 1,000,000 Ordinary shares of 20p each at 30p in settlement of the deferred consideration on the acquisition of Marmair Holdings Limited. Such shares rank pari passu with the existing Ordinary shares.

The Company allotted 785,807 Ordinary shares at 20p each fully paid at 30p per share as part of the consideration of Ballyclare Special Products Limited. Such shares rank pari passu in all respects with the existing Ordinary shares.

24 Reserves

	Share premium £	Capital reserve £	Revaluation reserve £
Group			
At 1 May 1997	753,484	40,790	44,486
Rights issue	1,086,113	-	-
Costs in respect of rights issue	(497,868)	-	-
Consideration for Ballyclare Special Products Limited	78,581	-	-
Payment of deferred consideration	100,000	-	-
Transfers to profit and loss on disposal of trade and assets	-	(40,790)	(44,486)
At 31 December 1997	£1,520,310	-	-
Company			
At 1 May 1997	753,484	-	-
Rights issue	1,086,113	-	-
Costs in respect of rights issue	(497,868)	-	-
Consideration for Ballyclare Special Products Limited	78,581	-	-
Payment of deferred consideration	100,000	-	-
At 31 December 1997	£1,520,310	-	-

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

25 Profit and loss account

	Group		Company	
	31 December 1997 £	30 April 1997 £	31 December 1997 £	30 April 1997 £
At 1 May 1997	1,297,394	1,420,733	1,350,666	583,529
(Loss)/Profit for the period	(647,751)	(123,339)	8,358	767,137
Transfer on disposal of trade	44,486	-	-	-
At 31 December 1997	£694,129	£1,297,394	£1,359,024	£1,350,666

26 Reconciliation of movement in shareholders' fund

	31 December 1997 £	30 April 1997 £
Opening shareholders' funds 1 May 1997	3,138,720	3,274,709
Loss for the financial period	(647,751)	(123,339)
Movement on revaluation reserve	-	(12,650)
Eliminated on disposal of business	(40,790)	-
New ordinary shares	2,529,389	-
Net share premium	766,826	-
Minority interest - non equity	60,000	-
	£5,806,394	£3,138,720

27 Leases

	Group		Company	
	31 December 1997 £	30 April 1997 £	31 December 1997 £	30 April 1997 £
Annual commitments under non-cancellable operating leases in respect of land and buildings:				
Within one year	12,000	-	-	-
Within 2 to 5 years	69,950	-	-	-
Expiring after five years	216,455	30,000	-	30,000
	£298,405	£30,000	-	£30,000
Other:				
Within one year	894	-	-	-
Within 2 to 5 years	73,740	-	-	-
Expiring after five years	3,520	-	-	-
	£78,154	-	-	-

Notes to the financial statements

for the 8 month period ended 31 December 1997 continued

28 Pension Commitments

The group contributes to a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. At the period end there is only one member of the Scheme and the effect of this change had not been quantified by the Scheme's actuaries. The following disclosures are based on the Scheme continuing to operate as if it were on a consistent basis with prior years.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation available is at 31 December 1994. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would exceed salary increases by 2% per annum and that future pensions based on service up to 5 April 1997 would increase at the rate of 3% per annum and pension based on service after 5 April will increase at 4.25% per annum.

The pension charge for the period was £Nil (year to 30 April 1997: credit £1,125). The normal charge for the period would have been £69,600 (year to 30 April 1997: £99,300) but as a result of the most recent actuarial valuation no contributions other than stated have been paid by the group. That valuation showed that the market value of the scheme's assets was £2,889,565 and that the actuarial value of those assets represented 108% of the benefits that had accrued to members after allowing for expected future increases in earnings.

29 Other commitments

In the normal course of business, forward commitments have been entered into which are based on estimated requirements for the purchase of wool and yarn amounting to £Nil (30 April 1997: £893,000).

A subsidiary undertaking entered into bills of exchange, which at the period end, amounted to £49,711.

30 Deferred consideration

In connection with the acquisition of Ballyclare Special Products Limited, the group has entered into arrangements for additional payments to be made in the future to the vendors, where the amount of the future consideration is dependent upon the future performance of that company in the year ended 31 December 1997. This consideration is to be settled by the issue of bank guaranteed loan notes or cash at the vendors' option and £300,000 has been accrued in the accounts to the 31 December 1997. This amount has been settled after the year end.

Consolidated cash flow statement

for the 8 month period ended 31 December 1997

	Notes	8 month period ended 31 December 1997 £	Year ended 30 April 1997 £
Net cash inflow from operating activities	A	1,551,276	106,371
Returns on investment and servicing of finance	B	(134,872)	(55,434)
Taxation		(10,102)	(74,930)
Capital expenditure and financial investment	B	(110,897)	(95,867)
Acquisitions and disposal	B	(4,782,751)	(1,881,168)
Cash outflow before use of liquid resources and financing		(3,487,346)	(2,001,028)
Financing - increase in debt	C	3,873,501	700,000
Increase/(Decrease) in cash in the period		£386,155	£(1,301,028)
Reconciliation of net cash flow to movement in net debt (note C)			
Increase/(Decrease) in cash in the period		386,155	(1,301,028)
Cash inflow from increase in debt		(1,072,220)	(700,000)
Change in net debt resulting from cash flows		(686,065)	(2,001,028)
Loans acquired with subsidiary		(450,318)	(248,611)
Bank guaranteed loan notes		-	(225,000)
Movement in net debt in the period		(1,136,383)	(2,474,639)
Net funds at 1 May 1997		(1,188,268)	1,286,371
Net debt at 31 December 1997		£(2,324,651)	£(1,188,268)

Consolidated cash flow statement

for the 8 month period ended 31 December 1997 continued

A Reconciliation of operating profit to operating cash flows

	8 month period ended 31 December 1997 £	Year ended 30 April 1997 £
Operating (loss)	(80,189)	(38,676)
Depreciation of tangible fixed assets	122,865	76,660
(Profit) on sale of tangible fixed assets	(3,231)	(2,050)
Decrease in stock	118,021	47,539
Decrease/(increase) in debtors	4,326,141	(124,139)
(Decrease)/increase in creditors	(2,955,412)	95,701
Government grant credit	(1,651)	(6,404)
Goodwill amortisation	24,732	57,740
	£1,551,276	£106,371

B Analysis of cash flows for headings netted in the cash flow statement

	8 month period ended 31 December 1997 £	Year ended 30 April 1997 £
Returns on investments and servicing of finance		
Interest received	34,014	46,769
Interest paid	(168,886)	(102,203)
Net cash outflow for returns on investments and servicing of finance	£(134,872)	£(55,434)
Capital expenditure and financial investment		
Purchase of fixed assets	(117,744)	(104,969)
Sale of fixed assets	6,847	9,102
Net cash outflow for capital expenditure and financial investment	£(110,897)	£(95,867)
Acquisitions and disposal		
Purchase of subsidiary undertakings	(5,489,559)	(1,392,744)
Net overdraft acquired with subsidiary undertakings	(8,352)	(488,424)
Earnout agreement payment	(34,840)	-
Disposal of trade and assets of subsidiary undertaking	750,000	-
Net cash outflow for acquisitions and disposal	£(4,782,751)	£(1,881,168)

Consolidated cash flow statement

for the 8 month period ended 31 December 1997 continued

B Analysis of cash flows for headings netted in the cash flow statement (continued)

	8 month period ended 31 December 1997 £	Year ended 30 April 1997 £
Financing		
Issue of Ordinary share capital	3,258,341	-
Issue costs	(457,060)	-
New secured term loan	2,000,000	775,000
Debt due beyond one year:		
Repayment of loan	(927,780)	(75,000)
Net cash from financing	£3,873,501	£700,000

C Analysis of net debt

	At 30 April 1997	Acquisition (excluding cash and overdraft)	Other cash charges	Cashflow	At 31 December 1997
Cash in hand and in bank	638,799	-	(10,000)	(95,993)	532,806
Overdrafts	(674,287)	-	-	31,830	(642,457)
Debt due after one year	(927,780)	(450,318)	-	(621,902)	(2,000,000)
Bank guarantee loan notes	(225,000)	-	10,000	-	(215,000)
	£(1,188,268)	£(450,318)	-	£(686,065)	£(2,324,651)

D Major non-cash transactions

Part of the consideration for the purchase of subsidiary undertakings and the sale of the business that occurred during the period comprised Ordinary shares, loan notes and deferred consideration. Further details of the acquisitions and the disposal are set out below.

E Purchase and sale of subsidiary undertakings

	Banner £	Ballyclare Special Products Limited £	Total Purchase £	Total Sale £
Net assets acquired				
Tangible fixed assets	925,000	550,391	1,475,391	254,039
Stocks	3,854,000	1,302,339	5,156,339	801,268
Debtors	4,795,000	1,017,344	5,812,344	-
Cash at bank and in hand	-	-	-	-
Creditors	(3,993,000)	(1,525,174)	(5,518,174)	-
Bank loans and overdraft	-	(458,670)	(458,670)	-
Minority interest - non equity	-	(60,000)	(60,000)	-
	5,581,000	826,230	6,407,230	1,055,307
(Negative goodwill)/goodwill	(1,220,939)	800,871	(420,068)	-
	£4,360,061	£1,627,101	£5,987,162	£1,055,307

Consolidated cash flow statement

for the 8 month period ended 31 December 1997 continued

	Banner £	Ballyclare Special Products Limited £	Total Purchase £	Total Sale £
Satisfied by				
Cash	4,081,000	972,610	5,053,610	750,000
Deferred consideration	-	300,000	300,000	-
Loan notes received	-	-	-	305,307
Shares allotted	-	235,742	235,742	-
Acquisition costs	279,061	127,101	406,162	-
Overdraft acquired	-	(8,352)	(8,352)	-
	£4,360,061	£1,627,101	£5,987,162	£1,055,307

The subsidiary undertakings acquired during the period contributed £678,180 to the group's net operating cash flows, paid £77,401 in respect of net returns on investments and servicing of finance, paid £60,682 in respect of taxation and utilised £94,895 for capital expenditure.

The subsidiary undertaking disposed of during the period contributed £438,027 to the group's net operating cash flows and received £3,070 in respect of net returns on investments and servicing of finance.

Seet plc form of proxy

In BLOCK CAPITALS please

I/We (name in full)

Of (address)

being (a) holder(s) of ordinary shares of 20p each in the capital of the Company hereby appoint the Chairman

(Note 7) of the meeting or to act as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 9.30 a.m. on 29th July 1998, and at any adjournment thereof.

I/we direct my/our proxy to vote as follows:-

Resolution Number	Resolution	For *	Against *
1	To receive the Report and Accounts for the period ended 1997.		
2	To re-elect K. C. Scates as a Director, appointed since last A.G.M.		
3	To re-elect R. Russell as a Director, appointed since last A.G.M.		
4	To re-elect P. McDonald as a Director, appointed since last A.G.M.		
5	To re-elect J. H. Mackenzie as a Director retiring by rotation.		
6	To reappoint the Auditors at remuneration to be fixed by the Directors.		
7	To increase the authorised share capital to £7,000,000.		
8	To authorise the Directors to allot shares.		
9	To disapply pre-emption rights. (Special Resolution).		
10	To Purchase own Shares for cancellation. (Special Resolution).		
11	To amend the provisions of Article 85 (a) -remuneration of non-executive Directors (Special Resolution).		

Full details of the Resolutions are given on pages 2 - 3 of the report.

* Please indicate with an "X" in the appropriate space how you wish your votes to be cast.

Signature Date.....

To facilitate arrangements for the Meeting, please tick here (without commitment on your part) if you propose to attend (having not appointed a proxy above) or if your proxy is to attend ☐

Notes:

1. A proxy need not be a member of the Company.
2. In the case of joint holders whether in person or by proxy the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names stand in the Register of Members in respect of the joint holding.
3. In the case of a corporation this Form of Proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised.
4. To be effective, this Form of Proxy must be lodged with the company's Registrars, IRG plc, Balfour House, 390-398 High Road, Ilford, Essex IG1 1NQ not later than 48 hours before the time of the meeting, or any adjournment thereof together, if appropriate, with the power of attorney under which it is signed or a notarially certified or office copy of such power, or where the Form has been signed by an officer on behalf of a corporation, a notarially certified or office copy of the authority under which it is signed. If two or more valid Forms of Proxy are delivered in respect of the same share(s), the one which was delivered last (regardless of its date or the date of its postmark) will be counted.
5. Any alterations made to this Form of Proxy should be initialled.
6. Unless otherwise instructed, the proxy will vote or abstain as the proxy thinks fit.
7. If it is desired to appoint as proxy any person other than the Chairman of the meeting his/her name should be inserted in the relevant place, references to the Chairman deleted and the alteration initialled.
8. The completion and return of this Form of Proxy will not prevent you from attending in person and voting at the meeting should you subsequently decide to do so.
9. A vote given by the duly authorised representative of a member shall be valid, notwithstanding the previous determination of such authority unless notice in writing of such determination was received by the Company's Registrars at the address referred to above at least 48 hours before the time appointed for holding the meeting or any adjournment thereof.

SPECIAL NOTE - YOU ARE REQUESTED TO SIGN AND DATE THE ABOVE PROXY FORM.