

Logandene Limited and Subsidiary Companies

Registered No. 1761921

DIRECTORS

H Meillat
D McCroskey
M J McKenzie

SECRETARY

M J McKenzie

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London SE1 7EU

BANKERS

Lloyds Bank Plc
5 Bridge Street
Newbury
Berkshire RG14 5BQ

SOLICITORS

Church Adams Tatham & Co
Chatham Court
Lesbourne Road
Reigate
Surrey RH2 7FN

Needham & Grant
14 Lincoln's Inn Fields
London WC2A 3BP

REGISTERED OFFICE

3 Holmethorpe Avenue
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ERNST & YOUNG



Logandene Limited and Subsidiary Companies

DIRECTORS' REPORT

The directors present their report and audited accounts for the six month period ended 31 December 1996.

PRINCIPAL ACTIVITIES

The principal activities of the group are the design, production and distribution of industrial safety equipment.

REVIEW OF BUSINESS

The group's performance during the period has been very satisfactory following the restructuring programme and the directors anticipate further improvement in the future.

The directors have not paid an interim dividend (year ended 30 June 1996 - £158,000) and have not paid a final dividend (year ended 30 June 1996 - £275,000). The consolidated retained profit for the period of £709,000 (year ended 30 June 1996 - £259,065) will be transferred to reserves.

On 27 September 1996, the company was acquired by Christian Dalloz SA, a company incorporated in France. The directors regard Christian Dalloz SA as the new ultimate parent undertaking.

RESEARCH AND DEVELOPMENT

It is the group's policy to engage actively in research and development on a continuing basis both to improve current products and to produce new ones. The cost attributed to these activities is written off to the profit and loss account in the year in which it is incurred.

CHANGES IN FIXED ASSETS

Change in fixed assets are detailed in notes 11 to 13 to the accounts.

MARKET VALUE OF LAND AND BUILDINGS

The directors consider that due to the low turnover in the property market they are unable to assess the market value of land and buildings.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period and their interests in the shares of the company were as follows:

		<i>Number of ordinary shares of £1</i>	
		<i>31 December</i>	<i>30 June</i>
		<i>1996</i>	<i>1996</i>
			<i>or date of</i>
			<i>appointment</i>
J W Maxwell	(Resigned 27 September 1996)	-	30,500
M J McKenzie		-	7,500
R A Faulkner	(Resigned 27 September 1996)	-	7,500
D R Yelland	(Resigned 27 September 1996)	-	7,500
T R Hall	(Resigned 27 September 1996)	-	24,500
T A Clements	(Resigned 27 September 1996)	-	-
H Meillat	(Appointed 27 September 1996)	-	-
D McCroskey	(Appointed 27 September 1996)	-	-

Logandene Limited and Subsidiary Companies

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS (continued)

No directors held any interests in the shares of the ultimate parent undertaking, Christian Dalloz SA during the period.

At 31 December 1996, the following options were outstanding to the directors in the shares of Christian Dalloz SA:

	<i>Options price per share</i>	<i>Exercisable until</i>	<i>Number of shares outstanding</i>
H Meillat	FFr 645	September 1999	1,500
H Meillat	FFr 957	September 2000	2,000
D McCroskey	FFr 645	September 1999	2,000

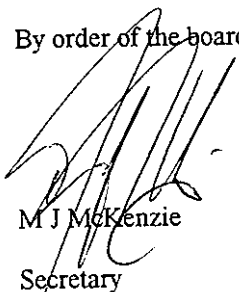
CHARITABLE AND POLITICAL CONTRIBUTIONS

The contributions made by the group during the period for charitable purposes was £nil (30 June 1996 year end - £1,167).

AUDITORS

Following the resignation of Coopers & Lybrand, Ernst & Young were appointed in their place. A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



M J McKenzie
Secretary

Logandene Limited and Subsidiary Companies

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of group and of the profit or loss of the group for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts 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 group and to enable them to ensure that the accounts 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.

REPORT OF THE AUDITORS

to the members of Logandene Limited and Subsidiary Companies

We have audited the accounts on pages 6 to 22, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 4 the company's 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.

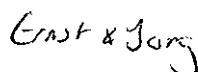
Basis of opinion

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 as at 31 December 1996 and of the profit of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

21 October 1997

Logandene Limited and Subsidiary Companies

GROUP PROFIT AND LOSS ACCOUNT for the six month period ended 31 December 1996

		<i>6 months period ended 31 December 1996 £000</i>	<i>Year ended 30 June 1996 £000</i>
	<i>Notes</i>		
TURNOVER	2	6,617	12,940
Cost of sales		(4,114)	(7,816)
		<hr/>	<hr/>
Gross profit		2,503	5,124
Other operating expenses, including exceptional items	3	(1,365)	(4,343)
		<hr/>	<hr/>
OPERATING PROFIT	4	1,138	781
Exceptional items	7	—	247
Interest receivable		21	129
Interest payable	8	(50)	(115)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,109	1,042
Tax on profit on ordinary activities	9	(400)	(350)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		709	692
		<hr/>	<hr/>
Dividends paid and payable		—	(433)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR		709	259
		<hr/>	<hr/>

Logandene Limited and Subsidiary Companies

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the six month period ended 31 December 1996

	<i>6 month period ended 31 December 1996 £000</i>	<i>Year ended 30 June 1996 £000</i>
Profit for the financial period	709	259
Currency translation differences on foreign currency net investments	(58)	(18)
Revaluation of trade investment	15	6
Total recognised gains and losses relating to the period	<u>666</u>	<u>247</u>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalents.

Logandene Limited and Subsidiary Companies

BALANCE SHEET at 31 December 1996

		31 December 1996 £000	Group 30 June 1996 £000	31 December 1996 £000	Company 30 June 1996 £000
	Notes				
FIXED ASSETS					
Intangible assets	11	205	244	-	-
Tangible assets	12	2,676	2,845	-	-
Investments	13	121	106	564	564
		<u>3,002</u>	<u>3,195</u>	<u>564</u>	<u>564</u>
CURRENT ASSETS					
Stocks	14	1,358	1,478	-	-
Debtors	15	2,405	2,139	684	722
Cash at bank and in hand		992	858	2	-
		<u>4,755</u>	<u>4,475</u>	<u>686</u>	<u>722</u>
CREDITORS: amounts falling due within one year	16	2,354	2,769	1,089	1,089
NET CURRENT ASSETS/(LIABILITIES)		<u>2,401</u>	<u>1,706</u>	<u>(403)</u>	<u>(367)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,403</u>	<u>4,901</u>	<u>161</u>	<u>197</u>
CREDITORS: amounts falling due after more than one year	17	857	1,065	-	-
PROVISIONS FOR LIABILITIES AND CHARGES	18	7	(37)	-	-
		<u>864</u>	<u>1,028</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>4,539</u>	<u>3,873</u>	<u>161</u>	<u>197</u>
CAPITAL AND RESERVES					
Called up share capital	20	85	85	85	85
Capital redemption reserve		7	7	7	7
Share premium account		4	4	4	4
Revaluation reserve	21	117	102	-	-
Capital reserve	21	407	407	-	-
Profit and loss account	21	3,919	3,268	65	101
EQUITY SHAREHOLDERS' FUNDS	22	<u>4,539</u>	<u>3,873</u>	<u>161</u>	<u>197</u>

The accounts were approved by the board of directors on
and were signed on its behalf by:

M J McKenzie
Director

20th October 1997

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

at 31 December 1996

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets.

Basis of consolidation

The consolidated accounts incorporate the accounts of the parent undertaking and its subsidiaries. The results of subsidiary companies acquired or disposed of during a financial period are included in the consolidated accounts from, or up to, the effective date of acquisition or disposal. Goodwill, being the difference between the cost and attributable fair valued net assets of subsidiaries at the date of acquisition, is dealt with through reserves in the period of acquisition.

Depreciation

Depreciation of tangible fixed assets is provided in the following manner to write off the cost of assets over their estimated useful lives.

Freehold buildings	-	2 - 4% straight line
Short leasehold	-	over period of lease
Plant and machinery	-	12.5% - 25% straight line
Office equipment	-	10% - 33% straight line
Motor vehicles	-	25% - 33% straight line

Depreciation of intangible fixed assets is provided on a straight line basis, calculated at annual rates estimated to write off assets over the term of their useful life.

Know-how	-	6.7% per annum
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Stocks and work in progress

Stocks and work in progress are valued on a first-in, first-out basis at the lower of cost and net realisable value after making allowances for any obsolete or slow moving items. Cost includes materials, direct labour and overheads.

Deferred taxation

Tax deferred or accelerated by the effect of timing differences is accounted for under the liability method to the extent that a liability or asset is expected to crystallise in the near future.

Foreign currencies

Assets and liabilities of subsidiaries in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period and the results of foreign subsidiaries are translated at the average rate of exchange for the period. The retranslation of the retained earnings of overseas operations to closing rates is dealt with as a movement in reserves.

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

at 31 December 1996

1. ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Currency differences arising from the retranslation at closing rates of the net investment in subsidiaries are taken to reserves, together with exchange gains and losses arising on foreign currency borrowings which finance a proportion of foreign currency investments.

Research and development

Expenditure is charged to the profit and loss account in the period in which it is incurred.

Turnover

Turnover comprises the value of goods supplied by the company net of value added tax.

Pension schemes

The group operates a defined contribution scheme. Company pension contributions are charged to the profit and loss account of that company as they fall due.

Government grants

Capital grants are credited to deferred income and are amortised in the profit and loss account over the estimated lives of the qualifying assets.

Finance and operating leases

Tangible fixed assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the lease. The excesses of the lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

Cash flow statement

The company is a wholly owned subsidiary of Christian Dalloz SA and the cash flows of the company are included in the consolidated group cash flow statement of Christian Dalloz SA. Consequently the company is exempt under the terms of Financial Reporting Standard No.1 from publishing a cash flow statement.

2. TURNOVER

In the opinion of the directors, the disclosure concerning turnover and profit on ordinary activities before taxation for differential classes of business and separate geographical markets, would be seriously prejudicial to the interests of the company. Such disclosure has therefore not been included, and complies with section 55 of the Companies Act 1985.

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS at 31 December 1996

3. OTHER OPERATING EXPENSES

	<i>6 month period ended 31 December 1996 £000</i>	<i>Year ended 30 June 1996 £000</i>
Distribution costs	673	1,417
Administrative expenses	692	1,473
Exceptional administrative expenses	–	1,453
	<u>1,365</u>	<u>4,343</u>

The exceptional administrative expenses in the year ended 30 June 1996 relate to additional pension and bonus payments made in the year.

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	<i>6 month period ended 31 December 1996 £000</i>	<i>Year ended 30 June 1996 £000</i>
Amortisation of government grants	–	(30)
Depreciation charge for the period:		
Intangible fixed assets	15	32
Tangible owned fixed assets	239	428
Tangible fixed assets under finance leases	6	24
Auditors' remuneration – audit fees	25	31
– non audit fees	11	19
Hire of plant and machinery – operating leases	56	139
Hire of other assets – operating leases	22	61
Profit on disposals of fixed assets	(4)	(1)
	<u> </u>	<u> </u>

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

at 31 December 1996

5. DIRECTORS' EMOLUMENTS

	<i>6 month period ended 31 December 1996 £000</i>	<i>Year ended 30 June 1996 £000</i>
Fees	-	-
Other emoluments (including pension contributions)	111	1,493
	<u>111</u>	<u>1,493</u>

The emoluments, excluding pension contributions, of the highest paid director for the period ended 31 December 1996 were £52,000 (year ended 30 June 1996 - £74,000).

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	<i>6 month period ended 31 December 1996 No.</i>	<i>Year ended 30 June 1996 No.</i>
£nil - £5,000	4	1
£15,001 - £20,000	3	-
£50,001 - £55,000	1	2
£60,001 - £65,000	-	1
£65,001 - £70,000	-	1
£70,001 - £75,000	-	2
	<u></u>	<u></u>

6. STAFF COSTS

Employee costs, including directors' emoluments, comprise:

	<i>6 month period ended 31 December 1996 £000</i>	<i>Year ended 30 June 1996 £000</i>
Wages and salaries	1,527	2,930
Social security costs	160	293
Other pension costs	48	91
Exceptional pension costs	-	1,298
	<u>1,735</u>	<u>4,612</u>

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

at 31 December 1996

6. STAFF COSTS (continued)

The average weekly number of persons (including directors) employed during the period was:

	<i>6 month period ended 31 December 1996 No.</i>	<i>Year ended 30 June 1996 No.</i>
Administrative	93	103
Production	103	99
Selling	13	16
	<u>209</u>	<u>218</u>

7. EXCEPTIONAL ITEMS

	<i>6 month period ended 31 December 1996 £000</i>	<i>Year ended 30 June 1996 £000</i>
Gain on disposal of fixed assets	-	247
	<u>-</u>	<u>247</u>

8. INTEREST PAYABLE

	<i>6 month period ended 31 December 1996 £000</i>	<i>Year ended 30 June 1996 £000</i>
On bank loans and overdrafts	49	110
On finance leases and hire purchase	1	5
	<u>50</u>	<u>115</u>

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

at 31 December 1996

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>6 month period ended 31 December 1996 £000</i>	<i>Year ended 30 June 1996 £000</i>
United Kingdom corporation tax at 33%:		
Current	330	547
Deferred	70	(184)
Over provision in respect of prior years:		
Current	—	23
Deferred	—	(36)
	<u>400</u>	<u>350</u>

10. PROFIT FOR THE FINANCIAL PERIOD

As permitted by section 230 of the Companies Act 1985, the parent undertaking's profit and loss account has not been included in these accounts. The loss dealt with in the accounts of the parent company for the 6 month period ended 31 December 1996 was £36,000 (profit for the year ended 30 June 1996 – £21,000).

11. INTANGIBLE FIXED ASSETS

<i>Group</i>	<i>Know-how £000</i>	<i>Goodwill £000</i>	<i>Total £000</i>
Cost:			
At 1 July 1996	67	425	492
Exchange differences	—	(42)	(42)
At 31 December 1996	<u>67</u>	<u>383</u>	<u>450</u>
Depreciation:			
At 1 July 1996	64	184	248
Exchange difference	—	(18)	(18)
Provided during the period	1	14	15
At 31 December 1996	<u>65</u>	<u>180</u>	<u>245</u>
Net book value:			
At 31 December 1996	<u>2</u>	<u>203</u>	<u>205</u>
At 30 June 1996	<u>3</u>	<u>241</u>	<u>244</u>

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

at 31 December 1996

12. TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Land and buildings</i>		<i>Plant and machinery</i>	<i>Office equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	<i>Freehold</i>	<i>Short leasehold</i>				
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:						
At 1 July 1996	1,808	51	3,418	659	109	6,045
Exchange differences	(51)	—	(93)	(14)	(1)	(159)
Additions	7	—	106	21	—	134
Disposals	—	—	(48)	(4)	(50)	(102)
At 31 December 1996	1,764	51	3,383	662	58	5,918
Depreciation:						
At 1 July 1996	163	32	2,436	506	63	3,200
Exchange differences	(13)	—	(91)	(13)	(1)	(118)
Provided during the period	17	5	175	37	11	245
Eliminated in respect of disposals	—	—	(44)	(4)	(37)	(85)
At 31 December 1996	167	37	2,476	526	36	3,242
Net book value:						
At 31 December 1996	1,597	14	907	136	22	2,676
At 30 June 1996	1,645	19	982	153	46	2,845

The net book value of plant and machinery includes an amount of £5,000 (30 June 1996 – £7,000) and the net book value of motor vehicles includes an amount of £nil (30 June 1996 – £21,000) in respect of assets held under finance leases.

13. FIXED ASSET INVESTMENTS

<i>Group</i>	<i>Trade investment</i>
	<i>£000</i>
Cost or valuation:	
At 1 July 1996	106
Revaluation	15
At 31 December 1996	121

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

at 31 December 1996

13. FIXED ASSET INVESTMENTS (continued)

<i>Name of undertaking</i>	<i>Country of registration</i>	<i>Descriptions of shares held where applicable</i>	<i>Proportion of nominal value of ordinary shares held/share of undertaking</i>
BAK Mouldings Limited	England and Wales	4,250 ordinary shares of £1 each	25%

For the period ended 31 December 1996, the undertaking's most recent audited financial period end:

	<i>31 December 1996 £000</i>	<i>30 June 1996 £000</i>
Aggregate capital and reserves	487	426
Profit after tax for the year	61	23
<i>Company</i>		<i>Interests in group undertakings £000</i>
Cost:		
At 1 July 1996		564
Additions		-
Disposals		-
At 31 December 1996		564

<i>Name of undertaking</i>	<i>Country of incorporation or registration</i>	<i>Descriptions of shares held</i>	<i>Proportion of nominal value of issued shares held</i>	
			<i>Group</i>	<i>Company</i>
Pulsafe Safety Products Limited	England and Wales	6,530 ordinary shares of £1 each	100%	100%
Safety Eyeware Limited	England and Wales	11,488 ordinary shares of £1 each	100%	-
Pulsafe Europe Holding BV	The Netherlands	40 ordinary shares 1000 Dfl each	100%	100%
OPMA Arbeitsschutz	Germany	50,000 ordinary shares of 1DM each	100%	-

NOTES TO THE ACCOUNTS

at 31 December 1996

13. **FIXED ASSET INVESTMENTS** (continued)

Pulsafe Europe Holdings BV is an investment holding company. The principal business activities of the other subsidiaries are the design, production and distribution of industrial safety equipment.

14. **STOCKS**

	<i>31 December</i> <i>1996</i> <i>£000</i>	<i>Group</i> <i>30 June</i> <i>1996</i> <i>£000</i>
Raw materials and consumables	737	325
Work in progress	282	310
Finished goods and goods for resale	339	843
	<u>1,358</u>	<u>1,478</u>

15. **DEBTORS**

	<i>31 December</i> <i>1996</i> <i>£000</i>	<i>Group</i> <i>30 June 1996</i> <i>£000</i>	<i>31 December</i> <i>1996</i> <i>£000</i>	<i>Company</i> <i>30 June</i> <i>1996</i> <i>£000</i>
Amounts falling due within one year				
Trade debtors	2,285	1,996	—	—
Amounts owed by subsidiary undertakings	—	—	446	485
Other debtors	41	48	13	12
Prepayments and accrued income	79	95	—	—
	<u>2,405</u>	<u>2,139</u>	<u>459</u>	<u>497</u>
Amounts falling due after more than one year				
Amounts owed by group undertakings	—	—	225	225
	<u>2,405</u>	<u>2,139</u>	<u>684</u>	<u>722</u>

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

at 31 December 1996

16. CREDITORS: amounts falling due within one year

	31 December	Group		Company
	1996	30 June 1996	31 December 1996	30 June 1996
	£000	£000	£000	£00
Bank loans and overdraft (see note 17)	239	410	—	161
Obligations under finance leases	2	14	—	—
Trade creditors	599	913	—	—
Amounts owed to subsidiary undertakings	—	—	1,089	913
Corporation tax	757	428	—	4
Advance corporation tax	—	108	—	—
Other taxation and social security payable	223	190	—	2
Other creditors	119	167	—	—
Accruals and deferred income	406	539	—	9
Amount owed to group undertaking	9	—	—	—
	<u>2,354</u>	<u>2,769</u>	<u>1,089</u>	<u>1,089</u>

17. CREDITORS: amounts falling due after more than one year

	31 December	Group		Company
	1996	30 June 1996	31 December 1996	30 June 1996
	£000	£000	£000	£000
Bank loans	853	1,059	—	—
Obligations under finance leases	4	6	—	—
	<u>857</u>	<u>1,065</u>	<u>—</u>	<u>—</u>

Bank loans and overdrafts

	31 December	Group		Company
	1996	30 June 1996	31 December 1996	30 June 1996
	£000	£000	£000	£000
Repayable as follows:				
In one year or less	239	410	—	161
Between one and two years	91	164	—	—
Between two and five years	320	363	—	—
In five years or more	442	532	—	—
	<u>1,092</u>	<u>1,469</u>	<u>—</u>	<u>161</u>

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

at 31 December 1996

17. CREDITORS: amounts falling due after more than one year (continued)

The loans and overdraft are secured by fixed charges on certain freehold properties.

Finance Leases

The future minimum lease payments to which the group and the company are committed under finance leases and hire purchase contract are as follows:

	31 December 1996 £000	Group 30 June 1996 £000	31 December 1996 £000	Company 30 June 1996 £000
In one year or less	2	14	-	-
Between one and two years	3	6	-	-
Between two and five years	1	-	-	-
	<u>6</u>	<u>20</u>	<u>-</u>	<u>-</u>

18. PROVISIONS FOR LIABILITIES AND CHARGES

	Restructuring costs £000	Pensions and similar obligations (see note 19) £000	Deferred taxation £000	Total £000
<i>Group</i>				
At 1 July 1996	105	78	(220)	(37)
Transferred (to)/from profit and loss account	-	(5)	70	65
Utilised in period	(21)	-	-	(21)
	<u>84</u>	<u>73</u>	<u>(150)</u>	<u>7</u>
<i>Company</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

at 31 December 1996

18. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

Deferred taxation provided in the accounts, and the total potential liability including the amounts for which provision has been made, are as follows:

	<i>Total potential liability and amount provided</i>	
	<i>31 December</i>	<i>30 June</i>
	<i>1996</i>	<i>1996</i>
	<i>£000</i>	<i>£000</i>
<i>Group</i>		
Tax effect of timing differences because of:		
Excess of tax allowances over depreciation	106	117
Provisions and other timing differences	(256)	(337)
	<u>(150)</u>	<u>(220)</u>
<i>Company</i>	<u>-</u>	<u>-</u>

19. PENSION AND SIMILAR OBLIGATIONS

The group operates a defined contribution scheme in the United Kingdom. The assets of the scheme are held in separate trustee administered funds, invested with insurance companies.

The total pension cost for the company was £45,000 (year ended 30 June 1996 – £1,389,000) including exceptional contributions of £nil (year ended 30 June 1996 – £1,298,000) (note 3).

Provision is also made within these accounts for the pension obligations of the group's subsidiary undertaking in Germany (see note 18). The related pension cost for the group was £1,250 (year ended 30 June 1996 – £2,500).

20. SHARE CAPITAL

	<i>31 December</i>	<i>30 June</i>
	<i>1996</i>	<i>1996</i>
	<i>£000</i>	<i>£000</i>
<i>Authorised:</i>		
100,000 Ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid:</i>		
85,000 Ordinary shares of £1 each	85	85

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

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21. RESERVES

	<i>Capital reserve £000</i>	<i>Revaluation reserve £000</i>	<i>Profit and loss account £000</i>
<i>Group</i>			
At 1 July 1996	407	102	3,268
Currency translation differences on foreign currency net investments	—	—	(58)
Revaluation of trade investment	—	15	—
Retained profit for the period	—	—	709
At 31 December 1996	407	117	3,919
			<i>Profit and loss account £000</i>
<i>Company</i>			
At 1 July 1996			101
Retained loss for period			(36)
At 31 December 1996			65

22. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

<i>Group</i>	<i>31 December 1996 £000</i>	<i>30 June 1996 £000</i>
Profit for the financial period after taxation	709	692
Dividends	—	(433)
Currency translation differences on foreign currencies net investments	(58)	(18)
Revaluation of trade investment	15	6
Net additions to shareholders' funds	666	247
Opening shareholders' funds	3,873	3,626
Closing shareholders' funds	4,539	3,873

Logandene Limited and Subsidiary Companies

NOTES TO THE ACCOUNTS

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23. CAPITAL COMMITMENTS

	<i>31 December</i>	<i>Group</i> <i>30 June 1996</i>	<i>31 December</i>	<i>Company</i> <i>30 June 1996</i>
	<i>1996</i>	<i>1996</i>	<i>1996</i>	<i>1996</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Capital expenditure that has been contracted for but has not been provided for in the accounts	128	78	—	—

24. CONTINGENT LIABILITY

Logandene Limited has a contingent liability to pay an amount of DM 1,200,000 (£545,455) to the bank of a subsidiary should that subsidiary default on the payment of the loan.

25. FINANCIAL COMMITMENTS

At 1 January 1997 the group had annual commitment under non-cancellable operating leases as follows:

	<i>31 December 1996</i>		<i>30 June 1996</i>	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Expiring within one year	43	95	3	3
Expiring within two and five year inclusive	38	73	44	73
Expiring in over five years	19	—	35	—
	100	168	82	76

26. ULTIMATE PARENT UNDERTAKING

The immediate and ultimate parent undertaking is Christian Dalloz SA, a company incorporated in France. Copies of the annual report and accounts can be obtained by writing to BP 155-39206 Saint Claude, Cedex, France.