

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

Report and Financial Statements

42 week period ended 31 December 2004



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Bridge
R J Woodcock
G R Capell
P Laughton
N M Elstub
A E Wellenreiter

SECRETARY

R J Woodcock

REGISTERED OFFICE

Pilot Works
Alfred Street
Bury
Lancashire
BL9 9EF

BANKERS

Bank of Scotland
123 St Vincent Street
Glasgow
G2 5EA

SOLICITORS

Addleshaw Goddard
100 Barbirolli Square
Manchester
M2 3AB

AUDITORS

Deloitte & Touche LLP
Manchester

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from incorporation on 10 March 2004 to 31 December 2004.

ACTIVITIES

The principal activity of the group is distributing luggage and travel goods. The principal activity of the company is that of a holding company.

The company changed its name from Inhoco 3060 Limited to Antler Holdings Limited on 11 August 2004.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results of the group for the period are shown on page 6.

The directors are satisfied with the group result and anticipate that the group will continue to trade satisfactorily during the ensuing year.

The company was incorporated on 10 March 2004 and on 8 June 2004 the company acquired the entire share capital of Antler Group Limited.

DIVIDENDS AND TRANSFERS FROM RESERVES

No dividends have been paid during the period and none are proposed. The retained consolidated loss of £152,000 has been withdrawn from consolidated reserves.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the period and thereafter are set out below:

P Bridge	(appointed 27 April 2004)
R J Woodcock	(appointed 27 April 2004)
G R Capell	(appointed 27 April 2004)
Inhoco Formations Limited	(appointed 10 March 2004 and resigned 27 April 2004)
P Laughton	(appointed 8 June 2004)
N M Elstub	(appointed 8 June 2004)
A E Wellenreiter	(appointed 8 June 2004)

The directors' interests in the share capital of the company at 31 December 2004 is shown below:

	Ordinary 'A' shares of £1 each	
	No.	Date of
	31 December	appointment
P Bridge	4,500	-
R J Woodcock	4,500	-
G R Capell	600	-
P Laughton	4,500	4,500
N M Elstub	-	-
A E Wellenreiter	-	-

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS (continued)

No share options in Antler Holdings Limited were held at either 31 December 2004 or 10 March 2004.

EMPLOYEE CONSULTATION

The group places considerable value on the involvement of its employees and commits itself to maintaining regular contact and exchange of information on matters affecting the performance of the group through the directors. This is achieved through regular communication.

DISABLED EMPLOYEES

The group has an established policy of encouraging the employment of disabled persons wherever this is practical. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. The group endeavours to ensure that disabled employees benefit from training and career development programmes in common with all employees.

CHARITABLE CONTRIBUTIONS

During the period, the group made no charitable or political donations.

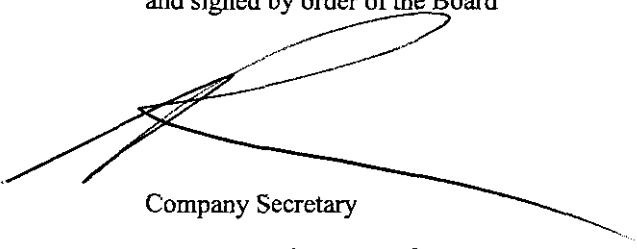
DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been purchased by the company during the year.

AUDITORS

During the period the directors appointed Deloitte & Touche LLP as the company's first auditors and a resolution to reappoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board



Company Secretary

28 April 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 group and the company 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;
- state whether applicable accounting standards have been followed; 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for establishing and maintaining the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANTLER
HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)**

We have audited the financial statements of Antler Holdings Limited (formerly known as Inhoco 3060 Limited) for the period from incorporation on 10 March 2004 to 31 December 2004 which comprise the consolidated profit and loss account, the statement of movements on reserves, the balance sheets, the consolidated cash flow statement, the statement of total recognised gains and losses, the reconciliation of movements in equity shareholders' funds and the related notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

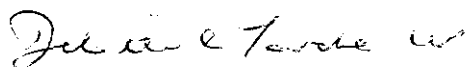
Basis of opinion

We conducted our audit in accordance with 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 circumstances of the company and the group, 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 31 December 2004 and of the loss of the group for the 42 week period then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester

29 April 2005

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Period ended 31 December 2004

	Note	42 weeks ended 31 December 2004
TURNOVER – Acquisitions	2	21,664
Cost of sales and overheads	4	(19,529)
		<hr/>
OPERATING PROFIT – ACQUISITIONS		2,135
Interest receivable and similar income	5	57
Interest payable and similar charges	6	(1,771)
		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	421
Tax on profit on ordinary activities	8	(573)
		<hr/>
RETAINED LOSS FOR THE FINANCIAL PERIOD		<u>(152)</u>

All results are derived from continuing operations.

The group has no recognised gains and losses other than the results for the period as disclosed above. Accordingly, a statement of total recognised gains and losses has not been included.

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

STATEMENT OF MOVEMENTS ON RESERVES
Period ended 31 December 2004

	Profit and loss account £'000
THE GROUP	
Balance at 10 March 2004	-
Loss retained for the period	(152)
	<hr/>
Balance at 31 December 2004	(152)
	<hr/> <hr/>
THE COMPANY	
Balance at 10 March 2004	-
Loss retained for the period	(487)
	<hr/>
Balance at 31 December 2004	(487)
	<hr/> <hr/>

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

CONSOLIDATED BALANCE SHEET
31 December 2004

	Note	£'000	2004 £'000
FIXED ASSETS			
Intangible assets – goodwill	10		33,021
Tangible assets	11		1,710
			<u>34,731</u>
CURRENT ASSETS			
Stocks	13	4,770	
Debtors: amounts falling due within one year	14	4,058	
Cash at bank and in hand		2,438	
			<u>11,266</u>
CREDITORS: amounts falling due within one year	15	<u>(7,601)</u>	
NET CURRENT ASSETS			<u>3,665</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			38,396
CREDITORS: amounts falling due after more than one year			
Bank loans	16		(35,584)
PROVISIONS	19		(1,894)
NET ASSETS			<u>918</u>
CAPITAL AND RESERVES			
Called up share capital	17		1
Share premium	18		1,069
Profit and loss account deficit			(152)
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u>918</u>

These financial statements were approved by the Board of Directors on.

Signed on behalf of the Board of Directors

Director

28 April 2005

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

COMPANY BALANCE SHEET
31 December 2004

	Note	£'000	2004 £'000
FIXED ASSETS			
Investments	12		<u>3,779</u>
CURRENT ASSETS			
Debtors	14	34,637	
Cash at bank and in hand		<u>790</u>	
		35,427	
CREDITORS: amounts falling due within one year	15	<u>(3,039)</u>	
NET CURRENT ASSETS			<u>32,388</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>36,167</u>
CREDITORS: amounts falling due after more than one year			
Bank loan		(23,333)	
Loan notes		<u>(12,251)</u>	
Total creditors falling due after more than one year	16		<u>(35,584)</u>
NET ASSETS			<u><u>583</u></u>
CAPITAL AND RESERVES			
Called up share capital	17		1
Share premium	18		1,069
Profit and loss account deficit			<u>(487)</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u><u>583</u></u>

These financial statements were approved by the Board of Directors on.

Signed on behalf of the Board of Directors

Director

28 April 2005

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

CONSOLIDATED CASH FLOW STATEMENT
Period ended 31 December 2004

	Note	Period from 10 March 2004 to 31 December 2004 £'000
Net cash inflow from operating activities	23	1,798
Returns on investments and servicing of finance		
Debt issue costs		919
Interest paid		1,020
		<hr/>
Net cash outflow from returns on investments and servicing of finance		(1,939)
Net cash outflow from taxation		(526)
Capital expenditure		
Payments to acquire tangible fixed assets		(692)
		<hr/>
Net cash outflow from capital expenditure		(692)
Acquisitions and disposals		
Purchase of subsidiary undertakings		(3,778)
Net cash acquired with subsidiary		3,798
		<hr/>
Net cash inflow from acquisitions and disposals		20
		<hr/>
Net cash outflow before financing		(1,339)
Financing		
New borrowings		38,581
Repayment of borrowings		(35,874)
Issue of ordinary shares		1,070
		<hr/>
Net cash inflow from financing		3,777
		<hr/>
Increase in cash	24	2,438
		<hr/> <hr/>

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS
Period ended 31 December 2004

	Group 2004 £'000	Company 2004 £'000
Loss for the financial period	(152)	(487)
Issue of 1 pence ordinary shares	1,070	1,070
Net addition to equity shareholders' funds	918	583
Opening equity shareholders' funds at 10 March 2004	-	-
Closing equity shareholders' funds at 31 December 2004	918	583

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2004

1. ACCOUNTING POLICIES

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

Turnover

Turnover represents amounts receivable for sales of goods and services, excluding value added tax. Revenue is recognised at the date of despatch.

Accounting convention

The financial statements are prepared under the historical cost convention.

Intangible assets

Goodwill is depreciated in equal annual amounts over a period of twenty years. Provision is made for any impairment.

Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold land and buildings	50 years
Plant and machinery	3-10 years

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of production overheads based on normal levels of activity

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leases

Rentals under operating leases are charged to the profit and loss account in equal amounts over the life of the lease even if payments are not made on such basis.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

1. ACCOUNTING POLICIES (continued)

Pension costs

The group operates a defined benefit pension scheme covering the majority of its employees. The scheme is funded at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee administered funds completely independent of the group's finances. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future payroll. Variations from regular cost are charged or credited to the profit and loss account as a constant percentage of payroll over the estimated average remaining working life of scheme members. Differences between amounts charged or credited to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet.

The group has adopted FRS 17 in these financial statements in respect of the disclosure requirements contained in the transitional arrangements (note 21). Accounting for pension costs in the primary statements follows SSAP24.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all of its subsidiaries. The acquisition method of consolidation is used, and subsidiaries are consolidated from the date on which control passes. Each subsidiary has an accounting reference date of 31 December.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if appropriate, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the year. Finance costs are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to foreign exchange risk. The group does not hold or issue derivative financial instruments for speculative purposes.

For a forward foreign exchange contract to be treated as a hedge, the instrument must be related to actual foreign currency assets or liabilities or to a probable commitment. It must involve the same currency or similar currencies as the hedged item and must also reduce the risk of foreign currency exchange movements on the group's operations. Gains and losses arising on these contracts are deferred and recognised in the profit and loss account only when the hedged transaction has itself been reflected in the group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax profits all derive from principal activities of the group. The turnover is split by geographical area as follows:

	42 weeks ended 31 December 2004 £'000
UK	21,348
Europe	245
Other	71
	<hr/> 21,664 <hr/>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	42 weeks ended 31 December 2004 £'000
Directors' emoluments	
Aggregate emoluments	223
Company contributions to a defined benefit pension scheme	40
	<hr/> 263 <hr/>

Retirement benefits are accruing to 3 directors under a defined benefit pension scheme.

	42 weeks ended 31 December 2004 £'000
Remuneration of highest paid director	
Aggregate emoluments	105
Contributions to a money purchase pension scheme	25
	<hr/> 130 <hr/>

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	42 weeks ended 31 December 2004 £'000
Average number of persons employed	
Production	36
Sales, distribution and administration	366
	<hr/> 402 <hr/>
	42 weeks ended 31 December 2004 £'000
Staff costs during the period (including directors)	
Wages and salaries	3,693
Social security costs	277
Other pension costs	181
	<hr/> 4,151 <hr/>

4. COST OF SALES AND OVERHEADS

	42 weeks ended 31 December 2004 £'000
Changes in stocks of finished goods and work in progress	(97)
Raw materials and consumables	(8,751)
Staff costs (see note 3)	(4,151)
Depreciation of tangible fixed assets	(291)
Other operating expenses	(5,234)
Amortisation of goodwill	(1,005)
	<hr/> (19,529) <hr/>

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	42 weeks ended 31 December 2004 £'000
Bank interest	57

6. INTEREST PAYABLE AND SIMILAR CHARGES

	42 weeks ended 31 December 2004 £'000
Bank loans	1,088
On all other loans	600
Amortisation of debt issue costs	83
	<u>1,771</u>

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	42 weeks ended 31 December 2004 £'000
Profit on ordinary activities before taxation is after (crediting)/charging:	
Profit on disposal of tangible fixed assets	-
Depreciation - owned assets	291
Amortisation of goodwill	1,005
Rentals under operating leases:	
Plant and machinery	89
Other operating leases	565
Auditors' remuneration - audit	18
- other services	3

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	42 weeks ended 31 December 2004 £'000
United Kingdom corporation tax at 30% based on the profit for the period	(651)
Adjustment in respect of prior years	-
	<hr/>
Total current tax	(651)
Deferred tax	78
	<hr/>
Total tax on profit on ordinary activities	(573)
	<hr/>

The current tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK, 30%. The differences are explained below:

	2004 £'000
Profit on ordinary activities before tax	421
	<hr/>
Tax on profit on ordinary activities at standard rate of corporation tax of 30%	(126)
Expenses not deductible for tax purposes	(14)
Capital allowances in excess of depreciation	2
Movement in short term timing differences	(80)
Goodwill amortisation	(302)
Amounts arising on acquisition of business	(131)
	<hr/>
	(651)
	<hr/>

9. PROFIT 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 financial statements. The parent company's loss after tax before dividends for the financial period amounted to £487,000.

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

10. INTANGIBLE FIXED ASSETS

Group	Goodwill arising on consolidation £'000
Cost	
At 10 March 2004	-
Additions	34,026
At 31 December 2004	<u>34,026</u>
Amortisation	
At 10 March 2004	-
Charge for the period	1,005
At 31 December 2004	<u>1,005</u>
Net book value	
At 31 December 2004	<u><u>33,021</u></u>

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
Group assets acquired 8 June 2004	675	4,516	5,191
Additions	-	683	683
At 31 December 2004	<u>675</u>	<u>5,199</u>	<u>5,874</u>
Accumulated depreciation			
Group assets acquired 8 June 2004	66	3,807	3,873
Charge for the period	8	283	291
At 31 December 2004	<u>74</u>	<u>4,090</u>	<u>4,164</u>
Net book value			
At 31 December 2004	<u><u>601</u></u>	<u><u>1,109</u></u>	<u><u>1,710</u></u>

12. INVESTMENTS HELD AS FIXED ASSETS

Company	Shares in subsidiaries £'000
At 10 March 2004	-
Additions	3,779
At 31 December 2004	<u><u>3,779</u></u>

ANTLER HOLDINGS LIMITED
(formerly known as Inhoco 3060 Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

12. INVESTMENTS HELD AS FIXED ASSETS (continued)

This investment represents the entire issued share capital of Antler Group Limited, Antler Group Limited is an intermediate holding company which owns the entire share capital of Antler Limited. Both are incorporated in England and Wales. Antler Group Limited is a holding company and Antler Limited is a luggage distributor.

13. STOCKS

	Group 2004 £'000
Raw materials and consumables	31
Work in progress	46
Finished goods and goods for resale	4,693
	<u>4,770</u>

14. DEBTORS

	Group 2004 £'000	Company 2004 £'000
Trade debtors	3,380	-
Other debtors	40	-
Prepayments and accrued income	638	225
Amounts owed by subsidiary undertakings	-	34,412
	<u>4,058</u>	<u>34,637</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2004 £'000	Company 2004 £'000
Bank loans	1,361	1,361
Trade Creditors	3,174	-
Taxation and social security	560	-
Other creditors	453	-
Accruals and deferred income	1,938	1,678
Corporation tax	115	-
	<u>7,601</u>	<u>3,039</u>

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

16. BANK LOANS AND LOAN NOTES

	Group 2004 £'000	Company 2004 £'000
Unsecured loan stock (2012 – 2013)	12,581	12,581
Term loan	25,200	25,200
	<u>37,781</u>	<u>37,781</u>
Less deferred issue costs	(836)	(836)
	<u>36,945</u>	<u>36,945</u>

A repayment of £800,000 was made on the term loan. This is included within loan repayments in the cash flow statement.

Bank loans and overdrafts within creditors due within 1 year are shown net of deferred issue costs of £139,000.

The term loan is secured by a legal charge over the freehold land and buildings and a floating charge over the assets of the group.

The unsecured loan stock is repayable in two parts with £6,290,600 due on 31 October 2012 and, £6,290,600 due on 30 April 2013.

The term loan is repayable between 2004 to 2012.

Borrowings in respect of finance loans are repayable as follows:

	Group 2004 £'000	Company 2004 £'000
Unsecured loan stock (2012 – 2013)		
Between two and five years	-	-
After five years	12,581	12,581
	<u>12,581</u>	<u>12,581</u>
Less issue costs	(330)	(330)
	<u>12,251</u>	<u>12,251</u>
Term loan		
Within one year	1,500	1,500
Between one and two years	2,250	2,250
Between two and five years	7,500	7,500
After five years	13,950	13,950
	<u>25,200</u>	<u>25,200</u>
Less issue costs	(506)	(506)
	<u>24,694</u>	<u>24,694</u>
<i>Amounts due in less than one year</i>	<u>1,361</u>	<u>1,361</u>
<i>Amounts due after more than one year</i>	<u>35,584</u>	<u>35,584</u>

Interest on the unsecured loan stock is payable at a fixed rate of 8.5%.

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

16. BANK LOANS AND LOAN NOTES (continued)

Interest on the term loan is payable at LIBOR +2.25% on "Tranche A" and at LIBOR +3% on "Tranche B". At 31 December 2004 the "Tranche A" element of the loan was £16,200,000 and the "Tranche B" element £9,000,000.

17. CALLED UP SHARE CAPITAL

	2004 £'000
Authorised	
20,000 'A' ordinary shares of 1 pence each	1
80,000 'B' ordinary shares of 1 pence each	-
	<u>1</u>
	<u>1</u>
	2004 £'000
Allotted, called up and fully paid	
16,300 'A' ordinary shares of 1 pence each	1
80,000 'B' ordinary shares of 1 pence each	-
	<u>1</u>
	<u>1</u>

During the period the company issued 16,300 "A" ordinary shares with a nominal value of £0.01 and 80,000 "B" ordinary shares with a nominal value of £0.01.

The shares rank pari passu except as noted below.

The holders of the "B" Ordinary Shares shall in any Default Period be entitled to exercise a poll ten times the number of votes conferred by all the shares of all other classes.

A Default Period is defined as period during which there is a breach financial covenant for a breach of shareholder agreement for a breach of the articles of association.

18. SHARE PREMIUM

	2004 £'000
At 10 March 2004	-
Share issues	1,069
	<u>1,069</u>
At 31 December 2004	<u>1,069</u>

19. PROVISION FOR LIABILITIES AND CHARGES

	2004 £'000
Deferred taxation	
Balance at 10 March 2004	-
Credit to profit and loss account	(78)
Amounts arising on acquisition of business	455
	<u>377</u>
Balance at 31 December	<u>377</u>

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

19. PROVISION FOR LIABILITIES AND CHARGES (continued)

Deferred tax is provided as follows:

	2004 £'000
Depreciation in excess of capital allowances	(40)
Other timing differences	417
<i>Provision for deferred tax</i>	<u>377</u>
Total provision for liabilities and charges	
Deferred tax	377
Pension liability (note 21)	1,517
	<u>1,894</u>

20. OPERATING LEASE COMMITMENTS

Group	Land and buildings 2004 £'000	Other 2004 £'000
Leases which expire:		
Within 1 year	27	12
Within two to five years inclusive	977	124
	<u>1,004</u>	<u>136</u>

21. PENSION COSTS

- (a) The group operates a funded pension scheme providing final salary and defined contribution benefits. The assets of the scheme are held in trustee administered funds. Previously the group operated three defined benefit schemes, which were merged on 1 April 2000. The final salary section of the scheme closed to new entrants on 1 April 2001 and new entrants from that date accrue benefits in the defined contribution section of the scheme.

The pension cost is assessed in accordance with the advice of qualified actuaries using the Attained Age Method. The latest actuarial assessment of the scheme for SSAP24 purposes was carried out at 31 March 2004. The assumptions that have the most significant impact on the results of the valuation relate to the rate of return on investments and the rates of increase in salaries and pensions. For the purposes of SSAP24, it was assumed that the investment returns would be 7.5% per annum before retirement, 5.75% per annum after retirement for future pensioners and 5.25% per annum for current pensioners. Salary increases were assumed to be 4.0% per annum and pensions accrued after 6 April 1997, were assumed to increase in payment at 3.0% per annum.

At 31 December 2003 the market value of the assets of the three schemes was £5,998,136 representing 107% of the benefits that had accrued to members after allowing for future increases in earnings.

On acquisition by Antler Holdings Limited of the group headed by Antler Group Limited the requirements of fair value accounting have been reflected in the consolidated accounts only so that SSAP 24 accounting has been ceased and replaced with FRS 17 accounting. In the individual companies SSAP 24 is still applied. The fair value provision for the pension scheme deficit is shown in note 19.

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2004

21. PENSIONS (continued)

- (b) The following information set out below is as required under Financial Reporting Standard 17 – Retirement Benefits. The figures stated have been calculated by qualified actuaries using the projected unit method:

Under the projected unit method, the current service cost will increase as the members of the scheme approach retirement.

Actuarial Assumptions	2004
Rate of increase in salaries	4.00%
Rate of increase in pensions in payment (excess over GMP)	0.0%
Discount rate	5.3%
Inflation assumptions	3.00%

Market value of assets and expected rates of return

	Expected rate of return 2004	Market value 2004 £'000
Equities	7.50%	5,096
Bonds	5.00%	1,907
Property	7.50%	771
Other	3.00%	55
		<u>7,829</u>

Reconciliation of pension scheme assets and liabilities

	2004 £'000
Market value of scheme's assets	7,829
Present value of scheme's liabilities	<u>(9,996)</u>
Gross pension liability	(2,167)
Less : deferred tax at 30%	<u>650</u>
Net pension liability	<u>(1,517)</u>

ANTLER HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

22. ACQUISITIONS AND DISPOSALS

On 8 June 2004 the company acquired the entire issued share capital of Antler Group Limited. The book and fair values of the assets acquired are outlined below:

	Book value £'000	Adjustment £'000	Fair value £'000
Goodwill	25,700	(25,700)	-
Tangible fixed assets	1,318	-	1,318
Stocks	4,443	-	4,443
Debtors	5,295	(1,721)	3,574
Cash	3,798	-	3,798
Creditors	(41,408)	-	(41,408)
Provisions	(455)	(1,517)	(1,972)
Net liabilities acquired	(1,309)	(28,938)	(30,247)
Goodwill arising			34,026
			<u>3,779</u>

Satisfied by:

	£'000
Cash	2,274
Acquisition costs paid	1,505
Total consideration for acquisitions in the year	<u>3,779</u>

Pre acquisition profit details are as follows:

	£'000
Consolidated profit after tax for Antler Group Limited's financial year prior to acquisition, ended 31 December 2003	<u>639</u>

The consolidated profit and loss account of Antler Group Limited from 1 January 2004 to the date of acquisition on 8 June 2004 is as follows:

	£'000
Turnover	12,350
Operating loss	(1,757)
Loss before taxation	(2,795)
Taxation	66
Profit after taxation	<u>(2,729)</u>

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NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2004

23. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004 £'000
Operating profit	2,135
Depreciation charges	291
Amortisation of goodwill	1,005
Increase in stock	(327)
Increase in debtors	(165)
Decrease in creditors	(1,141)
Net cash inflow from operating activities	<u>1,798</u>

24. RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET DEBT

	2004 £'000	2004 £'000
Increase in cash in the period	2,438	
Cash inflow from increase in debt financing	(38,581)	
Repayment of term loan	800	
Repayment of loans acquired	<u>35,074</u>	
Changes in net debt resulting from cash flows		(269)
Debt issue costs		919
Amortisation of debt issue costs		(83)
Loans acquired		<u>(35,074)</u>
Net debt at 31 December 2004		<u>34,507</u>

25. ANALYSIS OF CHANGES IN NET DEBT

	Cash flows £'000	Net debt acquired £'000	Non cash flows £'000	At 31 December 2004 £'000
Cash at bank and in hand	<u>2,438</u>	-	-	<u>2,438</u>
Debt due within one year				
Term loan	(1,500)	-	139	(1,361)
Term loan acquired	11,568	(11,568)	-	-
Unsecured loan stock acquired (2007 – 2000)	23,506	(23,506)	-	-
Debt due after one year				
Term loan	(23,700)	-	367	(23,333)
Unsecured loan stock (2012 – 2013)	<u>(12,581)</u>	-	330	<u>(12,251)</u>
	<u>(2,707)</u>	<u>(35,074)</u>	<u>836</u>	<u>(36,945)</u>
	<u>(269)</u>	<u>(35,074)</u>	<u>836</u>	<u>(34,507)</u>

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2004

26. RELATED PARTY TRANSACTIONS

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Antler Holdings Limited group of companies.

27. CONTROLLING PARTIES

The directors of Antler Holdings Limited regard Barclays Equity Finance as the ultimate controlling party of the group.