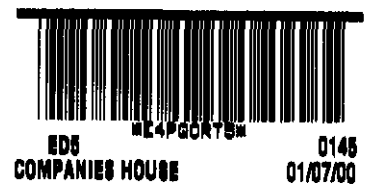


AMC LIMITED and subsidiary company

Report and Financial Statements

30 June 1999

**Deloitte & Touche
Chartered Accountants
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BE**



REPORT AND FINANCIAL STATEMENTS 1999

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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R N Balme (Chairman)
A D N Balme

SECRETARY

R N Balme

REGISTERED OFFICE

Yaldhurst
Yaldhurst Lane
Lymington
Hampshire
SO41 8HE

BANKERS

Midland Bank Plc
47 Market Street
Bradford
West Yorkshire
BD1 1LW

AUDITORS

Deloitte & Touche
Chartered Accountants
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BE

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 1999.

ACTIVITIES

AMC Limited is the parent company whose principal activity is dealing in wool and speciality fibres. The subsidiary company's principal activity was that of knitwear manufacturers. The subsidiary company ceased producing knitwear garments in-house in 1998. It now operates manufacturing on a subcontract basis and as a stockholding and distribution centre for knitwear garments to the same market.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors consider the results for the year to be disappointing but are anticipating improved results in the next financial year. The future of the subsidiary, Balmore Limited, is continuing to be reviewed and the directors are confident the subsidiary will trade profitably in the current financial year.

RESULTS AND DIVIDENDS

The loss for the year was £49,583 (1998 : loss £35,404) and the overall results of the group for the year ended 30 June 1999 are set out in detail on page 5. The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1.

All directors served throughout the year. The directors' interests in the share capital of the company at 1 July 1998 and 30 June 1999 were:

	Ordinary shares of £1 each	
	1999	1998
R N Balme	15,000	15,000
A D N Balme	15,000	15,000

Both R N Balme and A D N Balme had family non-beneficial interests in the remaining issued share capital of 20,000 £1 ordinary shares at 1 July 1998 and 30 June 1999, as these are held in trust for their children.

There have been no changes in directors' interests since the year end to date.

YEAR 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

DIRECTORS' REPORT (Continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors
and signed on behalf of the Board by

R N BALME

Director

Date :

26/6/00

AUDITORS' REPORT TO THE MEMBERS OF AMC LIMITED

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

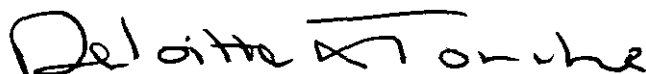
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 and 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 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 affairs of the company and the group as at 30 June 1999 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and
Registered Auditors

Date: 29 June 2000

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 June 1999

	Note	1999 £	1998 £
TURNOVER: continuing operations	2	536,569	1,136,207
Cost of sales		(458,016)	(952,809)
Gross profit		78,553	183,398
Distribution costs		48,660	93,618
Administrative expenses		176,628	290,772
Other operating income	20	(119,250)	(105,700)
		106,038	278,690
OPERATING LOSS: continuing operations	4	(27,485)	(95,292)
Interest receivable and similar income	20	1,425	63,415
Interest payable and similar charges	5	(23,592)	(3,368)
		(22,167)	60,047
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(49,652)	(35,245)
Tax on loss on ordinary activities	6	69	(159)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(49,583)	(35,404)
Retained profit brought forward		332,496	367,900
Retained profit carried forward		282,913	332,496

There are no recognised gains and losses for the current financial year and the preceding year other than as stated in the profit and loss account. In consequence, no statement of total recognised gains and losses has been prepared.

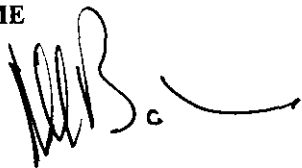
CONSOLIDATED BALANCE SHEET
30 June 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	8	37,517	55,156
CURRENT ASSETS			
Stocks	10	601,064	622,975
Debtors	11	385,020	625,594
Cash at bank and in hand		20,705	9,533
		1,006,789	1,258,102
CREDITORS: amounts falling due within one year	12	(710,678)	(928,728)
NET CURRENT ASSETS		296,111	329,374
TOTAL ASSETS LESS CURRENT LIABILITIES		333,628	384,530
CREDITORS: amounts falling due after more than one year	13	(625)	(1,875)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(90)	(159)
TOTAL NET ASSETS		332,913	382,496
CAPITAL AND RESERVES			
Called up share capital	17	50,000	50,000
Profit and loss account		282,913	332,496
TOTAL EQUITY SHAREHOLDERS' FUNDS		332,913	382,496

These financial statements were approved by the Board of Directors on 26 JUNE 2000
and signed on behalf of the Board of Directors by

R N BALME

Director



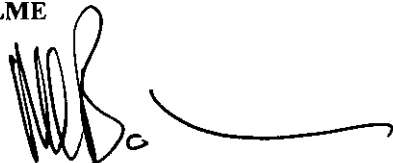
COMPANY BALANCE SHEET
30 June 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	8	8,898	11,801
Investments	9	-	-
		<u>8,898</u>	<u>11,801</u>
CURRENT ASSETS			
Stocks	10	218,531	165,108
Debtors	11	688,618	928,529
Cash at bank and in hand		13,186	-
		<u>920,335</u>	<u>1,093,637</u>
CREDITORS: amounts falling due within one year	12	<u>(597,940)</u>	<u>(716,662)</u>
NET CURRENT ASSETS		<u>322,395</u>	<u>376,975</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>331,293</u>	<u>388,776</u>
PROVISIONS FOR LIABILITIES AND CHARGES	15	<u>(90)</u>	<u>(159)</u>
		<u>331,203</u>	<u>388,617</u>
CAPITAL AND RESERVES			
Called up share capital	17	50,000	50,000
Profit and loss account		281,203	338,617
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>331,203</u>	<u>388,617</u>

These financial statements were approved by the Board of Directors on 26 JUNE 2000
and signed on behalf of the Board of Directors by

R N BALME

Director



RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 30 June 1999

	1999 £	1998 £
GROUP		
Loss for the financial year	(49,583)	(35,404)
Opening shareholders' funds	382,496	417,900
Closing shareholders' funds	<u>332,913</u>	<u>382,496</u>
	1999 £	1998 £
COMPANY		
Loss for the financial year	(57,414)	(159,847)
Opening shareholders' funds	388,617	548,464
Closing shareholders' funds	<u>331,203</u>	<u>388,617</u>

CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 June 1999

	Notes to the Cash Flow Statement	£	1999 £	£	1998 £
Net cash inflow from operating activities	a		117,392		26,192
Returns on investments and servicing of finance					
Interest received		1,425		63,415	
Interest paid		(23,592)		(3,368)	
Net cash (outflow)/inflow from returns on investments and servicing of finance			(22,167)		60,047
Taxation					
UK corporation tax (paid)/received		(3,144)		17,254	
Income tax paid		(285)		(12,604)	
			(3,429)		4,650
Capital expenditure and financial investment					
Proceeds from sale of tangible fixed assets		8,628		28,493	
Purchase of tangible fixed assets		(6,398)		(6,898)	
Net cash inflow from capital expenditure and financial investments			2,230		21,595
Acquisitions and disposals					
Payments to acquire investments in subsidiary		(300)		-	
Net cash outflow from acquisitions and disposals			(300)		-
Net cash inflow before use of financing			93,726		112,484
Financing					
Debt due within one year:					
Other loans repaid		3,526		95,700	
Debt due beyond one year:					
Other loans repaid		(1,250)		(5,625)	
Net cash inflow from financing			2,276		90,075
Increase in cash	b		96,002		202,559

NOTES TO CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 June 1999

a. Reconciliation of operating loss to net cash inflow from operating activities

	1999 £	1998 £
Operating loss	(27,485)	(95,292)
Depreciation	11,101	17,340
Provision against investment in subsidiary	300	-
Decrease/(increase) in debtors	240,859	(14,578)
Decrease in stocks	21,911	197,912
Decrease in creditors	(133,302)	(74,734)
Loss/(profit) on sale of fixed assets	4,308	(4,456)
Net cash inflow from operating activities	<u>117,392</u>	<u>26,192</u>

b. Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
Increase in cash	96,002	202,559
Cash inflow from increase in debt	<u>(2,276)</u>	<u>(90,075)</u>
Change in net debt	93,726	112,484
Net debt at 1 July 1998	<u>(335,191)</u>	<u>(447,675)</u>
Net debt at 30 June 1999	<u>(241,465)</u>	<u>(335,191)</u>

c. Analysis of net debt

	At 1 July 1998 £	Cash Flow £	At 30 June 1999 £
Cash in hand and at bank	9,533	11,172	20,705
Bank overdrafts	<u>(105,428)</u>	<u>84,830</u>	<u>(20,598)</u>
	(95,895)	96,002	107
Debt due within 1 year			
- Directors' loans	(212,421)	(21,026)	(233,447)
- Other loans	<u>(25,000)</u>	<u>17,500</u>	<u>(7,500)</u>
Debt due after 1 year - other loans	(1,875)	1,250	(625)
TOTAL	<u>(335,191)</u>	<u>93,726</u>	<u>(241,465)</u>

d. Purchase of subsidiary undertaking

AMC Limited increased its interest in the existing subsidiary undertaking, Balmore Limited on 29 June 1999. The acquisition increased the holding from 97% to 100%. A revaluation of the identifiable assets and liabilities of the subsidiary undertaking at this date to calculate any goodwill adjustment was not required as the difference between net fair values and the company amount of the assets and liabilities attributable to the increase in stake is not material.

NOTES TO THE ACCOUNTS

Year ended 30 June 1999

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking, Balmore Limited, for the financial year ended 30 June 1999.

Going concern

The financial statements of the subsidiary were prepared on a going concern basis, the validity of which depends upon continued and future funding being available. At 30 June 1999 the subsidiary company's liabilities exceeded its assets by £338,614 and the subsidiary company made a loss after taxation of £57,221 during the year ended 30 June 1999. The company is reliant upon the continued support of its parent company.

Should the subsidiary company be unable to continue trading adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which may arise and to reclassify fixed assets and long term liabilities as current assets and liabilities. The financial statements do not include any adjustments that would result from such an exercise. The directors have formed the opinion that adequate funding will be available.

Tangible fixed assets

For all tangible fixed assets depreciation is calculated to write down their cost over the period of their estimated useful economic lives on a reducing balance basis at the following rates:

Plant and machinery	-	15% per annum
Fixtures and fittings	-	25% per annum
Office equipment	-	Between 20% and 25% per annum
Motor vehicles	-	25% per annum

Investments

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

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

NOTES TO THE ACCOUNTS**Year ended 30 June 1999****1. ACCOUNTING POLICIES (continued)****Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pension costs

The group operates a money purchase pension scheme for all qualified employees and directors. The assets of the scheme are held in a separate trustee administered fund.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of value added tax.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1999 £	1998 £
Directors' remuneration		
Emoluments (excluding pension contributions)	17,947	38,074
Company contributions to money purchase and similar schemes in respect of directors' services	2,500	-
Number of directors who are members of a money purchase scheme	2	2
Average number of persons employed:	1999 No.	1998 No.
Administration	1	3
Production and managerial	5	24
	6	27
Staff costs during the year (including directors):	1999 £	1998 £
Wages and salaries	110,290	352,449
Social security costs	10,421	28,951
Pension costs	2,500	1,740
	123,211	383,140

NOTES TO THE ACCOUNTS
Year ended 30 June 1999

4. OPERATING LOSS

	1999 £	1998 £
Operating loss is stated after charging:		
Depreciation		
Owned assets	11,101	17,340
Loss on disposal of fixed assets	4,308	780
Auditors' remuneration	7,156	8,905
and after crediting:		
Profit on disposal of fixed assets	-	5,236
Management charges	119,250	105,700
	<u>119,250</u>	<u>105,700</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Bank loans, overdrafts and other loans repayable		
within five years	22,526	31,183
Credit card charges	-	67
Borale finance	326	-
Loss/(profit) on exchange rate fluctuations	740	(27,882)
	<u>23,592</u>	<u>3,368</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	1999 £	1998 £
Deferred taxation	(69)	159
	<u>(69)</u>	<u>159</u>

No liability to corporation tax arises due to the losses made in the year.

7. LOSS OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss for the financial year amounted to £57,414 (1998 : loss of £159,847).

NOTES TO THE ACCOUNTS
Year ended 30 June 1999

8. TANGIBLE FIXED ASSETS

THE GROUP	Plant and machinery £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 July 1998	61,434	1,569	58,170	22,088	143,261
Additions in year	92	6,035	271	-	6,398
Disposals	(34,299)	-	-	-	(34,299)
At 30 June 1999	27,227	7,604	58,441	22,088	115,360
Accumulated depreciation					
At 1 July 1998	35,888	940	39,733	11,544	88,105
Charge for the year	2,595	1,037	3,595	3,874	11,101
Disposals	(21,363)	-	-	-	(21,363)
At 30 June 1999	17,120	1,977	43,328	15,418	77,843
Net book value					
At 30 June 1999	10,107	5,627	15,113	6,670	37,517
At 30 June 1998	25,546	629	18,437	10,544	55,156
THE COMPANY			Office equipment £	Motor vehicles £	Total £
Cost					
At 1 July 1998			28,992	15,588	44,580
Additions in year			271	-	271
At 30 June 1999			29,263	15,588	44,851
Accumulated depreciation					
At 1 July 1998			22,048	10,731	32,779
Charge for the year			722	2,452	3,174
At 30 June 1999			22,770	13,183	35,953
Net book value					
At 30 June 1999			6,493	2,405	8,898
At 30 June 1998			6,944	4,857	11,801

NOTES TO THE ACCOUNTS

Year ended 30 June 1999

9. INVESTMENTS HELD AS FIXED ASSETS

THE COMPANY		£
Cost at 1 July 1998		97,000
Additions in year		300
		<hr/>
At 30 June 1999		97,300
		<hr/>
Provisions for diminutions in value		
At 1 July 1998		97,000
Provision in year		300
		<hr/>
At 30 June 1999		97,300
		<hr/>
Net book value		
At 30 June 1999		-
		<hr/>
At 30 June 1998		-
		<hr/>

Additional information on subsidiary undertaking

The company holds 100% (1998 : 97%) of the issued share capital of a subsidiary undertaking, Balmore Limited, a company incorporated in Scotland, which previously manufactured knitwear, but now operates as a stockholding and distribution centre for knitwear garments in the same market. On 29 June 1999 AMC Limited acquired the existing 3% minority interest.

10. STOCKS

	THE GROUP		THE COMPANY	
	1999	1998	1999	1998
	£	£	£	£
Raw materials and consumables	54,113	48,374	-	-
Work-in-progress	-	30,419	-	-
Finished goods	328,420	379,074	-	-
Materials for resale	218,531	165,108	218,531	165,108
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	601,064	622,975	218,531	165,108
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11. DEBTORS

	THE GROUP		THE COMPANY	
	1999	1998	1999	1998
	£	£	£	£
Trade debtors	211,440	297,461	6,964	6,964
Amounts owed by group undertaking	-	-	524,907	614,867
Other debtors	171,718	282,127	154,885	257,703
Prepayments and accrued income	1,862	46,006	1,862	48,995
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	385,020	625,594	688,618	928,529
	<hr/>	<hr/>	<hr/>	<hr/>

Amounts due from group undertaking includes an amount due after more than one year of £75,000 (1998 : £75,000).

NOTES TO THE ACCOUNTS

Year ended 30 June 1999

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	THE GROUP		THE COMPANY	
	1999	1998	1999	1998
	£	£	£	£
Bank loans and overdrafts	20,598	105,428	-	40,916
Trade creditors	106,829	158,738	33,178	70,267
Corporation tax	216	3,360	-	3,360
Other taxes and social security	8,993	32,479	4,605	8,946
Directors' loan accounts	233,447	212,421	233,447	212,421
Other creditors	308,045	341,858	308,045	341,858
Other loans	7,500	25,000	-	-
Accruals and deferred income	25,050	49,444	18,665	38,894
	<u>710,678</u>	<u>928,728</u>	<u>597,940</u>	<u>716,662</u>

The directors' current and loan accounts are unsecured with no fixed date for repayment. Interest may be charged on the directors' loan accounts at the prevailing market rates but has been waived by the directors for this year.

The bank overdraft is secured by a fixed and floating charge over all assets of the group and by personal guarantees from the directors.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	THE GROUP		THE COMPANY	
	1999	1998	1999	1998
	£	£	£	£
Other loans	<u>625</u>	<u>1,875</u>	<u>-</u>	<u>-</u>

14. BORROWINGS

	THE GROUP		THE COMPANY	
	1999	1998	1999	1998
	£	£	£	£
Analysis of loan repayments:				
Bank loans and overdrafts and other loans				
Within one year or on demand	28,098	130,428	-	40,916
Between two and five years	625	1,875	-	-
	<u>28,723</u>	<u>132,303</u>	<u>-</u>	<u>40,916</u>

NOTES TO THE ACCOUNTS

Year ended 30 June 1999

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Balance at 1 July 1998 £	Charged to profit and loss account £	Applied £	Balance at 30 June 1999 £
THE GROUP				
Deferred taxation	159	-	(69)	90
THE COMPANY				
Deferred taxation	159	-	(69)	90

The amounts of deferred taxation provided in the accounts and the amounts not provided are as follows:

	Provided 1999 £	Provided 1998 £	Not provided 1999 £	Not provided 1998 £
THE GROUP				
Accelerated capital allowances	90	159	-	-
THE COMPANY				
Accelerated capital allowances	90	159	-	-

16. MINORITY INTERESTS

The minority interests comprised 3,000 ordinary shares of £1 each in Balmore Limited (1998 : 3,000 ordinary shares of £1 each) until 29 June 1999, when AMC Limited acquired the shares bringing the minority interest to nil.

17. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised:		
100,000 ordinary shares of £1 each	100,000	100,000
Called up, allotted and fully paid:		
50,000 ordinary shares of £1 each	50,000	50,000

18. CONTINGENT LIABILITIES

The group's bankers hold a cross guarantee arrangement with the company and its subsidiary under which each company guarantees the obligations of the other to Midland Bank Plc without limit. At 30 June 1999 the maximum obligation amounted to £20,598 (1998 - £40,916).

Forward exchange contracts entered into at the year end amounted to £6,253 (1998 : £50,230).

NOTES TO THE ACCOUNTS

Year ended 30 June 1999

19. PENSION SCHEMES

AMC Limited operates a money purchase pension scheme for all qualified employees. The assets of the scheme are administered by an insurance company which is entirely separate from the company. The pension contributions paid to the scheme amounted to £2,500 (1998 : £nil).

Baltimore Limited operates a money purchase pension scheme for the directors. Such costs are charged to the profit and loss account when incurred and amounted to £nil (1998 - £1,740).

20. TRANSACTIONS WITH RELATED PARTIES

During the year the company had transactions with:

- Carter Capital Limited, a company of which A D N Balme is a director. Management services provided by Carter Capital Limited amounted to Nil (1998 : £36,000) and interest paid to Carter Capital Limited of £4,402 (1998 : £3,092). Amounts owed to Carter Capital Ltd at the year end amounted to £107,898 (1998 : £141,249) and accruals included loan interest of £3,150.
- Fine Fibres Limited and its wholly owned subsidiary, D H C Bradford Limited, companies of which R N Balme and A D N Balme are directors and minority shareholders. Management services to D H C Bradford Limited amounted to £119,250 (1998 : £105,700) and interest receivable of £1,425 (1998 : £63,020 which includes amounts relating to prior years). Amounts owed by D H C Bradford at the year end amounted to £120,718 (1998 : £225,071) and to Fine Fibres Limited of £32,194 (1998 : £48,270).

All transactions were on a normal commercial basis.

Amounts due to the directors at the year end were :

- R N Balme £173,447 (1998 : £212,421)
- A D N Balme £60,000 (1998 : £nil)

The company is jointly controlled by the directors.

The company has relied upon the exemption conferred to them in paragraph 3 (c) of FRS 8 "Related Party Disclosures", not to disclose transactions with group companies.